



SCRUTINY BOARD (INCLUSIVE GROWTH, CULTURE AND SPORT)

Meeting to be held in Civic Hall, Leeds, LS1 1UR on
Wednesday, 17th January, 2018 at 10.30 am

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

MEMBERSHIP

Councillors

R Grahame	Burmantofts and Richmond Hill;
M Harland	Kippax and Methley;
G Hyde	Killingbeck and Seacroft;
J Illingworth	Kirkstall;
A Lamb (Chair)	Wetherby;
S Lay	Otley and Yeadon;
K Maqsood	Gipton and Harehills;
M Robinson	Harewood;
R. Stephenson	Harewood;
K Wakefield	Kippax and Methley;
N Walshaw	Headingley;

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

Principal Scrutiny Adviser:
Angela Brogden
Tel: (0113) 37 88661

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A G E N D A

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

3

LATE ITEMS

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

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

4

DECLARATION OF DISCLOSABLE PECUNIARY INTERESTS

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

5

APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTES

To receive any apologies for absence and notification of substitutes.

6

MINUTES - 13 DECEMBER 2017

1 - 4

To approve as a correct record the minutes of the meeting held on 13th December 2017.

7

QUARTER 2, 2017/18 BEST COUNCIL PLAN PERFORMANCE REPORT

5 - 24

To receive a report from the Director of City Development; Director of Children and Families; and Chief Executive presenting the Best Council Plan Quarter 2, 2017/18 performance information relevant to the Board's remit.

8

FINANCIAL HEALTH MONITORING

25 -
52

To receive a report from the Head of Governance and Scrutiny Support presenting the latest Financial Health Monitoring information for the Board's consideration.

9		<p>INITIAL BUDGET PROPOSALS FOR 2018/19</p> <p>To receive a report from the Head of Governance and Scrutiny Support presenting the initial budget proposals for 2018/19.</p>	53 - 110
10		<p>BEST COUNCIL PLAN REFRESH FOR 2018/19 - 2020/21 - INITIAL PROPOSALS</p> <p>To consider a report from the Head of Governance and Scrutiny Support introducing the initial proposals around the Best Council Plan Refresh for 2018/19 – 2020/21, presented to and considered by Executive Board at its meeting on 13 December 2017.</p>	111 - 126
11		<p>SCRUTINY INQUIRY INTO INFORMATION, ADVICE AND GUIDANCE (IAG) PROVISION IN LEEDS - DRAFT TERMS OF REFERENCE</p> <p>To receive a report from the Head of Governance and Scrutiny Support presenting draft terms of reference for the Board’s forthcoming inquiry into Information, Advice and Guidance provision in Leeds.</p>	127 - 128
12		<p>WORK SCHEDULE</p> <p>To consider the Scrutiny Board’s work schedule for the 2017/18 municipal year.</p>	129 - 152
13		<p>DATE AND TIME OF NEXT MEETING</p> <p>Wednesday, 14th February 2018 at 10.30 am (pre-meeting for all Board Members at 10.00 am)</p>	

THIRD PARTY RECORDING

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.

Use of Recordings by Third Parties – code of practice

- 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.

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SCRUTINY BOARD (INCLUSIVE GROWTH, CULTURE AND SPORT)

WEDNESDAY, 13TH DECEMBER, 2017

PRESENT: Councillor A Lamb in the Chair

Councillors R Grahame, M Harland,
G Hyde, J Illingworth, S Lay, K Maqsood,
M Robinson, R. Stephenson, K Wakefield
and N Walshaw

40 Chair's Opening Remarks

The Board was advised that Guy Close was leaving Leeds City Council in the New Year to take up a more senior position at another local authority. The Board thanked Guy for all his hard work over the last 10 years and wished him all the best in his new role.

41 Late Items

There were no late items.

42 Declaration of Disclosable Pecuniary Interests

There were no disclosable pecuniary interests declared to the meeting.

43 Apologies for Absence and Notification of Substitutes

There were no apologies for absence.

44 Minutes - 15 November 2017

RESOLVED – That the minutes of the meeting held on 15 November 2017 be approved as a correct record.

45 Leeds 2023 European Capital of Culture Bid - Update

The Head of Governance and Scrutiny Support submitted a report which introduced the Chief Executive and Leader of the Council to provide a verbal update on the Leeds 2023 European Capital of Culture Bid, particularly in light of recent developments surrounding the eligibility of the UK to host European Capital of Culture 2023.

The following were in attendance:

- Councillor Judith Blake, Leader of the Council
- Tom Riordan, Chief Executive of Leeds City Council
- Cluny Macpherson, Chief Officer (Culture and Sport).

The key areas of discussion were:

- Confirmation that the decision had been taken by the European Commission and was strongly linked to Brexit negotiations. The focus was now about building on the energy and enthusiasm of the cultural community.
- Clarification regarding the amount spent on the bid. The Board was advised that to date the Council had spent £155,000 with approximately 4 times that amount spent by private and education sectors.
- Confirmation that a risk management strategy had been established. It was advised that the biggest risk identified was not winning, particularly since 4 other UK cities had submitted bids.
- An update on the support received from cultural partners. The Board was advised that there had already been discussions with sponsors about pursuing elements of the bid.
- Reference was made to the positive work undertaken by Opera North across primary schools and its impact on attainment. However, it was felt that more could be done to capture evidence in terms of the wider positive impacts of such cultural activities.
- The Chair reminded the Board that a more detailed discussion surrounding the city's Cultural Strategy 2017-2030 Delivery Plan was already scheduled into the Board's work programme. As part of this, it was suggested that an invitation be extended to other external partners to also share their views on how best to move forward with the development and delivery of this Strategy.
- Clarification was sought regarding future bids for European funding and the potential implications of Brexit. Linked to this, the Board acknowledged the Council's existing cross-party Brexit working group and its role in picking up such issues too.

RESOLVED –

- (a) That the Board notes the update provided in relation to the Leeds 2023 European Capital of Culture Bid.
- (b) That an invitation be extended to other external partners as part of the Board's consideration of the Culture Strategy 2017-2030 Delivery Plan.
- (c) That the intention of the Scrutiny Board is to produce a final Statement setting out its views in relation to the situation with the 2023 European Capital of Culture Bid and moving forward with the delivery of the city's Culture Strategy for 2017-2030.

46 Supporting the development of a systems approach to physical activity in Leeds.

The Head of Governance and Scrutiny Support submitted a report in relation to the Board's continued work in supporting the development of a systems approach to physical activity in Leeds.

The following information was appended to the report:

Draft minutes to be approved at the meeting
to be held on Wednesday, 17th January, 2018

- Key impacts of an active lifestyle to physical and mental health and wellbeing.

The following were in attendance:

- Councillor James Lewis, Deputy Leader of the Council and Executive Member for Resources and Strategy
- Tom Riordan, Chief Executive of Leeds City Council
- Martin Farrington, Director of City Development
- Cluny Macpherson, Chief Officer (Culture and Sport)
- Mark Allman, Head of Sport and Active Lifestyles
- Anna Frearson, Chief Officer (Consultant in Public Health).

The Head of Sport and Active Lifestyles provided a PowerPoint presentation briefly reminding the Board of the key benefits of developing a whole systems approach to physical activity as well as the main challenges and key 'asks' in terms of support needs to help achieve this vision, which were summarised as follows:

- To make being physically active a Best Council Plan priority or obsession
- Support development of a new integrated city strategy for Physical Activity
- Commit to enabling a physically active LCC workforce
- Local elected members to help lead a social movement in their communities

The key areas of discussion were:

- The development of a city wide "Move More Leeds" type campaign in recognition that physical activity is wider than just sport.
- The need to recruit a Chair and Board members of a new strategic body with oversight of the new strategy and campaign, which could potentially supersede the Sport Leeds Board as currently constituted.
- A suggestion that relevant officers be invited to attend Community Committee meetings to promote the health benefits of physical activity.
- The challenges utilising privately owned facilities for community use.
- The role of ward members in building on approaches to physical activity in their communities and particularly in identifying assets and capabilities for physical activity within communities.
- Development of a LCC physical activity policy including, for example, design of future office space, targeted support programmes for staff, developing a culture where being active is the norm in the LCC workplace, advocacy role with other employers in the city.
- A recognised need to consider how physical activity can be embedded into the built environment; through informed and continued planning policy and supplementary guidance and with any recommendations and best practice reported to and considered by Planning Board.

- Improving connectivity across the city and particularly between smaller villages to enable and encourage more active travel and lifestyles.
- Particular issues were raised in relation to non-registration of public rights of way and the role and resource capacity of the existing public rights of way team to be able to address this issue quickly.
- A recognised need for all young people to build a habit of being physically active and for this to be recognised as a key priority within the new children's and young people plan.

RESOLVED –

- (a) That the issues raised as part of the Board's work into supporting the development of a systems approach to physical activity in Leeds, be noted.
- (b) That the Board receives a further update later in the municipal year, with particular reference to the development of a new strategic body that could potentially supersede the Sport Leeds Board as currently constituted.

(Councillor M Robinson left the meeting at 11.15am during the consideration of this item.)

47 Work Schedule

The Head of Governance and Scrutiny Support submitted a report which invited Members to consider the Board's work schedule for the 2017/18 municipal year.

The key updates provided were:

- The Board agreed for the update on the Culture Strategy Delivery Plan to be considered at the February Board meeting (previously scheduled for the January Board meeting)
- The Board agreed in principle to undertake a review of Information, Advice and Guidance (IAG) services in Leeds to commence early in the New Year. The Principal Scrutiny Adviser was authorised to draft terms of reference for this review to bring back to the Board's next meeting for approval.

RESOLVED – That subject to the above comments and any on-going discussions and scheduling decisions, the Board's outline work schedule be approved.

48 Date and Time of Next Meeting

Wednesday, 17 January 2018 at 10.30am (pre-meeting for all Board Members at 10.00am)

The meeting concluded at 12.05pm

Draft minutes to be approved at the meeting
to be held on Wednesday, 17th January, 2018



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88644

**Report of Director of City Development; Director of Children and Families; and
Chief Executive**

Report to Scrutiny Board (Inclusive Growth, Culture and Sport)

Date: 17th January 2018

Subject: Quarter 2, 2017/18 Best Council Plan Performance Report

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input 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 a summary of Quarter 2, 2017/18 performance against the strategic ambitions, outcomes and priorities for the council relevant to the Inclusive Growth, Culture and Sport Scrutiny Board within the annual 2017/18 part of the Best Council Plan 2015-20.

Recommendations

Members are recommended to note the Best Council Plan Quarter 2, 2017/18 performance information and to consider if they wish to undertake further scrutiny work to support improvement work in any of these areas.

1 Purpose of this report

- 1.1 This report presents a summary of the performance data for Quarter 2, 2017/18 in relation to progress against the delivery of the council's 2017/18 ambitions, outcomes and priorities within the Best Council Plan (BCP) 2015-20.

2 Background information

- 2.1 This report has one appendix:
- Appendix 1: Best Council Plan Performance Summary Quarter 2, 2017/18.

3 Main issues

3.1 Quarter 2, 2017/18 Best Council Plan Performance

- 3.1.1 The attached Best Council Plan (BCP) Performance Summary for Quarter 2, 2017/18 (Appendix 1) shows progress against the 2017/18 ambitions, outcomes and priorities relevant to the Inclusive Growth, Culture and Sport Scrutiny Board within the BCP 2015-20.
- 3.1.2 The Key Performance Indicators within the Best Council Plan are reported on Appendix 1, the BCP Performance Summary Q2 2017/18, together with a red/amber/green (RAG) rating to reflect progress against the 2017/18 annual targets.
- 3.1.3 A number of the Key Performance Indicators within the Best Council 2017/18 are reported annually, as shown on the Performance Summary, but for some an interim result can be reported at quarter 2. If this has not been possible, within-service proxy information/indicators have been used to provide an indicative update on performance as well as a red/amber/green (RAG) rating, where available.
- 3.1.4 The Board's attention is drawn to the Key Performance Indicators on Appendix 1 relating to:

3.2 More people supported to improve their skills

- 3.2.1 This indicator reports the number of Leeds' residents who have improved their skills through either accredited courses or non-accredited courses including work experience through the Council's commissioned employment and skills programmes. Provision is largely through the Adult Learning Programme which is quality assured by Ofsted and is provided by the Council and public and third sector training providers.
- 3.2.2 The Adult Learning Programme actively targets learners who are; low skilled; have no or low level qualifications; are living in poverty; unemployed, workless or vulnerable to social exclusion; and individuals facing specific and often multiple barriers and disadvantage, e.g. adults with learning difficulties and/or disabilities; mental ill health; misusing substances and people who are vulnerably housed etc. Courses are shaped by learners' needs which are identified through work with learners, and effective networking and partnership arrangements across the city.

- 3.2.3 The result is based on the individual learning records of participants and reflects the number of individuals on courses, not the number of courses attended. Programmes are planned, delivered and funded within academic years but are reported here in financial years to reflect the Council's performance framework.
- 3.2.4 The Employment and Skills Service is a member of a national benchmarking club however as need, funding and provision is based on local requirements, a like for like comparison is not practical. The service is required by the Education and Skills Funding Agency (ESFA) to produce an annual Self-Assessment Report and a Quality Improvement Plan and is subject to ESFA Audit and Ofsted inspection. The Council's Adult Learning provision was last inspected by Ofsted in February 2017 and was awarded 'Good' across all performance areas.
- 3.2.5 The number of people supported is dependent upon the contracted provision which is influenced by both national priorities and changes in funding streams. As a result of these variables, the 2017/18 target is lower than in 2016/17.
- 3.2.6 The quarter 2 figure is 5,909 people i.e. 85% of the annual target has been achieved, although this is provisional as contractors' returns are yet to be audited. Given that 85% of the annual target has been met, the service is on track to meet the 2017/18 target.
- 3.2.7 In 2016/17, the service supported 791 people to gain accredited qualifications, a 44% overachievement of the Service's target of 550; and 6,746 people to improve their skills through non-accredited courses and work experience, and thus achieved 92% of the Service's target of 7,300. Overall achievement rates are consistently high with retention at 94.4%, pass rate at 99.4% and achievement at 93.9% and high levels of learner satisfaction at 98.1%. A sample survey of learner's destinations was undertaken for those who completed courses in 2015/16 which identified that 42.8% had entered further or higher learning, employment or voluntary destinations.
- 3.3 More Leeds' residents aged between 16 - 64 with at least a Level 4 qualification
- 3.3.1 This indicator reports the percentage of Leeds' residents with at least a Level 4 qualification which is a Certificate of Higher Education; Higher Apprenticeship; Higher National Certificate; Level 4 Award; Level 4 Certificate; Level 4 Diploma; or Level 4 NVQ.
- 3.3.2 The indicator uses the Office for National Statistics Annual Population Survey which can be found on the Nomis website.
- 3.3.3 The target is to show an improving direction of travel compared to the previous year's result which for Leeds was 33.6% or 170,000 residents.
- 3.3.4 Data was reweighted by the latest Office for National Statistics (ONS) estimates in July and as a consequence, 2016/17 results for local areas and core cities are now as follows:

Core City	2016 Result
Bristol	48.5%
Newcastle	39.1%
Manchester	39.0%
Sheffield	38.2%
Liverpool	35.0%
Leeds	33.6%
Birmingham	32.3%
Nottingham	29.5%
Bradford	24.5%

3.3.5 This result of 33.6% was updated on the Nomis website in April 2017 for the period Jan 2016 – Dec 2016, replacing the original 2016/17 result of 33.8%. There is no proxy available for this indicator and the next update for the period Jan 2017 – Dec 2017 is due to be added to the Nomis website in April 2018 and should therefore be available for reporting at a future Scrutiny Board meeting.

3.3.6 ‘New Skills for the New Economy’, the Draft Leeds Talent and Skills Plan was presented to the Inclusive Growth, Culture & Sport (IGC&S) Scrutiny Board in November. It highlighted that the forecasts for job growth in the city indicate that the largest number will be in knowledge based, higher skilled jobs. The plan sets out the key challenges and a framework for action by employers, learning institutions and training providers to ensure that as a city we can collectively improve the supply of skills to both enable our residents to compete in the labour market and progress in work.

3.4 Average Progress 8 score (Key Stage 4)

3.4.1 The provisional Progress 8 for Leeds is +0.06, indicating significant progress between 2016 and 2017. As Progress 8 is a relative measure, the overall national score remains the same between years. Performance in Leeds is better than for core cities, statistical neighbours and nationally, and means that Leeds is ranked 40 out of 151 local authorities, placing Leeds in the second quartile nationally against this measure. Whilst the overall Progress 8 score is stronger in 2017, in common with other key stages, outcomes for the disadvantaged group at Key Stage 4 are much lower than for the non-disadvantaged cohort in Leeds.

3.4.2 Greater detail of attainment at all key stages is provided to Children and Families Scrutiny Board as part of its remit. This will include the annual standards report, which will be published in the New Year, once all final key stage results are available.

3.5 Percentage of students achieving a strong pass in English and Maths (Key Stage 4)

3.5.1 This year’s student cohort was the first to take the harder GCSEs in English, English Literature and Mathematics. These GCSEs have been reformed in structure, content and assessment format, as well as being graded using numbers rather than letters. ‘9’ is the new top grade and ‘1’ is the lowest grade. The new subjects are being introduced gradually, with new waves of reformed GCSEs introduced in September 2016 (for assessment in 2018) and September 2017 (for assessment in 2019).

- 3.5.2 The reformed GCSEs in English, English Literature and Mathematics are completely different qualifications to previous GCSEs in these subjects. The new GCSE content is more challenging; new GCSEs are linear (that is, they are assessed at the end of a two-year period of study rather than assessed as smaller modules); there is far more assessment by exam and consequently less coursework; and the new grades do not map directly onto previous A*-G grades. Therefore, 2017 results are not comparable with 2016 results.
- 3.5.3 In Leeds, the percentage of pupils achieving a strong pass in English and Mathematics (grades 9-5) is 38.7%, compared to 42.4% nationally, representing a gap of 3.7 percentage points. Leeds' performance is above core cities but below statistical neighbours. This places Leeds in the third quartile nationally with a rank of equal 102nd out of 151 local authorities. The outcomes for the disadvantaged cohort in Leeds against this headline attainment measure are much lower than those of the non-disadvantaged cohort.
- 3.6 Fewer young people not in education, employment or training (NEET) / not known
- 3.6.1 National data are released annually by the Dept. for Education, covering a three-month average at the end of the calendar year. Leeds' result for 2016 was 870 young people, representing 6.0% of the cohort (this breaks down to 2.9 per cent NEET and 3.1 per cent not known). This is in line with national performance, and significantly below the core city average of 7.9%. Figures for August (the conclusion of the 2016/17 academic year) show NEET at 5.2 per cent (793 young people) made up of 3.4 per cent NEET and 1.8 per cent not known.
- 3.6.2 Whilst the headline indicator provides context on a relatively small, closely defined cohort, it should be noted that 'NEET' can be used in a wider sense as a proxy for young people seeking long-term, sustainable employment and training opportunities. This is affected by: the opportunities available to young people at 14; the range of academic, technical, and vocational pathways that contribute to local labour market needs; and business engagement in schools and colleges through high-quality careers education, information, advice and guidance.
- 3.7 Increased footfall as a result of major cultural events
- 3.7.1 The ambition for Leeds to become the European Capital of Culture in 2023 has been embraced by the Culture Sector. As the momentum for this grows, our major performing cultural organisations are increasing their activity and consequently making a significant contribution to the profile of the City and generating huge visitor numbers.
- 3.7.2 In quarter 2, the West Yorkshire Playhouse; The Grand Theatre; City Varieties; Hyde Park Cinema; the Town Hall; Opera North; Northern Ballet; Museums and Galleries; and First Direct Arena have sold tickets and/or attracted visits totalling 581,990. This is during the seasonal dark period where organisations tend to wind down production and engage in routine maintenance. This figure is likely to rise significantly in quarters 3 and 4.
- 3.7.3 Data has been requested from all venues for the period 2016/17 in order to provide a baseline year against which to measure change in visits and ticket sales over time. It is expected that this information will be available later in 2017/18, which

will then enable a direction of travel to be developed to demonstrate progress in the coming years.

- 3.7.4 On 17th July, Executive Board noted the incorporation of Leeds Culture Trust and agreed the budget proposals for delivering European Capital of Culture. Leeds 2023 Volunteers drummed up public support for #Lets Make Leeds 2023 at summer festivals and galas and pledges of support quickly passed the 2,023 target and currently stand at 3,763 (November 2017). The film 'I am One Spark' made by Studio 12 to promote awareness of the bid was publicly released in September to popular acclaim.
- 3.7.5 Leeds marked the official submission of its 2023 European Capital of Culture bid by throwing a day long party on 27th October. Around 4,000 people attended The Big Send Off, which took place in the Quarry Hill area of the city, complete with live music and performances, and some of the city's finest food and drink offerings. The event ran from noon until 8pm, and included live music and other acts on a number of outdoor stages, pop-up street performances and fun-filled activities for people of all ages as the area's cultural venues including the West Yorkshire Playhouse; Northern Ballet; Phoenix Dance; and Leeds College of Music threw open their doors. The free event also included an array of food and drinks on offer curated by Leeds Indie Food Festival, as well as dishes from local bars and restaurants.
- 3.7.6 On 23rd November the European Commission (EC) wrote to the Department for Digital, Culture, Media & Sport (DCMS) saying that the competition should be stopped. At the time of writing DCMS is negotiating with the EC regarding this letter. In the meantime the interviews for bidding have been postponed.
- 3.7.7 The European Day of Languages was marked on 26th September by an event in Leeds Library about Culture and Language.
- 3.7.8 The 50th Anniversary of The Leeds' Carnival was successfully managed through strong partnership working across the Council and with the event organisers and West Yorkshire Police. Similarly, the first event of the HSBC City Ride (which replaced Skyride in 2017) was well attended and thousands took part in the first year of the new sponsorship arrangements; the official estimate of the number of participants in 2017 is 8,000 cyclists.
- 3.7.9 Summer 2017 saw a repeat of the pop-up parks hosted on Cookridge Street and also in front of the Town Hall. In addition, managed closure to traffic of both Greek Street and a part of Merrion Street has enabled greater pedestrian access to the bars and restaurants in these areas.
- 3.7.10 Leeds Triathlon 2017 was successfully delivered within budgetary parameters. Leeds has also been confirmed by the International Triathlon Union as host city for the World Triathlon Series (WTS) 2018. The positive feedback from this year's amateur participants suggests there will be a high-level of returners for the 2018 event. A 2017 event evaluation exercise has been undertaken with key learning being applied to the 2018 event. The first event planning meetings for 2018 (Stakeholder Board/Local Organising Committee) took place in September. Decisions for the host UK city for the 2019 and 2020 WTS events are yet to be determined but a report will be prepared for Executive Board, indicating the city's desire to continue to host the event.

- 3.7.11 Leeds was announced as a host city for the 2019 World Road Race Championships and there are a number of other high profile sporting events that the city has been approached about for subsequent years. They offer both opportunities, and challenges in terms of human and financial resources which are currently being evaluated.
- 3.7.12 Abbey House Museum and Kirkstall Abbey; Leeds City Museum; and Temple Newsam House were each presented with a Sandford Award on 21st November. The awards celebrate the best in heritage education, and is an independently judged, quality assured assessment of education programmes at heritage sites, museums, archives and collections across the British Isles.
- 3.7.13 After a period of closure to undergo essential repairs to the original roof of the historic Victorian building, Leeds Art Gallery reopened on 13th October to great acclaim, the gallery now also includes an additional exhibition space which shows off the newly revealed glass ceiling which was rediscovered during the recent repair works.
- 3.7.14 Lonely Planet has named Leeds as one of Europe's top destinations for international travellers this summer. The city received the accolade in Lonely Planet's Best in Europe 2017 list, which highlights the most exciting European destinations. The MOBO awards returned to Leeds on 29th November and once again took place at the Leeds Arena.
- 3.7.15 The Cultural Strategy was agreed at the July Executive Board and now moves into the development of a delivery plan.

3.8 Growth in jobs in the Leeds Economy

- 3.8.1 The Growth in Jobs in the Leeds Economy indicator reports the number of people in employment using the Business Register and Employment Survey (BRES), which is the official source of employee and employment estimates, and is conducted by the Office of National Statistics (ONS). The survey collects employment information from businesses across the whole of the UK economy for each site that they operate. This allows the ONS to produce employee and employment estimates by detailed geography and industry split by full-time/part-time workers and public or private sectors.
- 3.8.2 The indicator reports the number of people in employment in Leeds, i.e. employees and working proprietors within the private sector in Leeds. The latest available result, released in October 2017, is the provisional result for 2016, the final confirmed result will be available in October 2018. Incidentally, the result reported for 2016/17 i.e. for the period 2015, of 363,000 has also now been confirmed.
- 3.8.3 The annual 2017/18 BRES result (i.e. for the period 2016) is 366,400 employees and working proprietors in the private sector in Leeds. In 2016, there was an increase of 3,400 employees and working proprietors compared with 363,000 in 2015 i.e. a 0.94% increase.
- 3.8.4 Leeds' employment is made up of 252,100 full time employees, 106,200 part time employees and 8,100 working proprietors. The growth of 3,400 comprises a

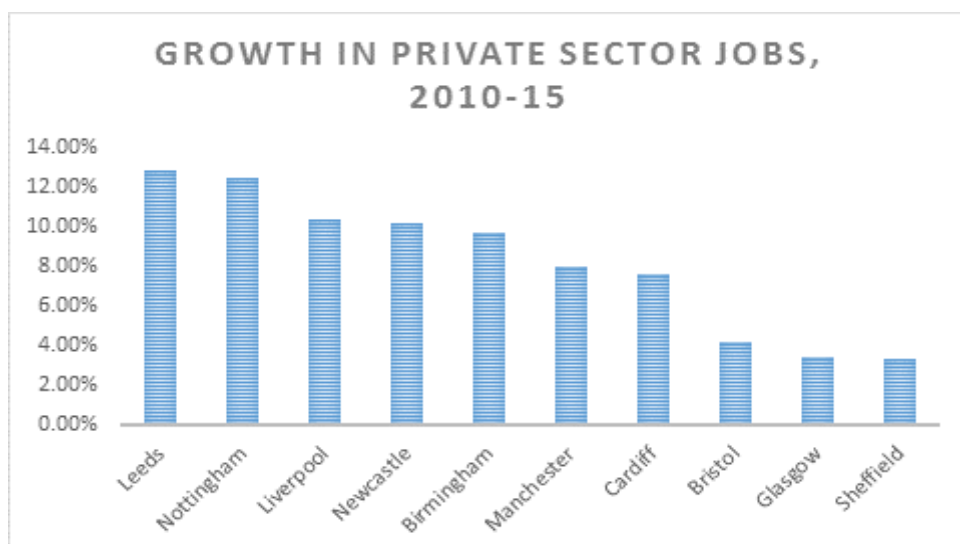
decrease of 2,000 in full time employees, an increase of 5,200 in part time employees and an increase of 200 working proprietors.

3.8.5 In 2016, there was a small decrease in full time employees in Leeds of 2,000 people, relative to 2015, although full time employees still amounted to 69% of all private sector employment in Leeds. However, numbers of part time employees increased by 5% or 5,200 relative to 2015. As a proportion of all employment, part time employees constituted 29%, a 1% increase compared with the 2015 figure of 28%.

	Private Sector in Leeds				
	Full Time Employees	Part Time Employees	Total Employees	Working Proprietors	Total Employment
2015	254,100	101,000	355,100	7,900	363,000
2016	252,100	106,200	358,300	8,100	366,400
Change	-2,000	+5,200	+3,200	+200	+3,400
% Change	-0.8%	+5.1%	+0.90%	+2.5%	+0.94%

3.8.6 Although there is a small net overall increase in private sector employment, the situation varies by industry. The biggest decrease was in finance and business services, where 9,100 jobs were lost in 2016, while sectors such as information and communication (4,200 increase), environmental technologies (5,200 increase) and digital (2,300 increase) all showed strong growth. In manufacturing companies, 3,300 jobs were lost in 2016, 11% of employment in the sector. If these changes continue into future years, they would represent a continued hollowing out of the labour market in Leeds, with growth in knowledge economy jobs and a reduction in roles for skilled operatives in traditional industries, and expansion of digitisation in financial services reducing the need for more basic administration roles. These trends are addressed in the Council’s Draft Inclusive Growth Strategy.

3.8.7 Over the period 2010-15, Leeds saw particularly strong growth in private sector employment. Overall growth in this period was 12.89%, higher than any other core city for the period. A total of 37,800 new private sector jobs were created in Leeds over these six years, with particularly strong growth in financial and business services, and in the creative and digital sector, while employment remained level in sectors such as manufacturing, retail and health. The graph

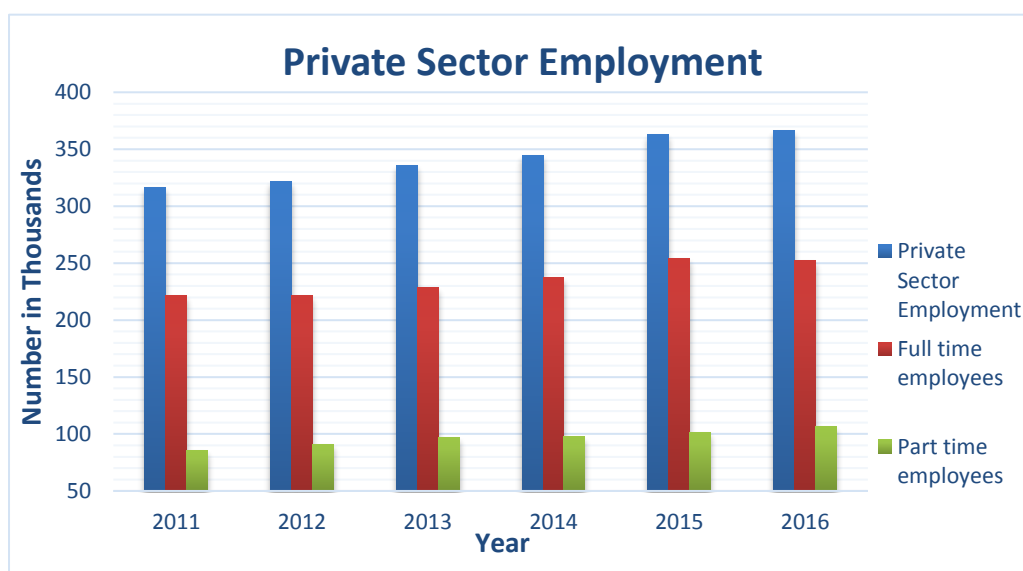


below highlights the strong jobs growth in Leeds between 2010 and 2015, compared with other core and major cities.

3.8.8 According to the provisional BRES 2016 figures, other than Newcastle, all the core and major cities reported increases in their private sector employment between 2015 and 2016. Although Leeds reported a 0.94% increase in private sector employment, it was the smallest increase of all the cities, with the largest increases reported in: Manchester - a 9% increase; Liverpool - a 5.1% increase; and Edinburgh - a 3.6% increase.

City	2015 BRES	2016 BRES	% Change
Birmingham	388.8k	400.7k	3.06%
Leeds	363.0k	366.4k	0.94%
Glasgow	315.6k	326.4k	3.42%
Manchester	289.1k	315.1k	8.99%
Edinburgh	249.6k	258.5k	3.57%
Bristol	213.7k	217.2k	1.64%
Sheffield	202.4k	207.6k	2.57%
Nottingham	178.9k	183.0k	2.29%
Liverpool	177.1k	186.2k	5.14%
Cardiff	161.3k	164.4k	1.92%
Newcastle	136.1k	135.8k	-0.22%

3.8.9 The BRES data demonstrates that overall private sector employment in Leeds has continued to increase year on year since 2011, as shown in the graph below:



- 3.8.10 Outside of London, only 12 centres had more than 150,000 private sector employees in 2016. Leeds, with 366,400 employees, was the second largest after Birmingham (400,700) with the other key centres being Glasgow (326,400), Manchester (315,100) and Edinburgh (258,500). Leeds continues to have the highest proportion of employees (and working proprietors) in the private sector of all the core cities. The main areas of growth were the financial and professional services.
- 3.8.11 Leeds has key strengths in financial and business services, advanced manufacturing, health and creative and digital industries, with a strong knowledge-rich business base that makes it the only major city in the North of England categorised as a “large, high-knowledge export base” city in a recent Centre for Cities report. Outside of London, in terms of number of employees Leeds ranked first for: low carbon; digital; export intensive; creative; environmental technologies; print & publishing; construction; info & communication; finance & business services; and business admin & support.
- 3.8.12 The latest results for the Annual Survey of Hours and Earnings became available in November 2017, and show that employees in Leeds saw an increase in average wage levels relative to the previous year, from £508.90 to £518.70 per week, an increase of 1.9%. Average weekly pay for full time employees rose by 1.6% in 2017 from £612.00 to £619.60; and for part time employees by 5.5%, from £213.90 to £225.50 per week. Of note is that in 2017, women’s weekly wages rose by 6.0%, although men’s wages decreased by 0.3%, relative to 2016.
- 3.8.13 Low pay continues to be an issue for large numbers of both residents and workers in Leeds. It is estimated that in 2017, 19.8% of all working residents in Leeds earned less than the Real Living Wage of £8.45 per hour, affecting 64,819 full-time equivalent (FTE) residents. This constitutes 11.6% of full time working residents (28,231) and 43.8% of part time working residents (36,820) earning below the Real Living Wage in Leeds. When comparing all people working in Leeds (not just residents), 18.5% or 71,693 FTE workers earned below the Real Living Wage, i.e. 10.7% (31,418) of full time workers and 42.3% (39,308) of part-time workers.
- 3.8.14 Estimates suggest that 9.8% or 32,241 FTE working residents in Leeds earned less than the government’s National Living Wage of £7.50 per hour in 2017. When this figure is broken down, 9.1% of full time working residents (22,155) and 16.8% of part time working residents (5,727) earned below the National Living Wage in Leeds. For those working in Leeds, 9.7% (37,695 FTEs) earned below the real living wage, affecting 9% (26,344) of full time workers and 10% (9,300) of part-time workers.

3.9 Increased productivity

- 3.9.1 Productivity is reported using data provided by the Office of National Statistics. However, the last available data was for the period 2015, and it will next be reported in March 2018, when the 2016 result is released.
- 3.9.2 Therefore, the levels of domestic sales and orders; export sales and orders; and business confidence have been considered as reported by the quarter 3 (July-September) 2017 Chamber of Commerce Quarterly Economic Survey for the Leeds City Region. The point changes referred to below reflect the net balance

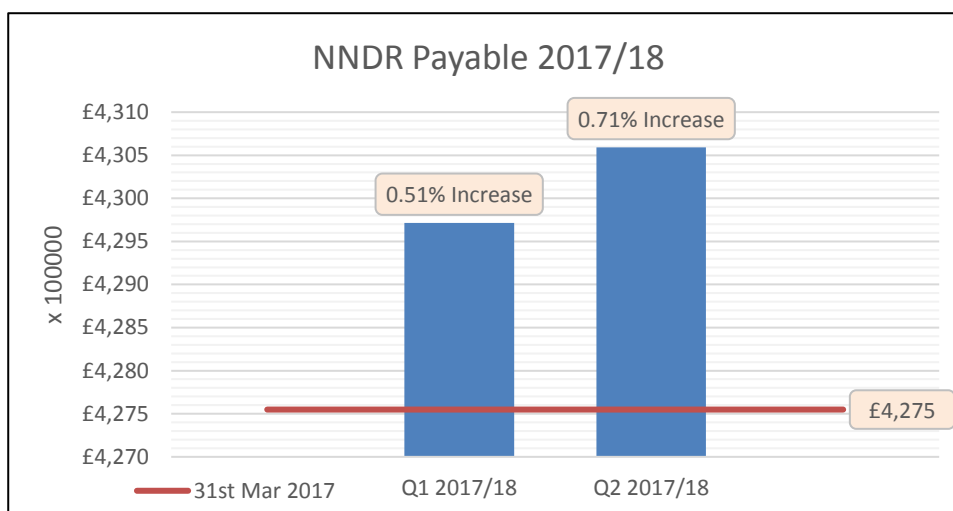
determined by subtracting the percentage of companies reporting decreases from the percentage of companies reporting increases.

- 3.9.3 In terms of domestic sales and orders, service sector sales were down 5 points from the previous quarter, however the annual average has continued to grow year on year. Similarly forward orders, which had hit a low point following the 2016 EU referendum, grew for the fourth consecutive quarter.
- 3.9.4 Manufacturers reported that domestic sales and orders recovered significantly in the last quarter with the majority of companies reporting growth in domestic sales. Manufacturing in the region is largely made up of companies forming part of national and international supply chains, and so domestic growth may mirror growth in international markets as companies deliver products destined for overseas markets. Improved domestic sales performance has continued within Leeds, with four quarters of growth following the EU referendum.
- 3.9.5 The manufacturing sector continues to report growth in export sales and orders, with a points score now higher than the post-recession peak in quarter 2, 2014 and the service sector back to its highest point since quarter 1, 2015.
- 3.9.6 The attractiveness of UK products and services may be benefitting from currency fluctuations, but considering that there has been a rise in companies exporting beyond Europe, this suggests that manufacturers are seeking out new markets in greater numbers.
- 3.9.7 The manufacturing sector reported increases of 15 and 10 points for turnover and profitability, back to levels last reported in 2015. Manufacturing companies registered an increase in profitability expectations and the number of companies expecting to increase turnover also continued to rise. However, cost pressures from increased raw material prices and concerns around exchange rate fluctuations remained high.
- 3.9.8 Service sector business confidence continued to grow during quarter 3 with expectations of increasing turnover and profits up 5 points and 10 points respectively. The service sector reported increases in both turnover and profit expectations, and although these were still not yet at the post-recession peaks of 2013/14, they were still very encouraging.
- 3.9.9 More companies reported expectations to increase prices in the quarter. Profits may continue to be squeezed as the number of companies planning price increases has fallen following the post-EU referendum peak. It may be that companies are using (non-staff related) cost-cutting measures and targeted investment to increase productivity and profitability.
- 3.10 Growth in business rates
- 3.10.1 Business rates i.e. National Non-Domestic Rates (NNDR) underwent a revaluation in 2017 which means that the amount of NNDR payable in 2017/18 will form a baseline for future years' reporting. Also, the methodology of the indicator has been changed from previous years, with the removal of the detrimental impact of appeals and reliefs. These were included in the previous NNDR indicator, which therefore became less indicative of growth in the local economy. It is intended to report NNDR gross of appeals, discounts and reliefs, and transitional relief from

2017/18. This is more reflective of the change in the absolute rateable value in Leeds and a better indication of economic growth in the city than the financial-based indicator previously reported, distorted by losses on appeals and various rate reliefs.

3.10.2 To provide an indication of NNDR at quarter 2, the difference in gross NNDR payable between the 31st March and the 30th Sept 2017 is reported, as stated with the impact of any decided appeals, discounts and reliefs removed.

3.10.3 As at the 31st March 2017, the gross NNDR payable (billed) was £427,548,831, although that position had improved by 30th September 2017 to £430,592,753, i.e. growth of 0.71% or £3.04m. The graph below demonstrates the cumulative increases in quarters 1 and 2 relative to the position on the 31st March 2017:



3.10.4 The increase of £3.04m is the cumulative net impact of business premises occupation and new developments during quarters 1 and 2. In quarter 2, changes to the list included new developments such as: 1 Victoria Gate; Unit 1 at Green Park in Seacroft; Lidl Supermarket at Amberton Road; and the Dakota Deluxe Hotel at Russell St, however there were no significant individual deletions during the period.

3.10.5 The £3.04m or 0.71% growth is purely a reflection of gains and losses to the rating list, it does not take account of reductions in rateable value of existing assessments or rate relief.

3.10.6 According to recent market data compiled by the Leeds Office Agents' Forum, office take-up in the city centre between July and September reached 557,990 sq ft, a 345% increase compared with the same period last year. Out-of-town activity also increased by 81% over the same period, reaching 119,554 sq ft.

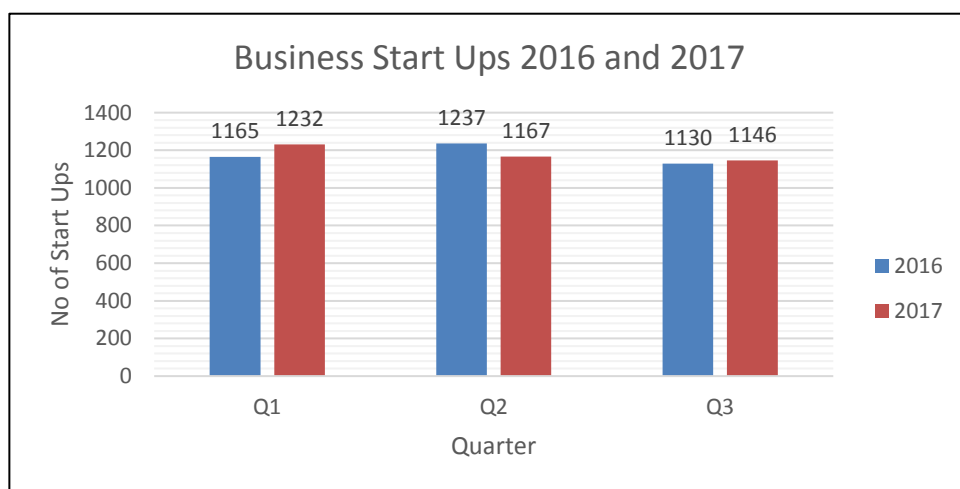
3.10.7 A number of developments are expected to enter the rating list during quarter 3, including: office developments on Wellington Place; extension of the White Rose Shopping Centre; and retail development on Armley Road and, therefore, it is anticipated that the current growth rate will be maintained or will slightly increase in the next quarter.

3.11 Increased number of business start-ups

3.11.1 The indicator reports Business Start-Ups using information from BankSearch which uses figures from Companies House and High Street business bank account opening data. The data is reported in calendar year quarters.

3.11.2 Please note that the target for 2017/18 has been changed from an increase against 4,751 start-ups, the 2016/17 financial year figure, to 4,684 start-ups, the 2016 calendar year figure. This is because there is a time lag of about 6 weeks in receiving the data, and so calendar year quarters are reported in 2017/18 to ensure timely reporting.

3.11.3 During the period January to Sept 2017, cumulatively there were 3,545 business start-ups, a slight increase against the equivalent period in 2016 of 3,532 start-ups, i.e. an increase of 0.4%. The graph below shows how the quarterly number of start-ups during 2017 compared with those in 2016.



3.11.4 Growth in the number of start-ups across England has fallen to -4.0% relative to the same period in 2016. So far this year, Yorkshire and The Humber (-0.4%), the East Midlands (-1.7%) and the South West (-1.9%) have seen the strongest growth compared to the corresponding period in 2016. The West Midlands (-4.1%), the North West (-5.9%) and London (-6.3%) have had the weakest growth.

3.11.5 Business start-ups in Leeds have continued to grow, despite the falling rates relative to 2016 in both Yorkshire & Humberside and England. Leeds accounted for 14.9% of all start-ups across the Yorkshire & Humber area, and Leeds ranks at 94th out of 326 English districts. In Leeds, 60.6% of new start-ups were in the areas of real estate; professional services & support activities; and the wholesale & retail trade.

3.11.6 Leeds has recently been named as one of the top three UK locations for co-working space, with Duke Studios featuring in the top 20 spaces worldwide. Co-working spaces allow start up and early stage businesses to reduce overheads by sharing the cost of office space. They offer flexibility, encourage collaboration and a 'hot house' environment ideal for entrepreneurs and young businesses. Edinburgh topped the list, followed closely by Leeds and Bristol, based on availability, cost per workstation and business insurance premiums.

3.12 More adults are active

- 3.12.1 The Active Lives Survey (ALS) is carried out by IPSOS-MORI on behalf of Sport England and has now replaced the previous Active People Survey (APS). Results from the new survey will be used to provide the data for this indicator. The initial ALS was run alongside the last APS covering the period November 2015 to November 2016 in order to provide a baseline figure against which to compare the first full year of the new survey.
- 3.12.2 The survey produces in depth information about participants activity and lifestyle and summarises with three top level performance indicators showing: percentage of the population who are inactive (less than 30 minutes per week); percentage of population who are fairly active (30 – 149 minutes per week); and percentage of the population who are active (150 and above minutes per week). The BCP performance indicator reported here uses the percentage of people who are inactive in order to ascertain whether ‘inactive’ people are becoming ‘active’, and a reduction in those adults who fall into the ‘inactive’ category is sought.
- 3.12.3 The baseline figure for November 2015 – November 2016 for Leeds was 24.3% of the adult aged 16+ population who were inactive, and this amounted to 152,600 people. The first full year results for November 2016 – November 2017 will be available in 2018, however, Sport England publish an interim result after six months which became available in October 2017. The period covered by this interim survey result is May 2016 – May 2017 overlapping the baseline period by six months and this pattern of full result and interim result will continue.
- 3.12.4 Interim survey results for Leeds and the other core cities can be seen in the table below, ranked by the latest May result. 24.5% of the Leeds’ population is inactive which amounts to 155,200 people. Despite a small increase of 0.2% in the proportion of population who are inactive, Leeds has the smallest increase by far compared to the core cities, all of which have significantly larger increases in the inactive proportion of their populations during this period, ranging from an increase of 1.9% to 4.0%. The proportion of Leeds’ inactive population has fallen to below the national average. The interim results do however need to be viewed with caution as the six monthly overlap means that different tranches of six months of data are included in both full year data sets. The next full year report is available in March 2018, when a reliable comparator figure will be available.

Region	Percentage of Adults who are Inactive		
	Nov 2016	May 2017	Increase
England	22.0%	25.6%	3.6%
Bristol	16.6%	19.3%	2.7%
Newcastle	20.7%	22.9%	2.2%
Leeds	24.3%	24.5%	0.2%
Sheffield	23.2%	25.1%	1.9%
Manchester	24.4%	27.3%	2.9%
Nottingham	24.8%	27.5%	2.7%
Liverpool	24.7%	27.8%	3.1%
Birmingham	25.9%	29.9%	4.0%

3.12.5 There is no specific target figure for this indicator, however the desired outcome is a reduction in the proportion of adults who are 'inactive' compared to the baseline year.

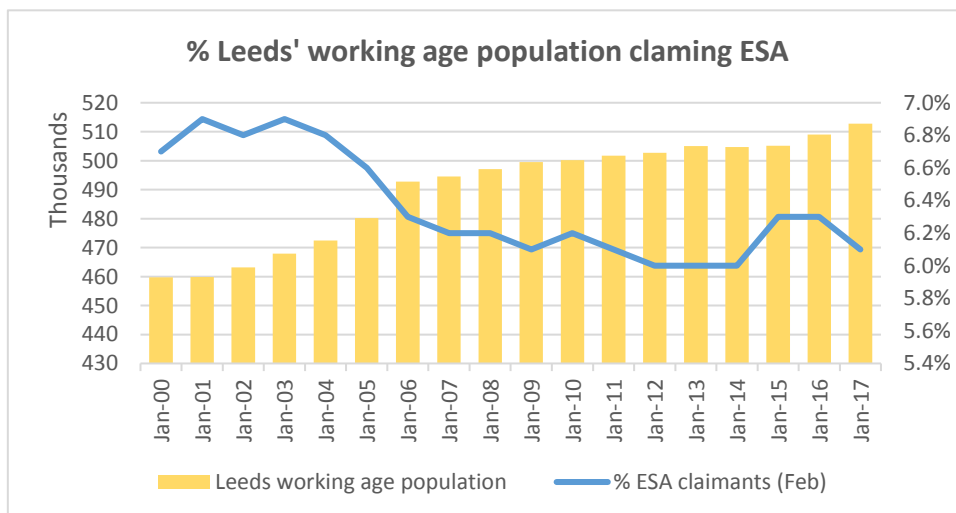
3.12.6 A report was presented to the IGC&S Scrutiny Board in October providing an overview of the introduction of a 'Systems approach to physical activity in Leeds'. It is recommended that a systems approach to physical activity is developed and academic rigor is applied to its practice. A systems approach involves working across all areas that are effective in tackling inactivity including policy, physical environment, local interventions, social marketing and community assets at an individual, environmental and societal level. The approach will require cross-service and cross-agency collaboration and will be driven by the needs of the most deprived communities in Leeds. It seeks to influence the behaviour of the most inactive and to evoke a cultural change in which being physically active becomes the norm.

3.12.7 The work associated with the Vision for Leisure Centres is progressing, and a public consultation is currently underway to invite thoughts and comments on the intention to replace Fearnville Leisure Centre with a Wellbeing Centre, along the lines of Holt Park Active Centre which combines services from Adult Social Care, youth and sports services and the local community. The proposed new centre will be built alongside a new secondary school and may include a mix of facilities including a main pool, a learner pool, gym and a number of 'multi-purpose spaces' which can be used for sport, exercise classes, meetings and activities.

3.13 Claimant rate for Employment and Support Allowance

3.13.1 This indicator reports the claimant rate for Employment and Support Allowance (ESA), the main out-of-work benefit for disabled people and those with a health barrier, and is taken from the Nomis website.

3.13.2 In February 2017, there were 31,390 ESA (including Incapacity Benefit) claimants representing 6.1% of the working age (16-64 years) population in Leeds, which is 512,800 people (ONS estimate 2016). This shows a 0.2% decrease in claimant numbers when compared to those reported at quarter 1 of 32,100 (November 2016 data). The target is to show an improving direction of travel on an indicator which has remained largely static for the past 20 years. The graph below shows the February claimant figure and the population change for Leeds and demonstrates that although there has been a rise in population, there has been a



fall in the percentage of population making claims, in fact the number of ESA claimants has changed little over the period standing at 30,750 in the year 2000.

- 3.13.3 The rate of 6.1% compares well with the other Core Cities as follows:- Liverpool 10.4%, Manchester 7.9%, Nottingham 7.7%, Birmingham 7.1%, Newcastle Upon Tyne 6.6%, Bristol 6.3%, Sheffield 6.3% and Leeds 6.1%. Leeds has the third highest number of claimants behind Birmingham and Liverpool but the lowest rate of claimants as a proportion of the working age population.
- 3.13.4 Almost 5,000 of the city's ESA Claimants are included in the 'Work Related Activity Group', comprising those with a time bound, mild to moderate condition that are likely to be able to return to work or training in the short term. 21,000 claimants are in the Support Group, comprising those with a longer term and/or more complex conditions requiring more support to move closer to the labour market. 5,000 are in the Assessment Phase, awaiting assignment to one of the above categories.
- 3.13.5 Long-term conditions are associated with social class and type of occupation, with people in the poorest communities having a 60% higher prevalence of long-term conditions than those in the richest. Mental ill-health is both a cause and consequence of unemployment and is the single largest cause of disability in the UK and is inextricably linked with deprivation. In Leeds, 53% of ESA claimants present solely with mental ill-health or in combination with a physical condition compared to only 11% of claimants that have musculoskeletal conditions. 43% of ESA claimants are under 45 years of age and 65% have a claim of more than 2 years duration.
- 3.13.6 At its November meeting, Executive Board received a report setting out the joint work of the Employment and Skills Service and the Adults and Health directorate to refocus and realign resources to better support this claimant group. This includes:-
- The Employability Support Pilot with Leeds Mind to deliver specialist support in Jobshops in Community Hubs
 - Joint working with Reed in Partnership and Remploy offering tailored support to the Council's Jobshop customers prioritising disabled people and those with a long term health condition
 - Delivery of the ESIF funded Skills, Training and Employment Pathways (STEP) Programme focused on disabled people and those with health conditions including sensory impairments; mental health or learning disability
 - Provision of 40 Adult Learning courses supporting residents with poor mental health
 - A revised approach to delivering Social Value by generating employment opportunities through planning and procurement activity to prioritise groups of individuals furthest from the labour market including disabled people and those with a health barrier, and
 - Supported Internships delivered by Children and Families directorate to enable young people with special educational needs and disability (SEND) to achieve paid employment through learning in the workplace
- 3.13.7 The report to Executive Board also set out the need to deliver further interventions, including a new place based delivery model with our health partners to improve health and work outcomes for those wishing to access or return to work, and set

new standards for healthy workplaces to retain a healthy and productive workforce.

3.14 Devolution

- 3.14.1 Leeds City Council continues to play a full and active part in the work of the city region and progress towards further devolution. A Full Council report on devolution and city region matters is received for each Full Council session and used as a basis for elected members to consider issues of importance for Leeds. Whilst there isn't currently an agreed timetable with central government for further devolution to Leeds, a meeting with the Secretary of State is being sought with a coalition of Yorkshire authorities, including Leeds, to progress the proposal for a One Yorkshire devolution deal. At the recent Autumn Budget a number of other city regions have negotiated secondary deals to their mayoral deals agreed in 2016, namely Greater Manchester and West Midlands.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 This is an information report and as such does not need to be consulted on with the public. It is noted that performance information such as the BCP key performance indicator results are available to the public.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 This is an information, rather than a decision-making, report so demonstrating due regard is not necessary.

4.3 Council Policies and best council plan

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

4.4 Resources and value for money

- 4.4.1 There are no specific resource implications from this report.

4.5 Legal Implications, Access to Information and Call In

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

4.6 Risk Management

- 4.6.1 There is a comprehensive risk management process in the Council to monitor and manage key risks. This links closely with performance management.

5 Conclusions

- 5.1 This report provides a summary of performance against the objectives for the council related to the Inclusive Growth, Culture and Sport Scrutiny Board.

6 Recommendations







- 6.1 Members are recommended to note the Best Council Plan Quarter 2, 2017/18 performance information and to consider if they wish to undertake further scrutiny work to support improvement work in any of these areas.

7 Background documents¹

- 7.1 Best Council Plan 2015 – 20

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.

APPENDIX 1
Best Council Plan Performance Summary Quarter 2, 2017/18

No.	Ambition	Priorities	Outcomes - We want everyone in Leeds to:	Key Performance Indicators (KPI) Best Council Plan = BCP * = cumulative	2017/18 Target	Proxy Indicator	Quarter 2 2017/18 Result		
1	Leeds... A Strong Economy and a Compassionate City	GOOD GROWTH Growing the economy, creating jobs, improving skills, promoting a vibrant city	Do well at all levels of learning and have the skills they need for life	Quarterly BCP KPI: More people supported to improve their skills*	>=6,850 people (2017/18 contracted provision)		5,909* people 		
2				Annual BCP KPI: More Leeds' residents aged between 16-64 with at least a Level 4 qualification	>33.8%. 33.6% residents (2016 result amended)		Expected 2018		
3				Annual KPI: Average Progress 8 score (Key Stage 4)	n/a		+0.06 (2016/17 academic year)		
4				Annual BCP KPI: Percentage of students achieving a strong pass in English and in Maths (Key Stage 4)	n/a		38.7% (2016/17 academic year)		
5				Annual BCP KPI: Fewer young people not in education, employment or training (NEET) / not known	n/a		870 or 6.0% (end of 2016 - latest annual, nationally comparable data)		
6				Enjoy greater access to green spaces, leisure and the arts	Quarterly BCP KPI: Increased footfall as a result of major cultural events*	Increase against 2016/17 baseline (Historical data is still being obtained from venues)		581,990 tickets/visitors (Jul-Sept 2017)	
7		Earn enough to support themselves and their families		Annual BCP KPI: Growth in jobs in the Leeds economy (Private sector employment only)	>363,000 jobs (2015 result)		366,400 jobs (Provisional 2016 result) 		
8				Annual BCP KPI: Increased productivity (Reported as Gross Value Added (Income Approach) in £)	>£21,260m (2015 result)		Expected March 2018		
9				Annual BCP KPI: Growth in business rates* (Baseline year due to 2017 revaluation)	Baseline year (Due to 2017 revaluation)	Change in NNDR Payable* (£)	£3.04m* growth 		
10				Quarterly BCP KPI: Increased number of business start-ups* (Reported in calendar year quarters)	>4,751 4,684 start-ups (Amended from 2016/17 result to 2016 result)		3,545* start-ups (Jan-Sept 2017) 		
11				HEALTH & WELLBEING Supporting healthy lifestyles, improving mental health and wellbeing, integrating health and social care	Enjoy happy, healthy, active lives	Annual BCP KPI: More adults are active (Reported as percentage of inactive people)	<24.3% (152,600) of inactive people (2016 result)		24.5% (155,200) of inactive people (mid-year result) 
12						Quarterly BCP KPI: Claimant rate for Employment and Support Allowance (Reported as a percentage of working age population)	<6.3% of the working age population (32,100) (Nov 2016)		6.1% of working age population (31,390) (Feb 2017) 

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Report author: Angela Brogden
Tel: (0113) 3788661

Report of Head of Governance and Scrutiny Support

Report to Scrutiny Board (Inclusive Growth, Culture and Sport)

Date: 17th January 2018

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. The purpose of this report is to provide Board Members with information with regard to the financial health of those service areas that fall within the remit of the Inclusive Growth, Culture and Sport Scrutiny Board.
2. Attached is the latest financial health monitoring report (month 7) that was considered by the Executive Board at its meeting on 13 December 2017.
3. Representatives from the relevant directorates have been invited to the meeting to discuss the attached report and address any issues raised by the Scrutiny Board. The Scrutiny Board will also be considering the initial 2018/19 budget proposals during today's meeting, which are presented elsewhere on the agenda.

Recommendations

4. That the Scrutiny Board considers the attached Executive Board report in relation to the financial health of those service areas that fall within the remit of the Inclusive Growth, Culture and Sport Scrutiny Board 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.

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Report of the Chief Officer Financial Services

Report to Executive Board

Date: 13th December 2017

Subject: Financial Health Monitoring 2017/18 – Month 7

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 7 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, and where there are variations, compensating savings have been identified.

5. At month 7, there is a no projected variation on the General Fund and the Housing Revenue Account is projected to break even.

Recommendation

6. (i) Note the projected financial position of the authority as at month 7.

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 7.
- 1.2. Budget Monitoring is a continuous process throughout the year, and this report reviews the position of the budget and highlights potential key risks and variations after the 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 was £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 7 no variation on the general fund budget is currently projected.

3.2. *Table 1*

Summary Position - Financial Year 2017/18 Period 7

Reporting Period October 2017

Directorate	Director	Projected (Under) / Over spend for the current period				Month 6 Position
		Staffing	Total Expenditure	Income	Total (under) /overspend	
		£000	£000	£000	£000	£000
Adult & Health	Cath Roff	(1,205)	6,902	(6,902)	0	0
Children and Families	Steve Walker	897	3,088	(3,088)	0	0
City Development	Martin Farrington	(1,271)	468	(468)	0	0
Resources & Housing	Neil Evans	(2,718)	(1,319)	1,319	0	0
Communities & Environment	James Rogers	1,516	1,924	(1,924)	0	0
Strategic	Doug Meeson	(230)	238	(238)	0	0
Total Current Month		(3,011)	11,301	(11,301)	0	0
Previous month (under)/over spend		(3,454)	5,338	(5,338)	0	0

3.3. The major variations within Directorates are outlined below with additional detail provided on the Directorate dashboards which are included as appendix 1 to this report;

3.4. Adults and Health

- 3.4.1. 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. It is currently assumed £0.6m of earmarked reserves are used to balance the budget.
- 3.4.2. Community care packages (demand led budgets) are projected to cost an additional £2m, mainly as a result of proposed care home and agreed home care fees.
- 3.4.3. Staffing costs are forecast to be £1.2m below budget, principally in commissioning services.
- 3.4.4. 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. Income from client contributions. The remainder of the £14.7m Spring budget monies is

being used to protect the care market, sustain care packages and reduce social care related pressures in the health service.

3.4.5. Other net income is projected to be £0.2m above budget.

3.5. Children and Families

3.5.1. Children and Families are projecting a balanced position at Period 7, although there are a number of variations within the directorate. Given the demand led pressures within services in the Directorate these budgets will continue to be closely monitored throughout the rest of the year.

3.5.2. There has been an increase in the demand for External Residential (ER) and IFA (Independent Fostering Agents) placements during September and October which means that the projected year end spend has been increased. Overall CLA numbers have also increased. Based on current numbers, a net variance of around £1.2m is projected.

3.5.3. There has also been an adverse movement in projected staffing costs. It is projected that the action plan to deliver savings from the review of vacant posts, agency and overtime will not achieve all of the targeted savings previously reported; this results in a further £0.5m pressure. The directorate will continue to review recruitment and agency spend to try and reduce this pressure.

3.5.4. In order to offset these increased pressures the Directorate is looking to utilise an additional £1.7m of the DfE Partners in Practice funding earlier than profiled and also maximise external income and has identified an additional £1m that will help to offset the CLA and staffing pressures..

3.6. 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, partly offset by savings in the Early Years Block. Whilst a number of savings proposals have been actioned in the High Needs Block budget including transferring £2m of funding from the Schools Block it is currently forecast that there will be an overall overspend in 2017/18 of £0.86m. 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

3.7. City Development

3.7.1. The directorate are projecting a balanced budget position at the year-end; however, there are income pressures totalling £1.4m within Asset Management and Economic Development. This is largely offset by an additional £1.2m of Sport VAT income following the EU ruling on Sports admissions. The balance of £0.2m will be found from line by lines and reviews of other balances.

3.8. Communities and Environment

- 3.8.1. The Directorate continue to project a balanced position, although there are variations within services. The main variations are outlined below.
- 3.8.2. There is a projected shortfall in housing benefit overpayment income of £0.5m, against a budget of £8.4m, following a projected reduction in the number and average value of housing benefit overpayments.
- 3.8.3. Within Customer Access an overspend of £0.7m, mainly in respect of staffing, is forecast due to the delivery of the Community Hub programme and additional security arrangements at sites.
- 3.8.4. Within Waste Management, the Refuse service is projecting an overspend of £0.8m due to slippage on the Refuse collection route efficiency programme. Additional pressures of £0.1m, mainly relating to the deferral of implementing inert building waste charges are offset by business rates savings of £0.5m at the RERF. In addition, £0.6m savings in respect of disposal costs and additional recycling income are projected, together with a further £0.4m of one-off savings identified across the Waste Management service, contributing to an overall underspend of £0.6m.
- 3.8.5. 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. The financial projections currently assume charges will be implemented on 1st February 2018, although this is subject to further announcements and guidance from DEFRA.
- 3.8.6. The directorate will identify further actions of £0.2m to bring the budget back into balance.

3.9. Resources and Housing

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

3.10. Strategic and Central Accounts.

- 3.10.1. 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 September was 63.85% which is in line with the performance in 2016/17. Forecasts show the 2017/18 in-year collection target of 96.1% collecting some £320.7m of income will be achieved.

4.2. Business Rates

- 4.2.1. The business rates collection rate at the end of Sept was 64.91% which is 0.5% ahead of the performance in 2016/17. The forecast is to achieve the 2017/18 in-year collection target of 97.7% collecting some £374.8m 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, had fallen to £914.77m at 30th September. At 30th October the list has recovered the growth experienced in the early part of the year and stands at £917.32m
- 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 £136.7m, which is lower than the budget requirement of £142.9m 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 £25.0m, made up of £23.0m 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 October 2017, these had reduced to 3,876 appeals outstanding. During October 299 appeals have been settled, 226 of which have not resulted in changes to rateable values. 28 new appeals were received in October, 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 October there are 3,605 outstanding appeals in Leeds, with 25.8% 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 7 the HRA is projecting a balanced position in 2017/18.

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 7.

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.

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ADULTS AND HEALTH

Financial Dashboard - 2017/18 Financial Year

Month 7 (October 2017)

The directorate continues to project a balanced position for the year, though it should be noted that due to demand based pressures it is assumed that £0.6m of reserves will be used to balance the position.

The position for Adults and Health has been adjusted to include the monies announced in the Spring Budget. It should be noted that though detailed plans for the associated spend have now been agreed, the monies are yet to be allocated and therefore for the purposes of this report they are provisionally shown against the budgets for the procurement of care (Access and Care Delivery and Commissioning).

Budget action plans for demand based services are broadly on target to deliver but slippage in some areas is being monitored.

The main variations at Period 7 across the key expenditure types are as follows:

Staffing (-£1.2m – 2.4%)

Savings are evident across most areas but principally within Strategic Commissioning.

Community care packages (+£8.7m – 4.6%)

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 £2.0m net pressure on demand led budgets. This is primarily related to the impact of the latest proposed care home fees, an increase in the use of supported accommodation and slippage on savings plans, partially offset by an underspend on Direct Payments.

Income (-£6.9m – 5.4%)

Service user contributions, related to Community Support services, are projected to be lower than budgeted. Though investigations continue to determine the cause of this and to identify potential remedies, it appears that growth in the number of new clients is considerably lower than envisaged, which may be as a result of the strengths based initiative and increased use of preventative solutions including reablement. The grant income from the Spring Budget is recorded here along with an assumption that there will be an offsetting reduction in the funding targeted from Health partners in 2017/18.

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	48	0	17	(2)	0	0	0	0	0	63	(17)	46
Access & Care Delivery	250,843	(43,787)	207,056	(80)	29	(166)	(10)	(207)	6,094	(849)	0	0	4,810	(123)	4,687
Commissioning Services	30,335	(36,728)	(6,394)	(972)	21	(14)	(8)	197	3,405	0	0	(551)	2,078	(6,686)	(4,607)
Resources and Strategy	5,227	(637)	4,590	(85)	1	(16)	9	(79)	100	0	0	0	(70)	(56)	(126)
Public Health (Grant Funded)	46,036	(46,009)	27	(116)	(1)	14	(4)	36	(62)	0	0	154	21	(21)	0
Appropriation Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	332,926	(127,382)	205,544	(1,205)	50	(165)	(15)	(53)	9,536	(849)	0	(397)	6,902	(6,902)	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	Blue	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	Amber	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	Green	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	Amber	0.5	0.2
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	Green	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	Amber	1.3	0.9
7.	Legal Fees	S Hume	Reduction in in-house legal fees	Green	0.3	0.0
8.	Vacancy management	Various	Mainly non-frontline services	Green	0.6	0.0
9.	Fees and charges	S Hume	Improved income collection and income recovery from direct payment audit	Amber	0.7	0.3
10.	Review non-essential spend	Various	Review and top-slicing of non-essential spend	Green	0.3	0.0
11.	Public health	I Cameron	Review of commissioned services	Blue	2.9	0.0
12.	Community Support	D Ramskill	In-house community support service closure	Blue	0.9	0.0
B. Other Significant Variations						
1.	Staffing	All	Ongoing vacancy management			(1.2)
2.	Community care packages	Various	Relates principally to unallocated Spring Budget monies, impact of proposed care fees, increased use of supported accommodation			7.6
3.	General running costs	All				(0.1)
4.	Use of reserves	All				(0.4)
5.	Income	S Hume	Primarily Spring Budget monies (offset by non-deliverable Health income target)			(7.2)
					Adults and Health Directorate - Forecast Variation	
					0.0	

CHILDREN & FAMILIES 2017/18 FINANCIAL YEAR FINANCIAL DASHBOARD - Period 7

Overall Summary - At period 7 the Directorate is projecting a balanced position. There has been an increase in the demand for External Residential (ER) and IFA (Independent Fostering Agents) placements during September and October which means that the projected year end spend has been increased. Overall CLA numbers have also increased. The projection for Period 5 and 6 included an anticipated reduction in CLA numbers based on the work in the Directorate to look to bring a number of children out of ER placements, however, despite this the number of ER placements has continued to increase. There has also been an adverse movement in projected pay costs (which is detailed below). In order to offset these increased pressures the Directorate is looking to utilise £1.7m of the DfE Partners in Practice funding earlier than profiled and also maximise external income and has identified an additional £1m that will help to offset the CLA and staffing pressures. There are some risks within this position and these are mentioned below.

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 now includes an increase to the CLA budget of £6.7m compared to 2016/17. Current level of Independent Fostering Agents (IFA) is 189 children whilst the level of External Residential (ER) is 60 children. There has been an increase in ER placements this month. There has also been an increase in the overall projected spend on adoption, Special Guardianship Orders (SGOs) and Residence Orders (RO). Section 17 spend (emergency payments for children in need) is also now shown under the demand led budget section. The period 7 projection assumes that the current level of CLA numbers is maintained to the end of the year (previous months projections assumed a reduction in CLA numbers). There is a risk that CLA numbers continue to rise.

Staffing - It is now projected that staffing will be overspent by £0.9m. This includes an additional £0.3m from capitalised pension costs as a result of prior year early retirements. It is projected that the action plan to deliver savings from the review of vacant posts, agency and overtime will not achieve the targeted savings previously reported; this results in a further £0.5m pressure. The directorate will continue to review recruitment and agency spend to try and reduce this pressure.

Transport - Period 7 is projecting to be overspent by £0.15m 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 - Period 7 projects a shortfall against the £1.2m additional trading target of £0.2m. This is mainly around the Activity Centres and it is recognised that the non- charged work they do means that they will not be able to achieve the budgeted breakeven point without stopping doing this important area of work. This shortfall is offset by an anticipated additional £0.7m of income resulting from the Kirklees Partner Improvement work. There is a pressure of £0.2m against the £1.1m commissioned service savings target.

Other Income - The new Innovations & Partners in Practice 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 £1.95m additional in-year usage. The use of this grant in 17/18 will not impact on the future delivery of the programme. There is additional School Improvement Monitoring & Brokering Grant of £0.5m. A shortfall in income in children's centres of £0.95m is forecast reflecting non-achievement of the planned increase of fee paying nursery places. Also a shortfall of external income of £0.13m at Adel Beck is projected. At period 7 sources of external income have been identified to offset the growing CLA pressure. This includes additional draw down of Kirklees Improvement Partnership income of £0.7m; UASC grant income £0.3 m (Unaccompanied Asylum Seeking Children grant) ; and schools contribution to out of area External Residential placements of £0.3m.

Dedicated Schools Grant - There is a separate Dashboard for DSG.

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	(446)	0	0	0	(446)	0			(446)
Internal Residential	3,605	0	3,605	106	49	0	0	0	0	0	0	0	155	0			155
Kinship Care	2,363	0	2,363	0	0	0	0	0	206	0	0	0	206	0			206
Family Placement & Place for Adoption	1,628	0	1,628	0	0	0	0	0	(70)	0	0	0	(70)	0			(70)
IFA	7,769	0	7,769	0	0	0	0	0	520	0	0	0	520	0			520
External Residential	11,016	0	11,016	0	0	0	0	0	283	0	0	0	283	0			283
Semi Independent Living <18 & Secure Justice/Welfare	2,575	0	2,575	0	0	0	0	0	(253)	0	0	0	(253)	0			(253)
Adoption, SGO and RO	6,568	0	6,568	2	0	4	0	0	755	0	0	0	761	(314)			447
Leaving Care	4,659	(1,469)	3,190	0	0	26	3	23	1,032	(334)	0	0	750	(374)			376
Section 17	444	0	444	0	0	0	0	0	326	0	0	0	326	0			326
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	150	0	0	0	0	0	150	0			150
Sub total Demand Led Budgets	72,688	(9,589)	63,099	108	49	30	153	23	2,353	(334)	0	0	2,382	(688)			1,694
Other Budgets																	
Partnerships	21,961	(9,459)	12,502	2	1	158	(2)	74	149	(25)	0	(200)	157	(232)			(76)
Learning, Skills & Universal Services	70,988	(68,444)	2,544	(39)	0	0	0	(100)	0	(250)	0	0	(389)	7			(382)
Safeguarding, Targeted & Specialist Services	99,648	(60,636)	39,012	1,013	4	130	178	(49)	100	0	0	(250)	1,126	(1,675)			(550)
Central Overheads	9,554	(7,735)	1,819	(187)	0	0	0	0	0	0	0	0	(187)	(500)			(687)
Sub total Other Budgets	202,151	(146,274)	55,877	789	5	287	176	(75)	249	(275)	0	(450)	706	(2,400)			(1,694)
Total	274,839	(155,863)	118,976	897	54	317	329	(52)	2,602	(609)	0	(450)	3,088	(3,088)			0

<u>Key Budget Action Plans and Budget Variations:</u>		Lead Officer	Additional Comments		Action Plan Value	Forecast Variation
A. Significant Variations				RAG	£m	£m
	Children Looked After	Steve Walker	Pressure on CLA demand led budgets (External Residential placements and Independent Fostering Agencies). The current number of IFAs is 189 and ER is 60. The pressure of £1.54m assumes the current level of CLA numbers continues to the end of the year. There is a risk that numbers continue to increase due to demographic pressures .	R		1.54
	Passenger Transport	Sue Rumbold	Currently an overspend of £0.15m is projected. There is a risk that this may be exceeded.	R		0.15
	Staffing related costs	CSLT	Capitalised pension costs relating to former employees early retirement costs	R		0.30
	Income - ESG	CSLT	Additional School Improvement Monitoring and Brokering 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.	G		(0.19)
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 £0.51m is currently projected against the saving target, primarily due to non-achievement of the Initial Budget Action Plan around Social Work staffing.	R	(0.93)	0.51
E2	Other staffing savings	CSLT	Net staff savings from ELI and through the management of vacant posts.	A	(0.98)	0.10
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. We are now reporting a pressure relating mainly to Activity Centres although this is offset by an additional traded income from the improvement work with Kirklees Council shown below.	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 £5.7m will be spent in 2017/18.	G	(2.50)	(1.95)
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 £0.95m against the overall income target is projected. Planned changes to the Catering Service have been delayd resulting in a pressure of £0.1m. These pressures are partially offset by Family Services staffing savings of £0.55m.	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	(2.86)	0.13
C. Contingency Plans						
	Utilisation of External Income		Utilisation of additional Kirklees Improvement Partner income £0.7m ; anticipated additional schools funding contribution to area External Residential placements £0.3m.	A		(1.00)
Children and Families Directorate - Forecast Variation						0.000

CHILDREN & FAMILIES 2017/18 FINANCIAL YEAR

DEDICATED SCHOOLS GRANT FINANCIAL DASHBOARD PERIOD 7

Overall Summary - The Dedicated Schools Grant (DSG) is made up of 3 separate blocks - the Schools Block, Early Years Block and High Needs Block. At period 7, general DSG is projected to overspend by £984k and de-delegated services are expected to underspend by £125k as detailed below.

Schools Block - This is the largest element of the DSG and mostly consists of delegated funding to local authority maintained schools. From this, there are a number of "de-delegated" services where schools have agreed for the local authority to retain funding back to cover some costs centrally which otherwise would need to be charged to schools (such as maternity costs, trade unions costs, libraries and museums services). In addition, there is a central provision which covers costs such as growth fund, prudential borrowing repayment, equal pay costs and the admissions service. Following a number of school conversions to academy status, there is a reduction in expenditure which is matched by reduced grant income. De-delegated services are projected to be underspent by £125k, largely due to reduced claims against the contingency fund. Due to slippage in planned places, there is expected to be an underspend of £100k on the Growth Fund and along with a number of minor underspends on other central provision budgets, an underspend of £136k is projected.

Early Years Block - This element is concerned with provision to pre-school children. The final grant amount received is largely based on the January 2018 census and so will not be confirmed until later in the year. The projections at the moment are as follows:

- for 2 year olds, The January census has usually been the lowest of the year and in order to not overspend this budget, the amount paid to providers is £5.05 an hour while the funding is £5.20 per hour to compensate for this. However, the actual pupil numbers in 2016/17 and the projected pupil numbers for 2017/18 suggest that this will not be the case this year. This means that it is now expected that there will be £268k more income than expenditure resulting in a saving in 2017/18.
- for 3 and 4 year olds, there is a lot of uncertainty due to the increase in provision for working families to 30 hours per week from 15 hours per week. At this stage, based on the projected January 2018 pupil numbers, there is expected to be a small underspend, though the DSG income for this stream is projected to be significantly higher than the budget.
- the SEN Inclusion Fund has received fewer applications for funding than expected producing a projected underspend of £440k.
- Early Years pupil premium is projected to be underspent by £41k, though this is fully offset by reduced grant.

High Needs Block - This element is used to support provision for pupils and students with special educational needs and disabilities. This block is currently experiencing increasing costs due to high levels of demand and increasing complexity of cases. At period 7 there is projected to be an overspend of £4.038m in this area largely due to the following issues:-

- Following negotiations with Area Inclusion Partnerships, a reduced level of savings has been applied to their budgets resulting in a pressure of £929k. This is partly offset by the recovery of £300k of excess balances giving a total net pressure of £629k
- Agreement has been made to contribute a further £535k in 2017/18 for set-up costs in relation to the new SEMH provision.
- LCC has recently started to receive invoices from private hospitals for the provision of education to young people in mental health beds. Work is on-going with providers to establish the responsibilities around this provision, but it is estimated that there could be additional costs of up to £250k.
- When the budget was set, £300k was set aside for the projected deficit on North West SILC. Current projections based on a projected academy conversion date of February 2018 (though this might slip further) show that this deficit is now likely to be £1m which would result in an overspend of £700k.
- an increase in the number and complexity of children with SEN along with top-up funding at the new SEMH provision remaining at £20k per place and AIP's no longer contributing to the assessment costs of permanently excluded children, payments passported to other institutions are projected to overspend by £2,237k.
- These pressures are partly offset by a contribution from the Early Years block for SENIT and Portage. When the budget was produced, it was assumed that the full costs of the service would need to be borne by the High Needs Block. However, as detailed in the paper to Schools Forum in February, £600k of the centrally retained element of the Early Years Block has been set against these costs. There is also an underspend of £75k due to staff vacancies.

Transfers to / from reserves - When the budget was set, it was with a contribution to reserves of £769k. However due to the overspends listed above, this contribution will not now be made.

Grant Income - The initial DSG grant for 2017/18 year was announced in the previous December. However, during the year there have been a number of schools converting to academy status, which has resulted in less funding due to LCC. The early years funding is based on 5/12ths of pupil numbers in the January census and 7/12ths of the funding will be based on the census information in January 2018. Based on the expected pupil numbers provided by the service, the DSG income due is expected to be £820k higher than budgeted. However, the final grant amount for 2017/18 will not be confirmed until summer 2018. Within the high needs block, there have been some changes in respect of funding for dual registered pupils and an adjustment in respect of hospital funding resulting in a current projection of an additional £483k of income. Overall, the income received is expected to be £4,257k less than budgeted.

Budget Management - net variations against the approved budget

DSG Grant Reserves

	Budget £'000	Projection £'000	Variance £'000
Schools Block			
DSG Income	(324,708)	(319,148)	5,560
Individual Schools Budgets	311,863	306,302	(5,561)
De-delegated budgets	4,944	4,819	(125)
Central Provision	7,901	7,765	(136)
	0	(262)	(262)
Early Years Block			
DSG Income	(50,233)	(51,053)	(820)
FEEE 3 and 4 year olds	38,671	38,575	(96)
FEEE 2 year olds	8,265	7,997	(268)
Other early years provision	3,297	2,816	(481)
	0	(1,665)	(1,665)
High Needs Block			
DSG Income	(56,759)	(57,242)	(483)
Funding passported to institutions	49,305	54,000	4,695
Commissioned services	1,371	1,389	18
In house provision	5,314	4,639	(675)
Contribution to /from reserves	769	0	(769)
	0	2,786	2,786
Total	0	859	859

Latest Estimate

Balance b/fwd from 2016/17

Contribution to balances

Deficit c/fwd to 2018/19

Projected Outturn

Balance b/fwd from 2016/17

Contribution to/from balances

Deficit c/fwd to 2018/19

General £'000	De-delegated £'000	Total £'000
4,161	(528)	3,633
(769)		(769)
3,392	(528)	2,864
4,161	(528)	3,633
984	(125)	859
5,145	(653)	4,492

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					
Transfer funding from Schools Block to High Needs Block		Transfer of £2m from the schools block to the high needs block as detailed in report to Schools Forum in January 2017.	Blue	2.00	0.00
Savings to Area Inclusion Partnerships budgets		FYE of 2016/17 reduction (£310k) and realign PRU top-up funding from AIP allocations (£1.5m). Overspend is net of assumed recovery of excess balances.	Red	1.80	0.63
Reductions in additional mainstream places		Revision of the criteria and processes on Funding For Inclusion. Changes to calculations of the amount of the notional SEN budget available to fund the first £6,000 of support for pupils.	Green	1.50	0.00
B. Significant Variations					
Schools Block		Reduced spend due to academy conversions along with minor underspends on de-delegate services and central provision.			(5.82)
Early Years Block		Reduced expenditure on payments to providers.			(0.37)
Early Years Block		Underspends on centrally managed budgets.			(0.48)
High Needs Block		Increased in numbers and complexity of placements plus retaining top-ups at existing levels and contribution no longer being received from AIP's for assessment places.			2.48
High Needs Block		Further £535k in 2017/18 to Wellspring for set-up costs in relation to the new provision.			0.54
High Needs Block		Private hospital charges for education provision for mental health beds.			0.35
High Needs Block		Current projections show that the deficit on North West SILC to be around £1m, which is an overspend of £750k.			0.70
High Needs Block		Net effect of all other variances on the High Needs Block.			(0.06)
High Needs Block		Reduced demand on HNB following early years block contribution to costs of SENIT and Portage.			(0.60)
Contribution to / from reserves		Not making planned contribution to deficit reserve.			(0.77)
Grant income		Reduced grant following academy conversions.			4.26
Dedicated Schools Grant - Forecast Variation					0.86

CITY DEVELOPMENT 2017/18 BUDGET - PERIOD 7 FINANCIAL DASHBOARD - MONTH 7 (APRIL - OCTOBER)

The Period 7 Financial Dashboard Maintains a balanced position whilst recognising a number of significant budget pressures and the actions identified to mitigate them.

Planning and Sustainable Development is projecting a £168k pressure on expenditure due to anticipated Inspection and Planning Appeals costs. This is offset by the £313k additional projected income from Planning Fees and Building Control Fees and Charges, assuming current trends continue, and resulting in a £154k saving to support the overall Directorate position.

In Economic Development the position has deteriorated by £410k to a projected overspend of £707k, predominantly due to increasing income pressures at Kirkgate Market, in addition to the £224k pressure from granting a 6 month (01/07/17) - 31/12/17) 20% discount on rental charges to all Kirkgate Market traders (allowing them to invest in their businesses and, therefore, contribute to the market's long term viability). Income pressures of £170k, £146k and £56k relate to the indoor market, the new Covered Daily Market (CDM) and the new Events Space respectively, these are new target income streams following completion of the major capital refurbishment scheme. Whilst some of this is due to the lead in times required for developing and delivering new trading and events, it is acknowledged that some of the budgeted income targets are unrealistic and not achievable in the short to medium term, therefore the 2018/19 Budget Strategy includes some proposals to address this.

In the last 18 months Asset Management has acquired a number of significant A grade investment properties to add to the authority's portfolio and deliver new income streams. However a £1m pressure on net income (gross rental income - prudential borrowing annuity) against the budget action plan target is now anticipated. The investment policy requires that any investment and acquisition should contribute to and support the Council's ambitions and values, and be financially robust. Market activity and contractual lead times indicate that it is unlikely any further significant investments will be completed in 2017/18. However a review of borrowing costs has identified a £600k saving due to the difference in the assumed and real cost of borrowing, resulting in a net pressure of £400k. Additional ad-hoc income of £169k mitigates this to £231k. The £518k pressure on Advertising income, which assumes all current sites will be fully utilised, remains unchanged. Options are currently being evaluated to address this pressure in 2018/19.

Via careful vacancy management Employment and Skills are projecting an underspend of £104k to assist in offsetting other Directorate pressures.

Highways and Transportation has increased its projected underspend by £207k to £286k reflecting a 5% increase in the capitalisation target to support the Directorates overall financial position. Large, yet offsetting, variations on staffing, supplies and services, and income reflect the constantly fluctuating allocation of works (internal or external to strategic partners WSP) and ongoing recruitment requirements.

Sport and Active Lifestyles has pressures of £217k due to Public Health funding reductions, the failure of the Aquatics Centre moveable pool floor, and the net impact of part closure, refurbishment, and contractor delays at Aireborough Leisure Centre. A further pressure of £228k is due to the notable downturn in income at John Smeaton Leisure Centre due to 2 new budget gyms opening in close proximity. Savings of £71k have been identified at period 7 across the service to mitigate this budget pressure.

To address the Directorate's budget pressures an action plan saving of £1.44m is required and included in the projected outturn position which will be met by the £1.2m in-year income windfall arising from the European Court of Justice ruling on VAT re: sport admission charges and £240k use of other 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	8,696	(6,320)	2,376	9	(30)	124	(6)	62	0	0	0	0	159	(313)	(154)
Economic Development	5,318	(4,666)	652	17	12	31	2	20	0	0	0	0	82	625	707
Asset Management & Regeneration	13,781	(15,485)	(1,704)	(44)	119	51	(3)	(580)	0	0	0	0	(457)	1,206	749
Employment & Skills	3,957	(2,208)	1,749	(91)	0	0	0	0	0	0	0	0	(91)	(13)	(104)
Highways & Transportation	58,290	(41,459)	16,831	(1,055)	(47)	1,369	605	(15)	0	0	0	0	857	(1,143)	(286)
Arts & Heritage	17,817	(8,317)	9,500	21	(90)	190	9	20	23	0	0	0	173	7	180
Sport & Active Lifestyles	24,274	(18,946)	5,328	(69)	(33)	(88)	2	4	(45)	0	0	0	(229)	603	374
Resources & Strategy	1,047	(124)	923	(59)	0	73	0	(40)	0	0	0	0	(26)	(1,440)	(1,466)
Total	133,180	(97,525)	35,655	(1,271)	(69)	1,750	609	(529)	(22)	0	0	0	468	(468)	0

Key Budget Action Plans and Budget Variations:

				RAG	Action Plan Value	Forecast Variation against Plan/Budget	
					£'000	£'000	
		Lead Officer	Additional Comments				
A. Budget Action Plans							
1.	Planning and Sustainable Development	Tim Hill	Reduction in the net cost of service via increased income generation.		Green	562	(154)
2.	Economic Development	Tom Bridges	Increased income and running cost savings		Amber	295	52
3.	Asset Management and Regeneration	Tom Bridges	Strategic Investment Income and additional fee income.		Red	2,827	231
4.	Highways and Transportation	Gary Bartlett	Additional income from fees and developers.		Green	1,396	(286)
5.	Arts and Heritage	Cluny MacPherson	Savings via increased income opportunities, not hosting the Tour de Yorkshire in 2017, and minor restructure.		Amber	810	40
6.	Employment and Skills	Sue Wynne	Staffing and commissioning savings.		Green	240	(104)
7.	Sport and Active Lifestyles	Cluny MacPherson	Reduction in the net cost of service via efficiency savings, staffing savings and increased income generation.		Red	652	157
8.	Resources and Strategy	Ed Mylan	Directorate wide additional savings requirement.		Green	158	0
Total Budget Action Plan Savings						6,940	
B. Other Significant Variations							
1.	Asset Management	Tom Bridges	Shortfall in Advertising income.				618
2.	Economic Development	Tom Bridges	Kirkgate Market income pressures - 6 month 20% rent discount for all traders (£224k), Covered Daily Market (£146k), George Street shops (59k), and Event Space (£56k).				655
3.	Sport and Active Lifestyles	Cluny Macpherson	Income pressures from reduced Public Health funding, JCCS pool floor failure, and Aireborough refurbishment.				217
4.	Resources and Strategy	Ed Mylan	General savings across the Service.				(126)
5.	City Development	All	Use of Sport VAT ruling and balances to mitigate in year pressures.				(1,440)
6.	Arts and Venues	Cluny Macpherson	Carnival and Reggae overspend.				140
City Development Directorate - Forecast Variation							0

RESOURCES AND HOUSING

FINANCIAL DASHBOARD - 2017/18 FINANCIAL YEAR

MONTH 7

Overall

A balanced position is projected at period 7 although there are risks around timely implementation of savings incorporated as part of the 2017/18 budget strategy leading to variations within services.

Resources

For month 7 it is assumed that, overall, support services will achieve the £5m savings which formed part of the Support Services review. However, other risks are also emerging within service areas. Shared Services are forecast to underspend by £797k, primarily as a result of savings against the staffing budget due to vacant posts. In addition, the HR budget is forecast to underspend by £72k mainly as a result of savings on staffing partially offset by the loss of school income. These savings are offset by a £150k overspend against the PPU budget (savings against staffing more than offset by a projected shortfall in income) and a £498k overspend on Finance mainly due to a £396k 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.

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 7. 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 savings target of £117k for Housing Support and Partnership is forecast to be achieved through the natural turnover of staff across the service. Within CPM a pressure of £123k is forecast against the responsive repairs budget which is partially offset by £25k savings on the staffing budget. In terms of managing the pressure moving forward, work has begun to look at increasing the level of capital spend and the positive impact this may have to offset the revenue pressure. Work is also underway to ensure that in year pressures against the responsive repairs budget are contained as far as possible to enable the service of being close to a balanced position as possible at the year end. The Supporting People contracts savings target of £350k has been achieved through the renegotiation and reprocurement of 3 sets of contracts. In addition to this, the revision of smaller contracts is expected to achieve a further saving of £53k.

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 £400k 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. The Facilities Management element of the CEL budget is expected to balance and achieve the £100k budgeted savings for the year.

Budget Management - net variations against the approved budget

	Expenditure Budget	Income Budget	Latest Estimate	PROJECTED VARIANCES											Total (under) / overspend
				Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income	
				£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Resources	98,470	(38,174)	60,296	(2,466)	30	138	(24)	63	0	0	0	(24)	(2,283)	2,236	(47)
LBS	46,947	(55,327)	(8,380)	(177)	164	624	(75)	(20)	0	0	0	0	516	(516)	0
Housing & Property	26,195	(12,402)	13,793	(436)	138	4	0	(235)	43	0	0	235	(251)	298	47
CEL	71,090	(63,551)	7,539	361	40	293	62	(57)	0	0	0	0	699	(699)	0
Total	242,702	(169,454)	73,248	(2,718)	372	1,059	(37)	(249)	43	0	0	211	(1,319)	1,319	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	0.00
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	-0.10
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.			-0.60
Strategy and Resources Directorate - Forecast Variation						0.00

COMMUNITIES & ENVIRONMENT DIRECTORATE SUMMARY

FINANCIAL DASHBOARD - 2017/18 FINANCIAL YEAR

Period 7 (October 2017)

Overall Position (nil variance)

Communities (nil variance)
The service is projecting a nil variance against its budget at period 7.

Customer Access (+£653k 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 £650k. 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 £510k. The cost of providing static guards at a number of sites due to safety concerns is likely to cost an additional £145k. These pressures 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 (nil variance)
The service is currently projecting a nil variation, although there are some concerns around income within births, deaths and marriages and this will continue to be closely monitored. Costs in respect of the general election are expected to be met by government grant.

Welfare & Benefits (+£425k 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 the overpayments. Current indications are that after making a provision for doubtful debts, there could be a net shortfall of income of around £460k at the year end. In other areas a small underspend of £35k is currently projected, mainly due to staffing savings, partially offset by the cost of additional off-site processing, and additional grant income.

Parks & Countryside (nil variance)
The service is projecting an overall variance at Cafe/Retail and Attractions of +£179k, which at this 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 and an assumption has been made that this will offset the projected shortfall in income. In addition there is a projected reduction in income from Golf of £74k, although other savings within the service, mainly income from land searches within PROW (Public Rights Of Way), are expected to offset this.

Environmental Action:

Car Parking (-£169k below budget)
Staffing is projected to be under budget by (£64k) due to delays in ongoing recruitment. Income trends net (£105k) indicate shortfalls in both on-street income and Bus Lane offences throughout the city, although these are offset by additional off-street and PCN income.

Cleaner Neighbourhoods Teams (+£19k 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 (-£10k under budget)
The projected variance is mainly due to staffing savings whilst recruitment is ongoing to fill the recently approved structure, partially offset by the ongoing usage of overtime and covering City Centre events.

Environmental Health (-£83k below budget)
The projected variance is due to savings from delayed recruitment (£101k). These positions are projected to be all filled by January. Variations in Pest control expenditure and income are projected at £35k.

Waste Management:

Refuse (+£789k over budget)
Within the Refuse Service it is currently anticipated that there will be slippage of 10 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 +£858k. Additional staffing expenditure in relation to backup/sickness cover and union support to the route collection programme is projected to be offset by one-off savings within the service.

HWSS & Infrastructure (+£181k over budget)
There is a projected shortfall in budgeted income of +£113k, mainly due to the deferral of the introduction of inert building waste charges at Household Waste sites until February 2018. Additional expenditure in respect of HWSS overtime/sickness cover and HWSS Plant Operator training is projected to be partially offset by one-off savings.

Waste Strategy & Disposal (-£1,510k under budget)
The projected underspend includes a saving of £470k in respect of the rateable value of the Recycling and Energy Recovery Facility (RERF), £339k disposal savings at Household Waste Sites reflecting volume and price variations, £194k savings in respect of SORT disposal costs, £112k additional recycling income (paper/card/scrap metal) and one off savings of £395k identified within the service.

Community Safety (-£86k below budget)
The projected underspend mainly reflects staffing savings of £80k due to vacant posts within CCTV, LABST and delays in recruiting to the new Domestic Violence structure.

Directorate Wide (action plan savings -£209k)
The directorate will work towards identifying and implementing appropriate actions to balance the overall projected overspend of £247k.

Budget Management - net variations against the approved budget;

Summary By Service	Period 7 Projected variances															Total (under) / overspend £'000
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
Communities	16,051	(10,716)	5,335	0	0	0	0	0	0	0	0	0	0	0	0	0
Customer Access	22,486	(3,269)	19,217	711	156	73	(5)	25	0	0	0	0	960	(306)	0	654
Elections, Licensing And Registration	4,676	(4,926)	(250)	497	177	560	(2)	6	0	0	0	0	1,238	(1,238)	0	0
Welfare And Benefits	268,070	(266,116)	1,954	(127)	2	110	3	(19)	0	0	0	0	(31)	456	0	425
Car Parking Services	4,895	(13,374)	(8,479)	(64)	5	(47)	8	0	0	0	0	0	(98)	(71)	0	(169)
Community Safety	8,105	(6,526)	1,579	(156)	0	(42)	(9)	(31)	0	0	0	0	(238)	152	0	(86)
Waste Management	40,379	(7,368)	33,011	1,018	(4)	(1,008)	4	(90)	0	0	0	0	(80)	(461)	0	(541)
Parks And Countryside	29,587	(23,098)	6,489	(12)	19	392	(74)	164	0	0	0	0	489	(489)	0	0
Environmental Action (City Centre)	1,999	(462)	1,537	3	2	15	14	(1)	0	0	0	0	33	(43)	0	(10)
Environmental Health	2,107	(565)	1,542	(101)	(4)	21	(4)	(7)	0	0	0	0	(95)	12	0	(83)
Cleaner Neighbourhood Teams	12,305	(4,518)	7,787	(44)	11	(82)	69	1	0	0	0	0	(45)	64	0	19
Directorate Action Plan				(209)									(209)			(209)
Total	410,660	(340,938)	69,722	1,516	364	(8)	4	48	0	0	0	0	1,924	(1,924)	0	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						
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)	0.86
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		(0.14)	0.10
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 incl Business Rates saving at RERF	G		(1.55)
2	Community Hubs	Lee Hemsworth	Staffing overspend projected - see comments above	A		0.71
3	Housing Benefits	Lee Hemsworth	Projected shortfall in overpayments income	A		0.47
4	All other services		All other variations	G		(0.45)
5	Directorate Action Plan		Actions identified			(0.21)

STRATEGIC & CENTRAL ACCOUNTS - 2017/18 FINANCIAL YEAR
FINANCIAL DASHBOARD - PERIOD 07

Overall :

At month 7 the strategic & central budgets are projected to balance.

The key variations are;

- Section 278 income - a potential **£1.6m** risk due to lower levels of development activity
- Additional debt costs of **£0.3m** are forecast, switching to a **£0.2m** underspend after accounting for income from prudential borrowing charges
- Savings of **£0.8m** on the levy contribution to the business rates pool
- Reduction in New Homes Bonus of **£1.7m**

Additional **£1.6m** of S31 grant income for business rates reliefs, primarily **£1.0m** of reliefs announced after the budget was set. (This is to offset the loss of

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Budget Management - net variations against the approved budget

	Expenditure Budget £'000	Income Budget £'000	Latest Estimate £'000	PROJECTED VARIANCES										Total (under) / overspend £'000		
				Staffing £'000	Premises £'000	Supplies & Services £'000	Transport £'000	Internal Charges £'000	External Providers £'000	Transfer Payments £'000	Capital £'000	Appropriation £'000	Total Expenditure £'000		Income £'000	
Strategic Accounts	(12,277)	(37,944)	(50,221)			(627)								(627)	950	323
Debt	20,135	(920)	19,215			275						61		336	(41)	295
Govt Grants	1,739	(22,399)	(20,660)											(829)	74	(755)
Joint Committees	37,100	0	37,100						105					105		105
Miscellaneous	6,243	(1,088)	5,155	(230)		1								(229)	261	32
Insurance	8,410	(9,438)	(1,028)			1,034		(62)					510	1,482	(1,482)	0
Total	61,350	(71,789)	(10,439)	(230)	0	683	0	(62)	105	(829)	61	510	238	(238)	0	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	0.3
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	R	(13.3)	1.7
4.	Business Rates (S31 Grants, Tariff adjustment & EZ)	Doug Meeson	New S31 grant announced after budget was set	G	(9.6)	(1.6)
5.	S278 Contributions	Doug Meeson	Projection from Capital team is £3.0m, therefore there is a risk of a £1.6m shortfall, dependent on progress in capital spend on the relevant schemes during the year.	R	(4.9)	1.6
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	Potential for some savings on projected cost of insurance claims for this financial year.	G	0.0	0.0
2.	Business Rates Levy	Doug Meeson	Projections indicate a potential reduction in the levy due.	G	1.7	(0.8)
3.	Prudential Borrowing Recharges	Doug Meeson	Projections suggest a slight increase in recharge income - offset debt costs above	G	(14.7)	(0.5)
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
7.	CRCs	Doug Meeson	£300k projected additional cost above budget - to be allocated to directorates	A	0.0	0.3
8.	PPPU income	Doug Meeson	£275k projected shortfall against PPPU HRA income	A	0.0	0.4
9.	Homeless grant income	Doug Meeson	Anticipated additional homeless grant income - to be allocated	A	0.0	(0.6)
Strategic & Central Accounts - Forecast Variation					0.0	

Housing Revenue Account - Period 7

Financial Dashboard - 2017/18 Financial Year

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

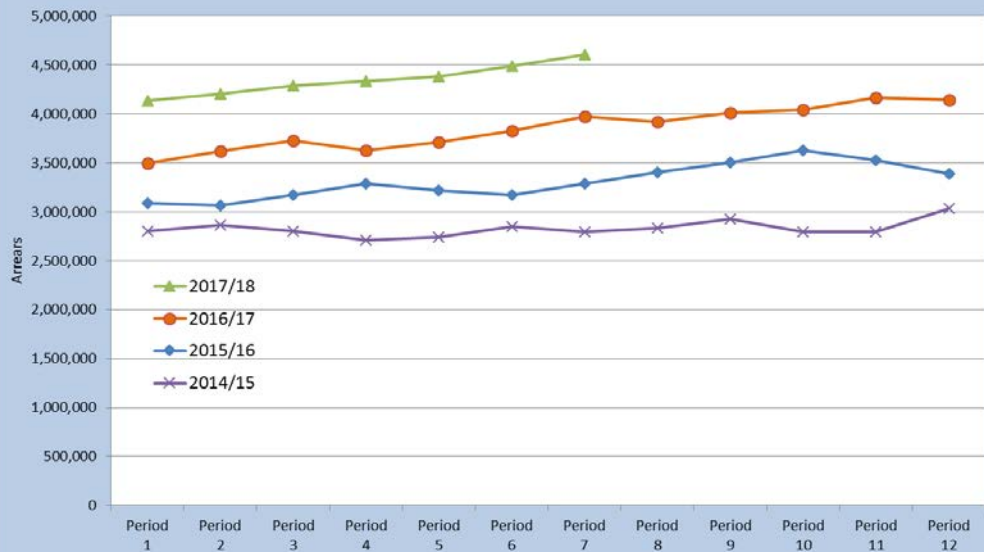
Directorate	Current Budget	Projected Spend	Variance to budget	Comments	Previous period variance
	£000	£000	£000		£000
Income					
Rents	(215,352)	(215,058)	294	Rent lower than budget due to lower stock numbers from increased RTB sales. The void level is under the target at 0.79%	367
Service Charges	(6,968)	(6,860)	108	Service charge income £27k, Community Links furniture offset by saving in supplies and services £81k	72
Other Income	(29,356)	(29,615)	(259)	Increased fee income from projected RTB sales (£233k), KPI income (£88k), Wharfedale View catering income (£36k) (offset by an increase in internal charges), PFI Pass Through Costs (£106k). Underachieved income on budgeted capitalised salary costs £191k (offset by savings on salaries), Other variances to budget £13k.	(268)
Total Income	(251,676)	(251,532)	143		172
Expenditure					
Disrepair Provision	1,000	1,503	503	Disrepair compensation and fees	449
Repairs to Dwellings	43,548	43,548	-		-
Council Tax on Voids	754	754	-		-
Employees	26,262	25,452	(810)	Savings due to vacant posts and temporary staff secondments (£1070k). This saving is offset by Disrepair agency staff £224k and other smaller variances £36k.	(804)
Premises	7,362	7,308	(54)	Utilities savings (£50k), other savings (£4k)	(9)
Supplies & Services	4,377	4,114	(263)	Community Links furniture savings balanced by reduction in service charge income (£82k), Savings following a review of printing requirements (£110k), Annual Support Grant (£20k), ICT project savings (£50k).	(255)
Internal Services	40,604	40,960	356	Additional Fire Safety work £321k, Additional out of hours service £65k, Savings in other internal charges (£209k), Disrepair legal locums £131k, Increased costs of RTB due to high number of sales £48k	329
Capital Programme	71,000	71,000	-		-
Unitary Charge PFI	8,860	8,796	(64)	PFI Scheme Adjustments: Unitary Charge £61k, Insurance refund (£247k), Pass Through Costs £157k. Other adjustments (£35k).	(64)
Capital Charges	45,106	45,131	25	Interest payable to GF	21
Other Expenditure	6,976	6,946	(30)	LTF saving (£22k), Transport savings (£8k)	(32)
Total Expenditure	255,848	255,512	(337)		(365)
Net Position	4,173	3,979	(193)		(193)
Appropriation: Sinking funds	(3,139)	(2,946)	193	Unitary Charge on PFI funded by sinking fund	193
Appropriation: Reserves	(1,034)	(1,034)	-		-
(Surplus)/Deficit	0	(0)	(0)		0
Proposed New Reserves			-		-
Transfer to Capital Reserve			-		-
Total Current Month	0	(0)	(0)		0

Housing Revenue Account - Period 7 Financial Dashboard - 2017/18 Financial Year

Comparison of Current Tenant Arrears by Financial Year



Comparison of Former 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 7: 324

Right to Buy Receipts	2016/17 Actual	2017/18 Projection
Total Value of sales (£000s)	25,983	27,506
Average Selling Price per unit (£000s)	50.4	51.9
Number of Sales*	516	530
Number of Live Applications	1,165	1,254

Arrears	2016/17	2017/18	Variance
	£000	£000	£000
Dwelling rents & charges	2017/18 Week 31		
Current Tenants	6,813	6,641	(172)
Former Tenants	3,974	4,604	630
	10,787 #	11,245	458
Under occupation	2017/18 Week 26		
Volume of Accounts	4,655	4,312	(343)
Volume in Arrears	2,155	2,023	(132)
% in Arrears	46%	47%	1%
Value of Arrears	576	521	(55)
Collection Rates	2017/18 Week 26		
Dwelling rents	97.43%	96.55%	-0.88%
Target	97.50%	97.75%	
Variance to Target	-0.07%	-1.20%	

Housing Revenue Account - Period 7 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	(0)	(6,531)
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)	2,900	0	(7,443)
LLBH&H PFI Sinking Fund	(2,515)	46	0	(2,469)
	(12,858)	2,946	0	(9,912)
Capital Reserve				
MRR (General)	(14,960)	55,190	(71,000)	(30,770)
MRR (New Build)	(12,540)	9,350	0	(3,190)
MRR (HRA RCCOs)	(3,003)			(3,003)
	(30,502)	64,540	(71,000)	(36,963)
Total	(58,601)	70,187	(71,000)	(59,416)

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Report author: Angela Brogden
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Report of Head of Governance and Scrutiny Support

Report to Scrutiny Board (Inclusive Growth, Culture and Sport)

Date: 17th January 2018

Subject: Initial Budget Proposals for 2018/19

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 accordance with the Council’s Budget and Policy Framework, the Chief Officer – Financial Services submitted the attached report to the Executive Board, which sets out the Initial Budget Proposals for 2018/19. The proposals are subsequently submitted to Scrutiny for consideration and review.

2. The Scrutiny Board (Inclusive Growth, Culture and Sport) is asked to consider matters and proposals relating to service areas that fall within its remit as other Scrutiny Boards will be considering elements of the budget proposals relevant to their terms of reference.

3. Any comments or recommendations made by the Scrutiny Board will need to be submitted to the Chief Officer – Financial Services by the end of January 2018 in order that the Executive Board can consider these at its meeting in February 2018; and prior to submission of the proposed budget to full Council on 21 February 2018.

4. As in previous years, it is intended to produce a summary of the discussion and comments from all Scrutiny Boards in order to make a single submission to Executive Board.

5. While the main focus of the discussion relates to the 2018/19 budget proposals, the Scrutiny Board may also wish to consider the anticipated medium to longer-term

budget pressures likely to be faced by Council and consider any areas where early involvement of the Scrutiny Board may help inform future proposals / approaches.

6. Relevant Executive Members and Directors (or their nominees) have been invited to the meeting to discuss the Executive's initial budget proposals.

Recommendations

7. The Scrutiny Board (Inclusive Growth, Culture and Sport) is recommended to:
 - (a) Consider the Executive's initial budget proposals as set out in the attached Executive Board report;
 - (b) Identify any comments and/or recommendations to be submitted for consideration by the Executive Board; and
 - (c) Consider any areas where early involvement of the Scrutiny Board may help inform future budget proposals or approaches.

Background documents¹

8. 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.

**Report of the Chief Officer – Financial Services
 Report to Executive Board
 Date: 13th December 2017**

Subject: Initial Budget Proposals for 2018/19

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In? Recommendation 15.2 is eligible for call in; 15.1 is not eligible.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The purpose of this report is to set out the initial budget proposals for 2018/19.
2. These budget proposals support the Council's Best City/Best Council ambitions, policies and priorities aimed at tackling inequalities (please refer to the Best Council Plan 2018/19 refresh report which is on today's agenda).
3. These budget proposals are set within the context of the 2018/19 – 2020/21 medium term financial strategy which was approved by the Executive Board in July 2017 and the implications of the Chancellor's Autumn budget statement on 22nd November 2017.
4. Whilst the government's multi-year funding settlement 2016/17 to 2019/20 provides some certainty, there are still a number of assumptions within the budget proposals that will not be known until the provisional local government finance settlement is announced, which is likely to be mid-December 2017.
5. The financial climate for local government continues to present significant risks to the Council's priorities and ambitions. The Council continues to make every effort possible to protect the front line delivery of services, and whilst we have been able to balance the budget each year since 2010, have continued to deliver a broad range of services despite declining income, and have avoided large scale compulsory redundancies, it is clear that the position is becoming increasingly challenging to manage and looking ahead over the medium term it will be increasingly difficult to maintain current levels of service provision without significant changes in the way the Council operates.

6. The headlines from the 2018/19 initial budget proposals, when compared to the 2017/18 budget, are as follows:
- A reduction in revenue support grant from government of £18.5m (28.5%)
 - A reduction in the settlement funding assessment of £14.0m (6.6%)
 - An increase in council tax of 1.99% together with a further 3% in respect of the Adult Social Care precept and an increase in the council tax base, generating an additional £17.5m of local funding
 - A combination of reduced core funding and cost pressures means that the Council will need to deliver £38.2m of savings by March 2019.
 - An increase in the Council's net revenue budget of £13.5m to £506.2m
7. In respect of the Housing Revenue Account, whilst there are proposals to increase service charges, the continued implementation of the Government's rent cap, introduced from April 2016, will mean that the majority of tenants, excluding those properties that have benefited through PFI investment, will again see reductions of 1% from April 2018.
8. Further, this report explains that Government has invited applications from local authorities to pilot 100% Business Rates Retention in 2018/19, and that the Leeds City Region Business Rates Pool, of which Leeds is a member, has submitted an application. The opportunity to pilot 100% retention appears to offer the prospect of significant financial benefits for the Leeds City Region, with minimal risk to the constituent authorities. However, funding for pilot schemes is limited and it is anticipated that not all applications will be successful. Successful applications will be announced before or alongside the publication of the draft local government finance settlement in December 2017. As such, these initial budget proposals do not reflect the application to pilot 100% retention.

Recommendations

9. Executive Board is asked to agree the initial budget proposals and for them to be submitted to Scrutiny and also for the proposals to be used as a basis for wider consultation with stakeholders.
10. Executive Board is asked to agree that, should the application to pilot 100% business rates retention succeed, Leeds should continue as a member of that designated Business Rates Pool and should act as lead authority for it. Notwithstanding this decision, the continuation of the Pool will be dependent upon none of the other member authorities choosing to withdraw within the statutory period after designation.

1. Purpose of report

- 1.1 In line with the Council's constitution, the Executive Board is required to publish initial budget proposals two months before approval of the budget by

Full Council, scheduled for the 21st February 2018. This report sets out the initial budget proposals for 2018/19, set within the context of the medium term financial strategy approved by Executive Board in July 2017, the implications of the Chancellor's Autumn Budget statement in November 2017 and further savings proposals to bridge the revised estimated budget gap.

- 1.2 Subject to the approval of the Executive Board, these initial budget proposals will be submitted to Scrutiny for their consideration and review, with the outcome of their deliberations to be reported to the planned meeting of this board on the 7th February 2018. These budget proposals will also be made available to other stakeholders as part of a wider and continuing process of engagement and consultation. Further, at the meeting of the board in February 2018, it is proposed to provide an update of the medium-term financial strategy approved by the board at its July 2017 meeting.
- 1.3 In accordance with the Council's budget and policy framework, decisions as to the council's budget are reserved to full council. As such, the recommendation in paragraph 15.1 is not subject to call in as the budget is a matter that will ultimately be determined by full council.
- 1.4 However, the recommendation in paragraph 15.2, regarding the Council's participation in the 2018/19 100% business rates retention pilot scheme, the potential impact of which is not currently reflected in these initial budget proposals, is a decision of the Executive Board and as such is subject to call-in.

2. The national context and Autumn budget

- 2.1. The economic context in which public spending must be considered is very much dominated by the debate concerning the impact of the EU referendum and the strength and resilience of the national economy. Further, the fiscal rules approved by Parliament in January 2017 commit the Government to reducing the cyclically-adjusted deficit to below 2% of GDP by 2020/21 and having debt as a share of GDP falling in 2020/21. In its November 2017 "Economic and Fiscal outlook" the Office of Budget Responsibility (OBR) expects that the government will meet both fiscal targets, and that borrowing will reach its lowest level since 2001/02 by the end of the forecast period. Debt as a share of GDP is forecast to fall in 2018/19 and in every year of the forecast.
- 2.2. Within its economic forecast the OBR notes that economic growth has been stable but modest so far in 2017 on the back of a slowdown in consumer spending, but also that GDP growth has been slowing in contrast with many other advanced economies. The OBR projects that GDP growth will be 1.4% and 1.3% in 2018 and 2019 respectively, down from the 1.6% and 1.7% forecast at the March Budget, whilst CPI inflation is forecast at 2.4% and 1.9% respectively over the same period. Whilst the unemployment rate is projected to be 4.4% and 4.3% during 2018 and 2019 respectively, lower

than the March forecast of 5.1% and 5.2%, earnings growth has also been revised down in line with a weaker outlook for productivity. It is within this economic context that the initial budget proposals for 2018/19 need to be considered.

2.3. **Autumn Budget 2017**

2.3.1. On the 22nd November 2017, the Chancellor delivered his first Autumn Budget.

2.3.2. The key announcements in the 2017 Autumn Budget were:

- The Budget sets aside a further £3 billion over two years to prepare for EU exit;
- Government will lend local authorities in England up to £1 billion at a new discounted interest rate, the 'Local Infrastructure Rate', accessible for three years to support infrastructure projects that are high value for money. Details of the bidding process will be published in December;
- A £1.7 billion Transforming Cities Fund to support intra-city transport, targeting projects which drive productivity. Half will be allocated via competition for transport projects in cities and the other half on a per capita basis to the six combined authorities with elected mayors;
- A range of measures to increase housing supply, including lifting the Housing Revenue Account borrowing caps for councils in areas of high affordability pressure (£1 billion), so they can build more council homes, the introduction of planning reforms to ensure more land is available for housing, £204 million to fund innovation and skills in the construction sector and raising the stamp duty threshold to £300,000 for first time buyers;
- A power for local authorities to increase the council tax premium on empty homes from 50% to 100%, a measure intended to encourage owners to bring empty properties back into use rather than to increase local authority funding;
- A £220 million Clean Air Fund to allow local authorities to help individuals and businesses adapt as measures to improve air quality are implemented, funded by a Vehicle Excise Duty supplement on some diesel cars first registered from 1 April 2018 and a rise in the existing Company Car Tax diesel supplement;
- £6.3 billion of additional funding for the NHS: £3.5 billion of capital investment in estates transformation and improvement and efficiency schemes and £2.8 billion in resource funding, of which £335 million will be provided in 2017/18 to address winter pressures;
- A commitment to fund pay awards as part of a pay deal for NHS staff on the Agenda for Change contract;
- £42 million of additional Disabled Facilities Grant in 2017/8;

- Following the recommendations of the Low Pay Commission (LPC) the National Living Wage (NLW) will increase by 4.4% from £7.50 to £7.83 from April 2018. The Government has also accepted the LPC's recommendations for the other National Minimum Wage rates;
- A £1.5 billion package to address concerns regarding the delivery of Universal Credit, including removal of the seven-day waiting period for entitlement, enabling claimants who need it to access up to a month's worth of Universal Credit within five days as an interest-free advance and, from April 2018, new claimants already in receipt of housing benefit will continue to receive it for two weeks. Also, Government will make it easier for claimants to have the housing element of their award paid directly to their landlord;
- A number of changes to business rates, including bringing forward the switch in business rates indexation from RPI to CPI to 2018/19 and continuing the £1,000 business rate discount for public houses introduced in 2017/18 for a further year, all of which will be fully compensated by Government. The frequency of business rate revaluations will increase from five years to three following the next revaluation, currently due in 2022;
- Fuel and alcohol duties have been frozen for 2018/19.

3. Developing the 2018/19 budget and medium term financial strategy with the refreshed 2017/18 Best Council Plan.

- 3.1. Between the 2010/11 and 2017/18 budgets, the Council's core funding from Government has reduced by around £239m. Additionally the Council has faced significant demand-led cost pressures, especially within Adult Social Care and Children's Services. To date, the Council has responded successfully to the challenge since 2010 through a combination of stimulating good economic growth, creatively managing demand for services, increasing traded and commercial income, growing council tax from new properties and a significant programme of organisational efficiencies, including reducing staffing levels by over 3,200 FTEs.
- 3.2. Through targeting resources into preventative services the Council has ensured that the implications of demand and demographic pressures, that have resulted in significant cost pressures in other local authorities, have been contained within Leeds. Specifically within Housing Services Leeds only has 33 households registered in temporary accommodation and no one in Bed & Breakfast accommodation. In comparison Birmingham had 1,740 households in temporary accommodation of which 379 are in Bed & Breakfast. In respect of the Bed & Breakfast this equates to an annual cost to Birmingham of £9m whereas Leeds spends nothing. Similarly since 2010 the rate per 10,000 of children looked after has reduced by 18% whilst the national average has risen by around 3.4%

- 3.3. In February 2017, Council approved the 2017/18 Best Council Plan and the supporting budget. The Best Council Plan is the Council's strategic planning document and sets the context and policy direction against which the budget and medium-term financial strategy are developed. The policy direction is clearly explained in the 2017/18 Best Council Plan: that the Council's 'Best City' and 'Best Council' ambitions remain - articulated around Leeds having a strong economy and being a compassionate city and the Council being an efficient and enterprising organisation – with a focus on reducing poverty and tackling the range of interlinked inequalities that persist across the city.
- 3.4. Inevitably, managing the large reduction in government funding and increasing cost pressures has meant that the Council has had to make some difficult decisions around the level and quality of services. However, as signposted in the 2017/18 Best Council Plan and 2017/18 budget reports to Council in February 2017, it will become increasingly difficult over the coming years to identify further financial savings without significant changes in what the Council does and how it does it. This will have significant implications for the services provided directly and those commissioned by the local authority, impacting upon staff, partners and service users. In order to deliver the Council's ambitions of tackling poverty and reducing inequalities, consideration may have to be given to stopping, delivering differently or charging for those services that are no longer affordable and are a lesser priority than others. This will be achieved through a continuing process of policy and service reviews across the Council's functions and ongoing consultation and engagement.
4. **Estimating the net revenue budget for 2018/19**
- 4.1. **Settlement funding assessment – reduction of £14.0m**
- 4.1.1. Settlement funding assessment is essentially the aggregate of government grant and business rate baseline funding for a local authority. As part of the 2016/17 financial settlement, Government offered councils a 4-year funding settlement for the period 2016/17 to 2019/20, which Executive Board agreed to accept in September 2016.
- 4.1.2. 2018/19 represents the third year of the four year funding offer, approved by Executive Board in September 2016 and confirmed by DCLG in November 2016. The Council continues to expect to receive the amounts published as part of that offer, barring any exceptional circumstances and subject to the normal statutory consultation process for the local government finance settlement.
- 4.1.3. Table 1 below sets out the council's settlement funding assessment for 2018/19 which is in line with the multi-year settlement. For 2018/19, this represents a reduction of £14.0m compared to 2017/18 which is equivalent to a 6.6% reduction.

Table 1 – Settlement Funding Assessment

	2017/18	2018/19	Change	
	£m	£m	£m	%
Revenue Support Grant	65.0	46.5	(18.5)	-28.5
Business Rates Baseline Funding	148.0	152.4	4.5	3.0
Settlement Funding Assessment	213.0	198.9	(14.0)	-6.6

4.1.4. The business rates element of the settlement funding assessment is determined by taking the 2017/18 baseline business rates amount of £148.0m and uplifting it by inflation. Following the decision in the Autumn Budget to bring forward the switch in business rates indexation from RPI to CPI, this uplift for inflation, based on the September 2017 Consumer Price Index, is 3.0%. In 2018/19 the calculated baseline business rates has then been adjusted by £0.1m, the difference between the estimated business rates tariffs for 2017/18 and 2018/19 before and after the impact of the 2017 Revaluation was known. The business rates element of settlement funding assessment is therefore £152.4m, net of the estimated 2018/19 tariff adjustment of £13.7m.

4.1.5. In addition to formula grant, there are a number of other funding streams that notionally comprise the settlement funding assessment. These are outlined in table 2 below and include early intervention, homelessness prevention, lead local flood authorities and learning disability & health reform funding.

Table 2 - Breakdown of the Settlement Funding Assessment

	2017/18	2018/19	Change
	£m	£m	£m
Formula Grant	167.65	154.51	(13.14)
Council tax freeze grant 2011/12	6.64	6.64	0.00
Council tax freeze grant 2013/14	2.77	2.77	0.00
Early intervention grant	16.34	15.05	(1.29)
Preventing homelessness	0.86	0.86	0.00
Lead local flood authority grant	0.23	0.24	0.01
Learning disability & health reform grant	11.03	11.27	0.24
Local welfare provision	2.59	2.59	0.00
Care act funding	4.84	4.98	0.14
Sustainable drainage systems	0.02	0.02	0.00
Carbon monoxide & fire alarm grant	0.00	0.00	0.00
Settlement Funding Assessment	212.97	198.93	(14.04)

4.2. Business rates retention

4.2.1. Leeds has the most diverse economy of all the UK's main employment centres and has seen the fastest rate of private sector jobs growth of any UK city in recent years. Yet this apparent growth in the economy has not

translated into business rates growth; in fact the income from business rates available to the Council declined from 2014/15 to 2016/17, and is only expected to return to 2014/15 levels in 2018/19.

- 4.2.2. The total projected rateable value of businesses in Leeds is £918.7m which would generate gross business rates income of £440m. Further business rates growth is anticipated in 2018/19 increasing gross business rates collected to £453m. However, as shown in Table 3, the impact of a range of business rate reliefs (see paragraph 4.3 below) and statutory adjustments reduces this to a net income figure of £375.5m.
- 4.2.3. Under the current business rates retention (BRR) scheme, Leeds City Council's share of this income is £184m (49%). The Authority then pays a tariff of £13.7m to Government as Leeds is assessed to generate more business rates income than it needs and must also meet its share of the business rates deficit created in 2017/18, a further £12.9m. This leaves net income of £157.4m which contributes to the Council's net revenue budget.

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

	£m
Rateable Value in Leeds projected to 31 December 2017	918.7
multiplied by business rates multiplier	0.479
Gross business rates based on projected rateable value	440.1
Estimated Growth	12.5
equals gross business rates to be collected in Leeds	452.6
less: -	
Uprated Mandatory Reliefs	-65.7
Uprated Discretionary Reliefs	-2.5
Transitional Adjustments (year 2)	15.8
equals net business rates paid by ratepayers	400.1
less adjustments for: -	
Bad debts and appeals	-5.9
Cost of collection	-1.2
Projected Enterprise Zone and renewable energy projects yield	-1.7
Transitional Adjustments repaid to Government	-15.8
equals non-domestic rating income in Leeds	375.5
Split into shares: -	
Leeds City Council (49%)	184.0
<i>West Yorkshire Fire Authority (1%)</i>	<i>3.8</i>
<i>Central Government (50%)</i>	<i>187.8</i>
less deductions from operation of business rates retention scheme: -	
Leeds City Council's tariff from Local Government Finance Settlement	-13.7
Leeds City Council's share of deficit from 2017-18	-12.9
Leeds City Council 's 2018-19 income from business rates	157.4

- 4.2.4. As shown above, business rates income is shared between local and central government. Local authorities experiencing business rates growth are able to retain 49% of that growth locally, but also bear 49% of the risk if business rates fall or fail to keep pace with inflation, although a safety-net mechanism is in place to limit losses in year.

- 4.2.5. In particular, BRR exposes local authorities to risk from reductions in rateable values. The system allows appeals if ratepayers think rateable values have been wrongly assessed or that local circumstances have changed. One major issue is that successful appeals are usually backdated to the start of the relevant valuation list, which means that for every £1 of rateable value lost on the 2010 list growth of £6 would be necessary to fund the cost. At the end of October 2017 there were around 3,600 outstanding appeals against the 2010 ratings list in Leeds.
- 4.2.6. A new rating list, primarily based on rental values in 2015, was introduced on 1st April 2017. This ratings list should be more accurate than the previous 2010 list which was based on rental values in 2008, just before the 'financial & economic crisis'. Further, appeals submitted against this new list can only be backdated to 1st April 2017. This, together with the impact of the new 'check, challenge, appeal' appeals process also introduced on 1st April 2017, should reduce business rate appeals and volatility going forward. At the end of October 2017, the Council has received only 70 checks and challenges against the 2017 ratings list, with only 17 of these remaining outstanding. No appeals have been received as yet.
- 4.2.7. Since 2013/14 the total amount repaid by way of business rate appeals is in the order of £125m, with a cost to the Council of £61m. The provision for business rate appeals within the collection fund has been reviewed and recalculated to recognise new appeals and the settlement of existing appeals, and the 2018/19 initial budget proposals provide for an additional £13.5m contribution from the general fund to fund this provision.
- 4.3. **Small Business Rates Relief and other mandatory reliefs**
- 4.3.1. From April 2017, Government increased the rateable value threshold for small businesses from £6,000 to £12,000. As a result an additional 3,300 small businesses in Leeds now pay no business rates at all and in total in the current year around 11,500 or 40% of business properties in Leeds pay no business rates. Whilst Small Business Rates Relief reduces the business rates income available to Leeds, the authority recovers 50% of this income through government grant and a further proportion through other ratepayers who pay rates based on a slightly higher business rate multiplier. The proportion any individual authority recovers depends on the mix of large and small businesses in that area.
- 4.3.2. Unlike Small Business Rates Relief, local authorities do bear 50% of the cost of other mandatory business rate reliefs such as mandatory charity relief and empty rate relief, but have no control over entitlement and no powers to deal with their use in business rates avoidance. Costs of mandatory reliefs have increased significantly since the introduction of BRR, further reducing Leeds' retained business rates income: mandatory charity relief alone has increased by over 48%, from approximately £18.5m in 2012/13 to £27.5m in 2017/18, costing the council an estimated £4.4m more in lost income in 2017/18.
- 4.3.3. At the March 2017 Budget, the Chancellor announced three additional measures to support businesses affected by the 2017 Revaluation: support

for small businesses, a business rate discount for public houses and £300 million of funding over four years for local authorities to establish local discretionary relief schemes 'to deliver targeted support to the most hard-pressed ratepayers'. The discount for public houses was initially for one year only but has been extended for a further year in the Autumn Budget, whereas the other two reliefs will be provided for four years. These reliefs reduce business rates income by £590k in 2018/19 but the Council will be fully compensated through government grant.

4.4. Business rates Retention and the Initial Budget Proposals

4.4.1. In terms of the initial budget proposals, it is estimated that the local share of business rates funding in 2018/19 will be £184.0m, as set out in table 3 above. This includes an estimated £8.0m for a national appeals adjustment which relates to the potential future appeals against the 2017 business rates list. As per table 4 below, the initial budget proposals recognise business rate growth above the baseline of £17.86m, an increase of £1.14m (6.8%) from the 2017/18 budget.

Table 4 – Business Rates, Estimated Growth above the Baseline

	2017/18	2018/19	Change
	£m	£m	£m
Business rates local share	178.07	184.00	5.93
Less: business rates baseline	161.35	166.13	4.79
Growth above baseline	16.72	17.86	1.14

4.4.2. The £184.0m local share of business rates funding is then reduced by the £13.7m tariff payment and the £12.9m deficit on the collection fund to give the £157.4m estimated business rates funding shown in table 5 below.

Table 5 – Business Rates Retention 2017/18 & 2018/19

	2017/18 £m	2018/19 £m
Business rates baseline (including tariff)	148.0	152.4
Projected growth above the baseline to March	13.6	11.9
Estimated growth in the year	3.2	5.9
Total estimated growth	16.7	17.9
Estimated provision for appeals	(22.4)	(13.5)
Additional cost of transitional arrangements and provision for bad debts	0.6	0.7
Estimated year-end Collection Fund deficit (Leeds Share)	(21.8)	(12.9)
Estimated Business Rates Funding	142.9	157.4
Increase/(reduction) against the Business Rates baseline	(5.0)	5.0
Business Rates Retention - Additional General Fund Income		10.0

- 4.4.3. Comparing the £157.4m of business rates funding against the £152.4m business rates baseline produces a surplus of £5.0m which is a £10.0m improvement against the budgeted shortfall in the 2017/18 financial year. Contained within this £10m improvement is an £8.9m improvement in the budgeted deficit (£12.9m in 2018/19 and £21.8m in 2017/18), releasing additional funding for frontline services.
- 4.4.4. The council is a member of the Leeds City Region Business Rates Pool along with the other four West Yorkshire Authorities, Harrogate and York. The benefit of the current pooling arrangement is that the levy income generated by Leeds, Harrogate and York is retained in the region rather than being paid over to the Government. The initial budget proposals assume that this arrangement will continue in 2018/19. Based on the estimated growth in business rates above the baseline, the estimated levy payment from Leeds to the Pool in 2018/19 is £2.0m.
- 4.5. **Application to Pilot 100% Business Rate Retention**
- 4.5.1. In September 2017, Government invited applications from local authorities to pilot 100% Business Rates Retention in 2018/19. This is an expansion of the existing 100% pilot programme and is intended to help Government and the local government sector to explore options for the design of future increased business rate retention.
- 4.5.2. These pilot schemes are for one year only and would allow participating authorities to retain all additional growth in business rates above the business rate baseline determined by Government, whereas currently 50% of that growth is remitted to Government. Government wants to see this additional growth income being used to promote financial stability and sustainability in pooled areas and being invested to encourage further growth. Successful applicants will be given a 'no detriment' guarantee so that no pool of authorities will be worse off as a result of piloting 100% retention: thus removing the increased risks associated with 100% business rate retention whereby losses would no longer be shared 50/50 with Government.
- 4.5.3. The Leeds City Region Business Rates Pool has submitted an application to pilot 100% retention. The additional growth which could be retained regionally if the Pool's application succeeds is estimated to be in excess of £30m. The business plan submitted to Government proposes that member authorities would be allocated 50% of this additional growth income to improve financial stability within their authorities, with the Pool itself retaining 50% to continue to support and enable regional economic growth. Given the 'no detriment guarantee', the opportunity to pilot 100% retention appears to offer the prospect of significant financial benefits for the Leeds City Region, with minimal risk to the constituent authorities.
- 4.5.4. However, funding for pilot schemes is limited and it is anticipated that not all applications will be successful. Successful applications are expected to be announced before or alongside the publication of the draft local government

finance settlement in December 2017. At this stage these initial budget proposals do not reflect the application to pilot 100% retention.

- 4.5.5. The application itself is not binding. Should the application be successful, any member of the proposed pilot Pool will still be able to withdraw during the statutory 28 day window after Government designates the new 100% pilot Pool, as set out in the Local Government Finance Act. It must be noted that, should any member withdraw, not only would the pilot Pool be revoked but there would be no opportunity to fall back on the existing pooling arrangements.
- 4.5.6. This report asks Executive Board to agree that, should the application to pilot succeed, Leeds should continue as a member of that designated Business Rates Pool and should act as lead authority for the Pool. Notwithstanding this decision, the continuation of the Pool will be dependent upon none of the other member authorities choosing to withdraw within the statutory period after designation.

4.6. Council Tax

- 4.6.1. The 2017/18 budget was supported by a 4.99% increase in the level of council tax, 3% of which was attributable to the adult social care precept. Leeds council tax remains the 2nd lowest of the English core cities and mid-point of the West Yorkshire districts, as detailed in table 6 below.

Table 6 – 2017/18 Council Tax Levels (Figures include Police and Fire Precepts)

Core Cities	Band D £:p	West Yorkshire	
		Districts	Band D £:p
Nottingham	1,851.74	Kirklees	1,594.80
Bristol	1,799.75	Calderdale	1,575.89
Liverpool	1,751.92	Leeds	1,488.05
Newcastle	1,682.34	Wakefield	1,479.89
Sheffield	1,655.48	Bradford	1,469.71
Manchester	1,502.12		
Leeds	1,488.05		
Birmingham	1,438.45		

- 4.6.2. Government provided funding for the on-going effect of previous council tax freezes up to 2015/16. The council accepted council tax freeze grant for the years 2011/12 to 2013/14. As a result government funding of £9.4m was built into the council's 2015/16 settlement (the grant for freezing council tax in 2012/13 was for one year only).
- 4.6.3. The 2018/19 initial budget proposals recognise £4.9m of additional income from increases to the Council Tax base (3,773 band D equivalent properties) but also a decrease in the contribution from the collection fund of £1.7m (a budgeted £1.5m collection fund surplus in 2017/18 decreasing to an

estimated deficit on the collection fund of £0.2m in 2018/19).

- 4.6.4. In previous years Government has set a limit of up to but not including 2% for council tax increases above which a Local Authority must seek approval through a local referendum. The referendum ceiling for 2018/19 has yet to be announced; once known the council will need to make a decision about the proposed council tax increase. However, subject to an announcement, it is proposed that the standard council tax is increased by 1.99%.
- 4.6.5. In the 2017/18 provisional local government settlement, the Secretary of State announced additional flexibility, permitting local authorities to increase council tax by up to an additional 3% each year between 2017/18 and 2019/20 specifically to fund adult social care services, with the maximum total increase in these three years not exceeding 6%. This flexibility recognised demographic changes leading to growing demand for adult social care, and increased pressure on council budgets.
- 4.6.6. Table 7 below sets out the estimated total council tax income in 2018/19, recognising the estimated increase in the council tax base and the £0.2m estimated deficit on the collection fund together with £8.6m of additional income generated from the Adult Social Care precept and the general increase in the council tax rate.

Table 7 – Estimated Council Tax Income in 2018/19

	2017/18 Baseline £m	2018/19 Forecast £m
Previous year council tax funding	267.1	284.8
Change in tax base - increase / (decrease)	4.5	4.9
Increase in council tax level (1.99%)	5.4	5.6
Adult Social Care precept (3%)	8.1	8.6
Council Tax Funding before surplus/(deficit)	285.1	303.9
Surplus/(Deficit) 2016/17	1.8	
Surplus/(Deficit) 2017/18	1.5	1.5
Surplus/(Deficit) 2018/19		(0.2)
Change in collection fund contribution - increase/(decrease)	(0.3)	(1.7)
Total - Council Tax Funding	284.8	302.3
Increase from previous year		17.5

- 4.6.7. The settlement funding assessment includes an element to compensate parish and town councils for losses to their council tax bases arising as a result of local council tax support (LCTS). As this amount is not separately identifiable it is proposed, as in previous years, that LCTS grant should be reduced in line with the assumptions for Leeds's overall reduction in the settlement funding assessment, a reduction of 6.6% for 2018/19 from £75k to £70k.

4.7. **Adult Social Care Precept and Grant Income**

- 4.7.1. The initial budget proposals for 2018/19 also reflect additional grant monies made available by Government specifically for adult social care. Together the precept and the grant will be utilised to fund a range of adult social care pressures and priorities with the use of the balance of the “Spring Budget “ money for which bids were invited from both internal and external partners, having now been agreed by NHS England
- 4.7.2. As discussed above in para 4.6.6, it is proposed that the Leeds element of the council tax is again increased by a 3% adult social care precept in 2018/19.
- 4.7.3. In applying the precept the Government require Councils to demonstrate that adult social care budgets, (when compared to changes in other non-ring fenced services), are not reduced by a greater proportion than those non-ring fenced services. Based on the equivalent return made to Government in 2017, the 2018/19 initial budget proposals for Adults and Health are consistent with this requirement.
- 4.7.4. Collectively the Spring Budget monies, announced in the March 2017 budget, and the improved Better Care Fund total approximately £51m over the period 2017 to 2020. The ‘Spring Budget’ money was to be included within the improved Better Care Fund and was targeted at three areas: sustaining the care market, provision of social care and to ease the pressures on local health services.
- 4.7.5. The Council has agreed the planned spend with health partners and this has also been approved by the Health and Wellbeing Board for the three years of funding and by NHS England for 2017/18 and 2018/19 (being the current two year cycle of approval).
- 4.7.6. A summary of the use of the additional funding made available through the iBCF and the Spring Budget is as follows:
- Prevention/Self Care/Self-Management £5.5m
 - Reducing Pressures on the NHS £7.6m
 - Stability of the Provider Market £1.0m
 - Provision for Leeds Health & Care Plan £2.0m
 - Demand and Demographic Pressures in Social Care £22.7m
 - Reducing/Reversing planned reductions in Social Care £15.3m
- 4.7.7. The above priorities total £54.1m, however it is expected that this level of overprogramming can be managed within the overall allocation of £51m over the next three years.
- 4.7.8. Table 8 below outlines how the additional funding provided by the Better Care Fund, the “Spring Budget” grant announcement and the proposed adult social care council tax precept all combine to increase the spending power

within adult social care.

4.7.9. **Table 8 Adult Social Care “Spending Power”**

	2017/18	2018/19	2019/20
	£m	£m	£m
Base Budget	205.6	220.3	225.2
Spring Grant 17/18	14.7	(14.7)	
Spring Grant 18/19		9.4	(9.4)
Spring Grant 19/20			4.8
Improved Better Care Fund		11.1	10.1
ASC Support Grant		(3.3)	
ASC Precept		8.6	
ASC 3% Savings target		(6.2)	
	220.3	225.2	230.7

4.7.10. Members should note that the increased “spending power” figures reflected in the table above will not necessarily translate into how the Council’s Adults and Health managed budget for 2018/19 and beyond will look. This is because the grant income and the associated expenditure will net each other off in budget terms in each year that the grant is received.

4.8. **The net revenue budget 2018/19**

4.8.1. After taking into account the anticipated changes to the settlement funding assessment, business rates and council tax, the council’s overall net revenue budget is anticipated to increase by £13.5m or 2.7% from £492.7m to £506.2m, as detailed in table 9 below and at Appendix 1.

Table 9 – Estimated Net Revenue Budget 2018/19 Compared to the 2017/18 Net Revenue Budget

	2017/18	2018/19	Change
	£m	£m	£m
Revenue Support Grant	65.0	46.5	(18.5)
Business Rates Baseline	148.0	152.4	4.5
Settlement Funding Assessment	213.0	198.9	(14.0)
Business Rates Growth	8.9	9.9	1.0
National Appeals Adjustment	7.9	8.0	0.1
Business Rates Deficit	(21.8)	(12.9)	8.9
Council Tax (incl. Adult Social Care Precept)	283.2	302.4	19.2
Council Tax surplus/(deficit)	1.5	(0.2)	(1.7)
Net Revenue Budget	492.7	506.2	13.5

- 4.8.2. Table 10 below analyses the £13.5m estimated increase in the net revenue budget between the settlement funding assessment and locally determined funding sources.

Table 10 – Increase in the Funding Envelope

Funding Envelope	2018/19 £m
Government Funding	
Settlement Funding Assessment	(14.0)
Sub-total Government Funding	(14.0)
Locally Determined Funding	
Council Tax (incl tax base growth)	17.5
Business Rates	10.0
Sub-total Locally Determined Funding	27.5
Increase/(decrease) in the Net Revenue Budget	13.5

5. Initial budget proposals 2018/19

- 5.1. This section provides an overview of the changes in funding, primarily specific grants (paragraphs 5.3 to 5.4), and cost increases (paragraphs 6.1 to 6.19) which the council is facing in 2018/19 and concludes with the savings proposals (paragraphs 7.1 to 7.11) to balance the 2018/19 budget to the estimated available resources.
- 5.2. Table 11 provides a high level of summary of these changes:

Table 11 Summary of Changes in Funding, Cost Increases and Savings Proposals

	2018/19
	£m
Funding	
Additional Net Revenue Charge	(13.5)
Increases in Specific Grant	(13.1)
Fall out of one off funding	5.8
	<u>(20.9)</u>
Pressures	
Pressures - Inflation	10.9
Pressures - Other	48.2
	<u>59.1</u>
Funding and Cost Pressures	38.2
Solutions	
	£m
Efficiencies	(22.2)
Changes to services	(1.0)
Income - fees & charges	(6.3)
Income - traded services, partner & other income	(1.5)
Grant & Other income	(3.4)
Proposal to Use Capital Receipts / S106 balances	(3.9)
	<u>(38.2)</u>

5.3. Decreases/(Increases) in Funding

5.3.1. Changes in both the Settlement Funding Assessment (SFA) of £14.0m and local funding (£27.5m) are detailed in sections 4.1.3, 4.4.3 and 4.6.6 respectively.

5.3.2. **Specific Grant Funding Changes- Adults and Health (£16.1m).** In February 2017 the Government announced a total of £2.021bn as supplementary funding to the Improved Better Care Fund (Spring Budget money) which is required to be spent on social care. Of the £674m to be distributed in 2018/19 Leeds will receive £9.4m. This is in addition to the known increase of £11.1m in Improved Better Care Fund receivable by Leeds which had previously been announced. The one off Adult Social Care support grant of £3.3m, part funded by changes in New Homes Bonus, will fall out of the base budget in 2018/19.

5.3.3. In the 2015 spending review the Government indicated its intention to make savings on local authority public health spending and a further £1.2m reduction in the Public Health Grant has been included in these initial budget proposals for 2018/19.

5.3.4. **Specific Grant Funding Changes – Children and Families Directorate.** There will be a further reduction in the Education Services grant (ESG) receivable of £2.47m in 2018/19, meaning there is no ESG in the Council's base budget going forward. In 2018/19 £2.5m of Department for Education Innovations grant, which is supporting the base budget in 2017/18, will drop out with the balance of the grant being carried forward so that it can be

deployed to continue to invest in the Leeds children strategy through trialling new approaches to working with children and families and by investing in and reforming preventative services in order to manage demand.

- 5.3.5. **Specific Grant Funding Changes – Communities and Environment.** The Housing Benefits administration grant is expected to reduce by £0.25m, whilst the Fraud & Error Recovery Incentive Scheme grant has been replaced by the new Right Benefit Initiative grant and the bonus and maintenance elements of FERIS will no longer be paid with a consequent reduction in the level of grant receivable (£0.35m).
- 5.3.6. **Specific Grant Funding Changes – Flexible Homelessness Support Grant.** In February 2017 the Government announced details of the new Flexible Homelessness Support Grant (FHSG) which replaced the Temporary Accommodation Management Fee. Since FHSG is calculated on the basis of homelessness prevention outcomes and, as Leeds has achieved a high level of preventions, the allocation for Leeds in 2018/19 has been set at £1.794m.
- 5.3.7. **Specific Grant Funding Changes - Homelessness Reduction Act.** The Council has received £0.168m in 2018/19 to meet the new burdens associated with the Homelessness Reduction Act.
- 5.3.8. **Specific Grant Funding Changes - New Homes Bonus.** Government introduced the New Homes Bonus in 2011 to encourage housing growth: councils receive grant for a number of years for each net additional property added in each year. This grant is funded by top slicing revenue support grant. In 2016/17 Government made some changes, including reducing the number of years the bonus is receivable from six to four over two years and imposing a growth baseline before bonus is paid. The £1.5m pressure reflects the impact of these changes on the base budget and reduces the base budget in 2018/19 for NHB to £11.8m Government has recently consulted on further changes, to be announced in the Local Government Finance Settlement, that may impact upon future bonus payments.
- 5.3.9. **Grant Funding Changes – Section 31 grant.** An additional £2.2m of Section 31 grant is estimated in 2018/19. Approximately £1.7m of this income is compensation for losses to business rates income as a result of the change in business rate indexation (inflation) announced at the Autumn Budget, from RPI (3.9%) to CPI (3%). Most of the remainder of the S31 grant relate for reliefs granted to businesses following the 2017 revaluation, the majority of which have been awarded through the West Yorkshire Local Discount Scheme, approved by Executive Board in June 2017, providing targeted support to the small and medium sized local businesses most affected by the business rates revaluation.
- 5.4. **Contributions to/(from) Earmarked Reserves** – the reduction of £5.8m in the use of earmarked reserves to support the base budget reflects a

reduction in the contributions of £6.7m from the ELI reserve, the capital reserve and the Street Lighting reserves. These reductions are partially offset by contributions from the Insurance Reserve and the Wellbeing and Youth Activity Fund Reserve (£0.9m).

6. Projected Cost Increases

6.1. The table below summarises the projected cost increases in the 2018/19 initial budget proposals.

6.2. *Table 12 Cost Increases*

	2018/19
	£m
Inflation	10.9
Employer's LGPS contribution	0.9
Leeds CC minimum pay rate	0.6
National Living Wage - commissioned services	4.7
Fall-out of capitalised pension costs	(0.4)
Demand and demography - Children Looked After	3.0
Demand and demography - Adult Social Care	3.2
Demand and demography - Other	0.1
Adult Social Care - Client Contributions	1.4
Adult Social Care - Partner Income	8.0
Adult Social Care Spring Budget Spend	9.4
Homelessness Grant Spend	2.0
Income pressures (S278, Markets, Sport)	1.8
Cultural Legacy	0.4
Tour de Yorkshire	0.2
West Yorkshire Transport Fund	0.2
Elections - after fallow year	1.1
Expansion of Brown Bin Collections	0.4
Housing Benefit Overpayment income	1.2
Other Pressures	6.2
Debt - external interest / Minimum Revenue Provision	4.0
Projected Cost Increases	59.1

6.3. **Inflation** - the budget proposals include allowance for £10.9m of net inflation in 2018/19. This includes provision of £4m for a 1% pay award for those staff not impacted by the Council's minimum pay rate (see paragraph 6.5 below). The budget proposals allow for inflation where there is a contractual commitment, but anticipate that the majority of other spending budgets are cash-limited. An anticipated 3% general rise in fees and charges has also been built into the budget proposals where they can be borne by the market, although there are instances where individual fees and charges will increase more than this.

- 6.4. **Local government pensions** - the most recent actuarial valuation took place in December 2016 and, in line with the agreed phased increase, the employer's contribution will rise from the 15.6% contribution in 2017/18 to 15.9% by 2018/19. This increase creates a pressure of £0.9m which has been incorporated into these initial budget proposals for 2018/19.
- 6.5. **Leeds City Council minimum pay rate**– at its September 2015 meeting Executive Board agreed that the Council would move towards becoming a real Living Wage employer. In November 2015 the Living Wage Foundation announced a living wage of £8.25 per hour (outside London) and this was implemented by the Council in January 2017. The initial budget submission provides £0.6m for further increases in the Leeds City Council minimum wage which assumes a rise from the current £8.25 to £8.45 in 2018/19.
- 6.6. **National Living Wage for commissioned services** - in respect of services commissioned from external providers by both Adults and Health and Children and Families directorates, provision of £4.7m has been included and this is consistent with the national minimum wage assumptions for 2018/19.
- 6.7. **Fall out of capitalised pension costs** – the fall out of capitalised pension costs associated with staff who have left the Council under the Early Leaver's Initiative (ELI) will save an estimated £0.4m.
- 6.8. **Demand and Demography** – the initial budget proposals recognise the increasing demography and consequential demand pressures for services in Adults and Health and Children and Families. Within Adults and Health the population growth forecast assumes a steady increase from 2017 in the number of people aged 85-89 during 2018 (1.87%). This will result in additional costs of £0.8m for domiciliary care and placements and increasing cash personal budgets. The learning disability demography is expected to grow by £0.5m per annum, which includes an anticipated growth in numbers of 0.6% (based on ONS data) over the period; but noting that the high cost increase is primarily a combination of increasingly complex (and costly) packages for those entering adult care, as well as meeting the costs of the increasing need for existing clients whose packages may last a lifetime. The demography for clients with a Mental Health need and those with a Physical Impairment are expected to grow by 2.6% and 2.1% respectively incurring a combination of £0.3m of support. In addition, demand over that anticipated in 2017/18 is calculated to add £1.6m to package costs across all client groups in 2018/19.
- 6.9. Children and Families directorate continues to face demographic and demand pressures and £3m has been included to address this in the 2018/19 initial budget proposals. These pressures reflect relatively high birth rates (particularly within the most deprived clusters within the city), increasing inward migration into the city (particularly from BME groups from outside the UK), the increasing population of children & young people with special and very complex needs, greater awareness of the risks of child sexual exploitation, growing expectations of families and carers in terms of

- services offered and changes in government legislation, including ‘staying put’ arrangements that enable young people to remain with their carers up to the age of 21.
- 6.10. The initial budget proposals also provides £0.1m for demand and demography within the Waste Management function.
- 6.11. **Within Adults and Health**, the Adult Social Care precept and the grant will be utilised to fund a range of pressures, identified at paragraph 4.7 above. These include demand and demography, the minimum wage in commissioned services, further reductions in the public health grant and the loss of targeted income from partners.
- 6.12. The receipt of the **Homelessness Grant** represents a significant windfall to the Council and it will be used to achieve further increases in homelessness prevention outcomes, further reductions in temporary accommodation placements and to best assist entrenched rough sleepers with drug and alcohol dependency issues. Additional resources have been provided to fund costs associated with the new duties arising from the Homelessness Reduction Act.
- 6.13. **Income variations** - the level of Section 278 grant (Highways Act 1980) receivable to support the 2018/19 budget is anticipated to reduce by £1m. In addition income receivable from rents at Kirkgate Market is anticipated to reduce by £0.58m whilst income receivable at the Council’s Leisure Centres is also projected to reduce by £0.2m.
- 6.14. **Cultural legacy** - in October 2017 Executive Board agreed that the city’s bid to be European Capital of Culture in 2023 be submitted. Despite the recent EU announcement that UK cities will be not be allowed to bid, the Council remains committed to creating a cultural legacy for the city. An amount of £0.38m has been incorporated into the 2018/19 budget to help deliver these outcomes and this amount will be held in an earmarked reserve pending further updates.
- 6.15. **Tour de Yorkshire** – in order for the Council to host one of the stages of the Tour de Yorkshire a resource of £0.2m is required to be reinstated into City Development’s budget. This budget was removed in 2017/18, a year in which Leeds did not host a start/finish stage of the race.
- 6.16. **West Yorkshire Transport Fund** – from the 1st April 2015 the West Yorkshire Combined Authority began operations overseeing strategies for growing the economy, creating jobs, developing new affordable homes and improving the transport network. The initial forecast for council levies indicates an increase of £0.2m in 2018/19 and contributes towards the aspiration to deliver a regional £1.4bn transport fund.
- 6.17. **Expansion of Brown Bin Collections** - in order to cover the remainder of suitable properties across the city an additional three garden waste routes are estimated to be required. The annual net cost of these routes, based on

15,000 properties per route and including disposal, is around £360k.

6.18. **Debt (external interest)** – the Council forecasts an additional borrowing requirement of £108m to support the 2018/19 capital programme of £325m. The additional revenue cost of this borrowing is forecast at £4m. This increase comprises £2.4m relating to funding new capital programme spend, £0.5m additional cost of switching some short term funding to long term funding, £0.3m additional costs of premiums as a result of previous restructuring of debt and the remainder due to the impact of use of capital receipts to fund PFI liabilities, £0.3m brokerage fees and movements in other income streams

6.19. **Other Pressures** - other budget pressures of £8.5m have been identified for 2018/19. These pressures include:

- A £1.2m net reduction in income receivable from Housing Benefits overpayment;
- £1.1m is required to reinstate the Elections budget after a fallow year;
- A net £1.4m is required to reinstate the budget associated with the re-occupation of the refurbished Merrion House, most of which relates to the business rates payable;
- £0.5m increased maintenance requirement for the Council's buildings;
- £1.7m of pressures with Children and Family directorate;
- £0.3m of pressures in Adults and Health directorate;
- £1.1m of pressures within Resources & Housing directorate;
- £0.4m of pressures within Communities & Environment directorate; and
- £0.8m of pressures within the Council's Strategic Accounts.

7. **The Budget Gap – Savings Options - £38.2m**

7.1. After taking into account the impact of the anticipated changes in funding of £20.9m and cost pressures of £59.1m outlined above, it is forecast that the council will need to generate savings, efficiencies and additional income to the order of £38.2m in 2018/19 to balance to the anticipated level of resources available.

7.2. Table 13 below summarises the proposed savings to balance the 2018/19 budget with additional detail in the sections below and in Appendix 2.

7.3. **Table 13 Proposals to Balance**

Solutions	£m
Efficiencies	(22.2)
Changes to services	(1.0)
Income - fees & charges	(6.3)
Income - traded services, partner & other income	(1.5)
Grant & Other income	(3.4)
Proposal to Use Capital Receipts / S106 balances	<u>(3.9)</u>
	(38.2)

7.4. In order to both manage the reductions required for the period 2017/18 to 2019/20, and protect front line services, the Council embarked on an ongoing process of review across a range of services and policy areas in 2016. The outcome of these reviews were incorporated into the Council's 2017/18 budget and they have also been included in these initial budget proposals for 2018/19. These service and policy reviews have been, and will continue to be, updated as part of an iterative approach to developing the Council's strategic plan and aligned medium term financial strategy and annual budgets. All services are within scope though the Council remains committed to protecting front line services as far as possible especially those that provide support to the most vulnerable.

7.5. **Efficiencies – savings of £22.2m**

7.5.1. In terms of efficiencies, the council has taken quite a distinctive approach. The focus has been on efficiencies realised through stimulating good economic growth and creatively managing demand for services. This whole city approach drives ambitious plans despite austerity. It is born from our vision for Leeds to be the best city in the UK: one that is compassionate with a strong economy that can tackle poverty and reduce inequalities. This approach, coupled with a significant programme of more traditional efficiencies, has enabled the council to make the level of savings required since 2010 whilst simultaneously creating the conditions for a thriving and sustainable city where people's lives are better.

7.5.2. Efficiency of the council's own operations remains important and we have reduced budgets in all areas of the council and will continue to do so, whilst protecting frontline services and those for the most vulnerable. At the centre of this work is a whole organisation cultural change programme coupled with modernisation of the work environment creating the necessary conditions for fundamental organisational change and efficiency improvements.

7.5.3. Appendix 2 provides the detail of a range of proposed efficiency savings across all directorates which total some £22.2m in 2018/19. These savings are across a number of initiatives around:

- Organisational design;
- Continuing demand management through investment in prevention and early intervention, particularly in Adult Social Care and Children's Services;
- Savings across the range of support service functions;
- Ongoing recruitment and retention management;
- Reviewing leadership and management;
- Realising savings by cash-limiting and reducing non-essential budgets;
- Ongoing procurement and purchasing savings.

7.6. **Changes to Services – savings of £1.0m**

- 7.6.1. By necessity, managing the reductions in government funding in addition to a range of cost increases means that the council will have to make some difficult decisions around the level and quality of services that it provides and whether these services should be increasingly targeted toward need.
- 7.6.2. Appendix 2 sets out these detailed service change proposals, which together target savings of £1.0m by March 2019.

7.7. **Fees & Charges – additional income of £6.3m**

- 7.7.1. At its February 2016 meeting, Executive Board approved the recommendations from Scrutiny Board (Strategy & Resources) on fees and charges which included agreement that all fees would be reviewed annually and increased by at least the rate of inflation, that officers should benchmark their charging frameworks each year and that full-cost recovery in line with CIPFA guidance should apply as part of the annual budget setting process.
- 7.7.2. The initial budget proposals reflect these principles and assume a general increase in fees and charges of 3%, and Appendix 2 sets out detailed proposals around a number of fees, charges and subsidised services. If approved, these proposals would generate an additional net £6.3m of income in 2018/19.

7.8. **Traded Services, partner income & other income – additional income of £1.5m**

- 7.8.1. Appendix 2 provides details across directorates of a number of proposals that together would generate additional net income of £1.5m.

7.9. **Grants – additional income / reduction in grant related spend £3.4m**

- 7.9.1. A combination of reduced grant related spend and additional grant income will save a net £3.4m in Adults and Health and Children and Families directorates, details of which can be found in Appendix 2.

7.10. **Use of Section 106 balances.**

- 7.10.1. Planning obligations, also known as Section 106 agreements (based on that section of the 1990 Town & Country Planning Act) are private agreements made between Local Authorities and developers and can be attached to a planning permission. Through this mechanism contributions can be sought for the costs associated with providing community and social infrastructure the need for which has arisen as a result of a new development taking place.
- 7.10.2. At 31st March 2017 the Council had £32.1m of Section 106 earmarked reserves on its balance sheet. Subject to satisfying any legal requirements contained in the Section 106 agreement e.g. clawback, it is proposed that the balances held by the Council be used to support the 2018/19 revenue budget. If the balances are used in this way it needs to be recognised that this creates an obligation in future years as the Council will be required to identify the resources to meet expenditure commitments that would previously have been funded through Section 106 balances.

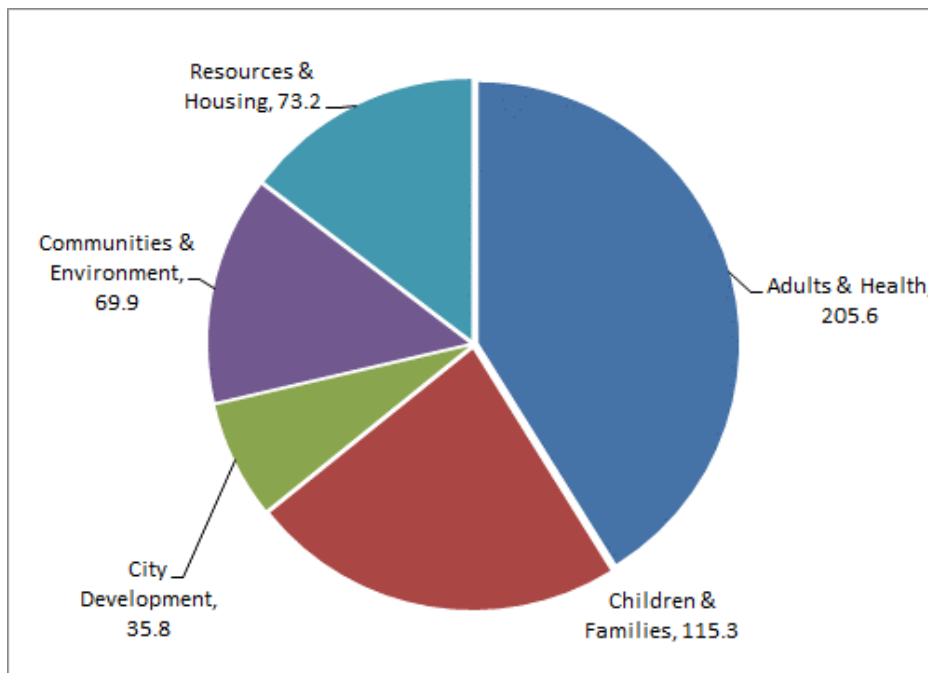
7.11. **Flexible use of Capital Receipts.**

- 7.11.1. In March 2016 the Secretary of State for Communities and Local Government issued guidance, which allowed Local Authorities to use capital receipts to support the delivery of more efficient and sustainable services by extending the use of capital receipts to finance costs of efficiency initiatives that deliver significant savings. This guidance requires the Council to prepare, publish and maintain a Flexible Use of Capital Receipts Strategy. The Strategy, received at Council on February 22nd 2017, agreed the use of capital receipts to fund the severance/redundancy costs associated with the transformation of the council implemented through the policy and service programme and with members of staff seeking to exit the Authority through the Early Leaver's Initiative. These initial budget proposals assume that capital receipts are set aside to resource similar transformational expenditure in 2018/19 and 2019/20.
- 7.11.2. In using capital receipts in the manner described above this will increase the estimated budget gap for 2020/21 since the pressure of £26.2m, identified in Medium Term Financial Strategy that was received at July's Executive Board, assumed the full use of capital receipts to contribute towards offsetting the pressure associated with the required increase in the Council's Minimum Revenue Provision (MRP).

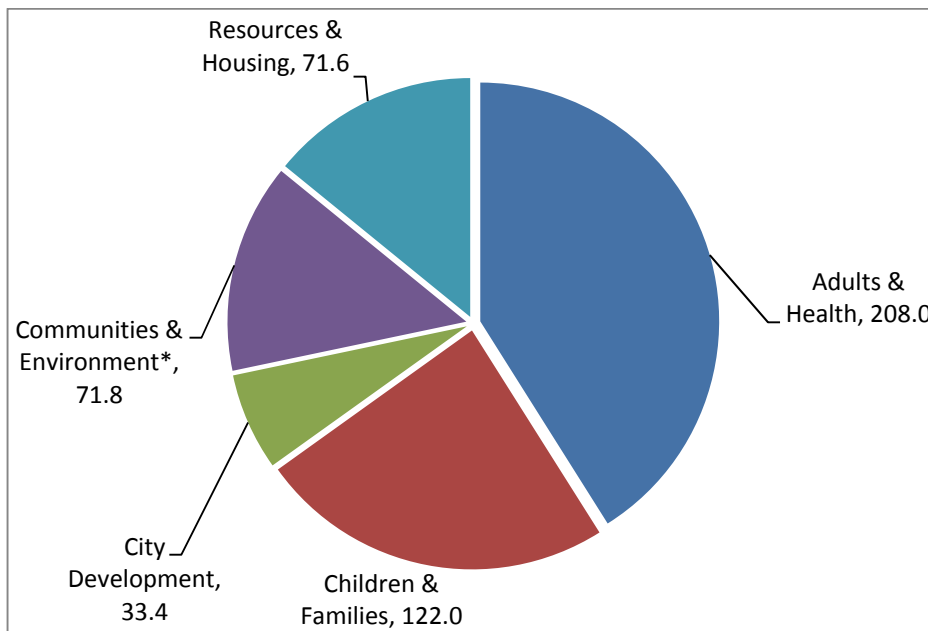
7.12. **Summary Budget By Directorate**

- 7.12.1. The pie charts below show the share of the council's net managed expenditure between directorates for 2017/18 and the proposed allocations for 2018/19 based on the initial budget proposals.

7.12.2. Net Managed Budget 17/18 OE £m (restated)



7.12.3. Net Managed Budget 18/19 OE £m (Proposed)



7.12.4. It should be noted that these resource allocations may be subject to amendments as we move through the budget setting process. Net managed expenditure represents the budgets under the control of individual directorates and excludes items such as capital charges

pensions adjustments and allocation of support costs in directorate budgets.

- 7.12.5. The initial budget proposals would mean that the council's spend on Children and Families and Adult Social Care will increase from 64.2% of service budgets in 2017/18 to 65.1% in 2018/19 which reflects the council's priorities around supporting the most vulnerable across the city and to prioritise spending in these areas.

8. Impact of proposals on employees

- 8.1. The council has operated a voluntary retirement and severance scheme since 2010/11 which has already contributed significantly to the reduction in the workforce of around 3,200 ftes to March 2017, generating savings of £60m per year.
- 8.2. The 2017/18 budget requires a reduction in staffing numbers of 484 FTEs. In July 2017 Executive Board received an update to the Medium Term Financial Strategy in which the budget gap over the next 3 years was forecast at around £44m.
- 8.3. The Council reissued a S188 notice on 3rd August 2017 which indicated that an estimated reduction of a further 415 FTEs would be required by 2020.
- 8.4. The council will continue to strive to avoid compulsory redundancies – through natural turnover, continuing the voluntary early leaver scheme, staff flexibility and continuing the positive working with the trade unions.
- 8.5. The initial budget proposals outlined in this report provide for an estimated net reduction of circa 53 full time equivalents by 31st March 2019.

9. General Reserve

- 9.1. Under the 2003 Local Government Act, the Council's Statutory Financial Officer is required to make a statement to Council on the adequacy of reserves as a part of the annual budget setting process. It is also good practice for the Authority to have a policy on the level of its general reserve and to ensure that it is monitored and maintained.
- 9.2. The purposes of the general reserve policy are to help longer-term financial stability and identify any future events or developments which may cause financial difficulty by allowing time to mitigate these.
- 9.3. The general reserve policy encompasses an assessment of financial risks both within the Medium Term Financial Strategy and also in the annual budget. These risks should include corporate/organisation wide risks and also specific risks within individual directorate and service budgets. This analysis of risks should identify areas of the budget which may be uncertain

and a quantification of each “at risk” element. This will represent the scale of any potential overspend or income shortfall and will not necessarily represent the whole of a particular budget heading. Each assessed risk will then be rated and scored in terms of impact and probability.

- 9.4. The initial budget proposals for 2018/19 do not assume any contribution from the general reserve and the level of general reserves at 31st March 2019, as set out in the table below, is projected to be £18.6m.

Table 14 - General Reserve

General Reserve	2017/18	2018/19
	£m	£m
Brought Forward 1st April	20.0	18.6
Budgeted contribution/(use) in-year	(1.4)	0.0
Carried Forward 31st March	18.6	18.6

- 9.5. Whilst the Council maintains a robust approach towards its management of risk and especially in the determination of the level of reserves that it maintains, it is recognised that our reserves are lower than those of other local authorities of a similar size. However KPMG’s External Audit report 2016/17 concluded that “the Authority have demonstrated they have managed the level of reserves effectively in recent years despite the budgetary pressures they face. Overall we consider the Authority to have adequate arrangements in place regarding the management of its financial risks and potential impact on resource deployment.”
- 9.6. Whilst the continued reductions in funding and the pressures faced by the Authority make the current financial climate challenging, we will continue to keep the level of the Council’s reserves under review to ensure that they are adequate to meet identified risks.

10. **Schools Budget**

- 10.1. The Dedicated Schools Grant (DSG) for 2018/19 will now be funded in four separate blocks for early years, high needs, schools and central schools services.
- 10.2. A new National Funding Formula (NFF) will be implemented from April 2018 for high needs, schools and central schools services. The schools formula will be “soft” in 2018/19 and 2019/20 which means that local authorities will continue to set local formulae for schools.
- 10.3. The early years block will fund 15 hours per week of free early education for 3 and 4 year olds and the early education of eligible vulnerable 2 year olds. From September 2017, there is an additional 15 hours per week provision for working families of 3 and 4 year old children. The per pupil

units of funding will be confirmed in later in 2017/18 and the grant received will continue to be based on participation. The actual grant received during 2018/19 depends on pupil numbers in the 2018 and 2019 January censuses. The early year's pupil premium is now included in this calculation and is payable to providers for eligible 3 and 4 year olds at the rate of £0.53 per child per hour. The pupil premium grant will continue and it is expected that the rates will be protected. The grant value shown below is based on the projected pupil numbers in January 2018.

- 10.4. The high needs block will support places and top-up funding in special schools, resourced provision in mainstream schools and alternative provision; top-up funding for early years, primary, secondary, post-16 and out of authority provision; central SEN support and hospital & home education. A draft allocation under the NFF calculation has been published, though the final allocation will not be issued until December 2017. The value in the table below is before any deductions are made by the Education and Skills Funding agency (ESFA) in respect of funding for academies, free schools and post 16 places. The high needs block is facing a number of financial pressures and although Leeds is a net gainer under the national funding formula the full benefit of the increase in funding will not be felt for a number of years as there is an annual cap on gains within the national funding formula. Children and Families directorate have led a review of the high needs block which has included consultation with partners on options to bring spend back in line with the available funding. These options include transferring funding from the schools block and the central schools services block which will be subject to a separate consultation with schools and to approval from Schools Forum.
- 10.5. The schools block funds the delegated budgets of primary and secondary schools for pupils in reception to year 11. The grant for 2018/19 will be based on pupil numbers (including those in academies and free schools) as at October 2017. The pupil numbers from this census are not yet available, but it is expected that there will be an increase. Schools have been consulted on options for the local formula in 2018/19. The results of the consultation will be presented to Schools Forum to enable further discussion with a final decision being made by the Director of Children and Families in early 2018
- 10.6. As part of the NFF, the central school services block (CSSB) has been created from the DSG funding that is held centrally by the local authority for central services. This includes the funding which was previously delivered through the retained duties element of the ESG along with previously reported ongoing responsibilities and historic commitments. A draft allocation under the NFF calculation has been published, though the final allocation will not be issued until December 2017.
- 10.7. Funding for post-16 provision is allocated by the ESFA and no changes to the formula are expected for 2018/19. Funding for 2018/19 will be based

on 2017/18 lagged student numbers

- 10.8. Pupil Premium grant is paid to schools and academies based on the number of eligible Reception to year 11 pupils on the schools roll in January each year. The rates for 2018/19 are expected to remain at: primary £1,320, secondary £935, for each pupil registered as eligible for free school meals (FSM) at any point in the last 6 years and £300 for children of service families. The pupil premium plus rate for children looked after and children who have ceased to be looked after by a local authority because of adoption, a special guardianship order, a child arrangements order or a residence order will increase from £1,900 to £2,300
- 10.9. The Primary PE grant will be paid in the 2017/18 academic year to all primary schools at a rate of £16,000 plus £10 per pupil.
- 10.10. For the Year 7 catch up grant in 2017/18, funding is allocated to schools on the basis that they receive the same overall amount of year 7 catch-up premium funding received in 2016/17. It will be adjusted to reflect the percentage change in the size of their year 7 cohort, based on the October 2017 census. It is assumed that the 2018/19 will be on the same basis and so dependent on the October 2018 census information.
- 10.11. A grant for the universal provision of free school meals for all pupils in reception, year 1 and year 2 was introduced in September 2014. Funding for the 2017/18 academic year is based on a rate of £2.30 per meal taken by eligible pupils, giving an annual value of £437. Data from the October and January censuses will be used to calculate the allocations for the academic year.
- 10.12. The Education Services Grant (ESG) ceased at the end of August 2017. ESG funding for retained duties has transferred to the DSG from April 2017. Schools Forum previously agreed that this funding could be passported to the Local Authority. Approval for this for 2018/19 will be sought later in 2017/18.
- 10.13. **Schools funding summary**
The grants before ESFA deductions (e.g. for payments to academies) for 2017/18 (latest estimate) and 2018/19 are shown in table 15 above. The amounts for 2018/19 are subject to final confirmation.

Table 15 – The Estimated Schools Budget

	2017/18	2018/19	Change
	£m	£m	%
DSG - Schools Block	482.07	486.59	4.52
DSG - Central Schools Services Block		5.08	5.08
DSG - High Needs Block	62.65	66.34	3.69
DSG - Early Years Block	50.88	55.42	4.54
ESFA Post 16 Funding	31.54	31.33	-0.21
Pupil Premium Grant	42.28	42.94	0.66
PE & Sports Grant	3.36	4.26	0.9
Year 7 Catch-up Grant	0.87	0.87	0
Universal Infant Free School Meals Grant	8.87	8.58	-0.29
	682.52	701.41	18.89

11. Housing Revenue Account

- 11.1. The Housing Revenue Account (HRA) includes all expenditure and income incurred in managing the Council's housing stock and, in accordance with Government legislation, operates as a ring fenced account. The key movements in 2018/19 are detailed in Table 16.
- 11.2. The 2016 Welfare Reform and Work Act introduced the requirement for all registered social housing providers to reduce social housing rents by 1% for the 4 years from 2016/17. This reduction was implemented by the council in 2016/17 with a subsequent loss of £2.1m in rental income. Reducing rents by a further 1% in each of the three years from 2017/18 to 2019/20 equates to an additional estimated loss of £18.5m in rental income over this period. When compared to the level of resources assumed in the financial plan (and assuming that from 2020/21 rent increases will revert back to the previous policy of CPI+1%) this equates to a loss of £283m of rental income over the 10 year period (2016/17 to 2024/25).
- 11.3. Whilst the 2016 Act requires that social rents have to reduce by 1% per annum until 2019/20, properties funded through PFI can be exempt from this requirement. An increase in accordance with the government's rent formula of CPI (1% as at September 2016) + 1% is therefore proposed. This overall 4% rise equates to approximately £0.46m in rental income.
- 11.4. The costs associated with servicing the HRA's borrowing have increased due to a combination of discounts that had previously been applied to the overall level of debt falling out and the planned increase in borrowing to support the Council's new build programme.
- 11.5. The rollout of universal credit in Leeds commenced in 2016 and once fully implemented it will require the council to collect rent directly from around 24,000 tenants who are in receipt of full or partial housing benefit. Although the financial impact of this is still difficult to quantify it is likely to have

implications for the level of rental income receivable since the level of arrears is anticipated to increase.

- 11.6. A reduction in the qualifying period after which tenants are able to submit an application to purchase a council house through the government's Right to Buy legislation continues to sustain an increase in the number of sales with a subsequent reduction in the amount of rent receivable.
- 11.7. The reduction in rental income will need to be managed in addition to other pay, price and service pressures. A combination of staffing efficiencies, a reduction in the budget for supplies and services and the use of some of the retained element from Right to Buy receipts which can be used to fund capital expenditure will contribute towards off-setting these pressures.
- 11.8. Further consideration will be given to increasing service charges to reflect more closely the costs associated with providing services. This will generate additional income which will contribute towards offsetting the reduction in rental income receivable as a result of the change in Government's rent policy.
- 11.9. Tenants in multi storey flats (MSFs) and in low/medium rise flats receive additional services such as cleaning of communal areas, staircase lighting and lifts and only pay a notional charge towards the cost of these services meaning other tenants are in effect subsidising the additional services received. It is proposed that an additional £2 per week increase on multi storey flats with an inflationary increase of £1 per week on low/medium rise flats in 2018/19 would generate an additional £687k compared to 2016/17.
- 11.10. Currently tenants in sheltered accommodation receiving a warden service are charged £13 per week for this service. This charge is eligible for Housing Benefit. In 2016/17 a nominal charge of £2 per week was introduced for those tenants who benefited from the service but did not pay. This was increased to £4 a week in 2017/18 and it is proposed to increase this charge by a further £2 per week in 2018/198.
- 11.11. An analysis of the impact on individual tenants of reducing rents by 1% and implementing the proposed charges as above has been undertaken. This analysis shows that should the proposals be agreed 82.2%% of tenants will pay 78p less per week less in overall terms in 2018/19 than in 2017/18. Of those paying more, 11.5% will pay up to £1.36 more per week, 2.8% will pay 2.97p per week more, with the remaining 3.5% paying between £1.33 and £4.34 per week. These increases will be funded through Housing Benefit for eligible tenants. Approximately 58% of tenants are in receipt of Housing Benefits.
- 11.12. Since all housing priorities are funded through the HRA any variations in the rental income stream will impact upon the level of resources that are available for the delivery of housing priorities. Resources will be directed towards key priority areas which include fulfilling the plan to improve the homes people live in, expanding and improving older person's housing and improving estates to ensure that they are safe and clean places to live. Additional resources will also be spent on further fire prevention.
- 11.13. The Council remains committed to prioritising resources to meet the capital investment strategy and to replace homes lost through Right to Buy by the

planned investment in new homes and the buying up of empty homes. The council aims to maintain a consistent level of capital expenditure with a view to improving the condition of the stock.

11.14. **Table 16 – Housing Revenue Account Pressures and Savings**

	£m
Income	
Reduced rental income due to 1% rent reduction and reduced stock	4.06
Rent increase (CPI + 1%) for housing stock in PFI areas	(0.46)
Increases in service charges	(0.69)
Other Income	(0.43)
Total	2.48
Expenditure	
Pay and price pressures	1.00
Supplies and Services	(0.32)
Provision for Bad Debts	0.08
Variation in the contribution to the PFI contractor	1.41
Reduction in the revenue contribution to capital which is being realised through the use of additional Right to Buy receipts (debt set aside)	(5.50)
Increase in Fire Prevention Works	0.46
Other pressures	0.39
Total	(2.48)

12. Capital Programme

- 12.1. Over the period 2017/18 to 2020/21 the existing capital programme includes investment plans which total £1.2bn. The programme is funded by external sources in the form of grants and contributions and also by the Council through borrowing and reserves. Where borrowing is used to fund the programme, the revenue costs of the borrowing will be included within the revenue budget. Our asset portfolio is valued in the Council's published accounts at £4.9bn, and the council's net debt, including PFI liabilities stands at £2.46bn.
- 12.2. The initial budget proposals provide for a £4.0m increase in the cost of debt and capital financing. This assumes that all borrowing is taken short term at 0.50% interest for the remainder of 2017/18 and 0.85% in 2018/19.
- 12.3. The strategy allows for capital investment in key annual programmes, major schemes that contribute to the Best Council Plan objectives and schemes that generate income or reduce costs. Capital investment will continue to be subject to robust business cases being reviewed and approved prior to schemes approval. Whilst the capital programme remains affordable, its

continued affordability will be monitored as part of the treasury management and financial health reporting.

- 12.4. A capital programme update report will be presented to the Executive Board in February 2018.

13. Corporate Considerations

13.1. Consultation and Engagement

- 13.1.1. The initial budget proposals have been informed through the wealth of consultation evidence gathered in recent years on residents' budget priorities. Since 2012 there has been only minor changes to those priorities and, in addition, residents and service users have had significant involvement in on-going service-led change projects. Subject to the approval of the board, this report will be submitted to Scrutiny for their consideration and review, with the outcome of their deliberations to be reported to the planned meeting of this Board on the 7th February 2018.

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

13.2. Equality and Diversity / Cohesion and Integration

- 13.2.1. The council continues to have a clear approach to embedding equality in all aspects of its work and recognises the lead role we have in the city to promote equality and diversity. This includes putting equality into practice taking into account legislative requirements, the changing landscape in which we work and the current and future financial challenges that the city faces.
- 13.2.2. As an example of the commitment to equality, scrutiny will again play a strong role in challenging and ensuring equality is considered appropriately within the decision making processes.
- 13.2.3. The proposals within this report have been screened for relevance to equality, diversity, cohesion and integration (Appendix 3) and a full strategic analysis and assessment will be undertaken on the revenue budget and council tax 2018/19 which will be considered by Executive Board in February 2018. Specific equality impact assessments will also be undertaken on all budget decisions as identified as relevant to equality as they are considered during the decision-making processes in 2018/19.

13.3. **Council Policies and Best Council Plan**

- 13.3.1. The refreshed Best Council Plan 2018/19 will set out the council's priorities aligned with the medium-term financial strategy and annual budget. Developing and then implementing the Best Council Plan will continue to inform, and be informed by the council's funding envelope and staffing and other resources.

13.4. **Resources and Value for Money**

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

13.5. **Legal Implications, Access to Information and Call In**

- 13.5.1. This report has been produced in compliance with the Council's Budget and Policy Framework. In accordance with this framework, the initial budget proposals, once approved by the board will be submitted to Scrutiny for their review and consideration. The outcome of their review will be reported to the February 2018 meeting of this Board at which proposals for the 2018/19 budget will be considered prior to submission to full Council on the 21st February 2018.
- 13.5.2. The initial budget proposals will, if implemented, have significant implications for Council policy and governance and these are explained within the report. The budget is a key element of the council's budget and policy framework, but many of the proposals will also be subject to separate consultation and decision making processes, which will operate within their own defined timetables and managed by individual directorates
- 13.5.3. In accordance with the council's budget and policy framework, decisions as to the council's budget are reserved to full council. As such, the recommendation at 15.1 is not subject to call in, as the budget is a matter that will ultimately be determined by full council, and this report is in compliance with the council's constitution as to the publication of initial budget proposals two months prior to adoption.
- 13.5.4. However, the recommendation in paragraph 15.2, regarding the Council's participation in the 2018/19 100% business rates retention pilot scheme, the potential impact of which is not currently reflected in these initial budget proposals, is a decision of the Executive Board and as such is subject to call-in.

13.6. **Risk Management**

- 13.6.1. The Council's current and future financial position is subject to a number of risk management processes. Failure to address medium-term financial pressures in a sustainable way is identified as one of the council's corporate risks, as is the council's financial position going into significant deficit in the current year resulting in reserves (actual or projected) being less than the minimum specified by the council's risk-based reserves policy. Both these risks are subject to regular review. In addition, financial

management and monitoring continues to be undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget that are judged to be at risk, for example the implementation of budget action plans, those budgets which are subject to fluctuating demand, key income budgets, etc. This risk-based approach has been reinforced with specific project management based support and reporting around the achievement of the key budget actions plans.

13.6.2. It is recognised that the proposed strategy carries a number of significant risks. Delivery of the annual budget savings and efficiencies proposed will be difficult, but failure to do so will inevitably require the council to start to consider even more difficult decisions which will have far greater impact upon the provision of front line services to the people of Leeds.

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

- The reductions in government grants are greater than anticipated. Specific grant figures for the council for 2018/19 will not be known until later in the budget planning period.
- Demographic and demand pressures, particularly in Adult Social care and Children's services could be greater than anticipated.
- The implementation of proposed savings and additional income realisation could be delayed or the savings/additional income is less than that assumed in the budget.
- Inflation and pay awards could be greater than anticipated. The Consumer Prices Index (CPI) is now at its highest level since March 2012 and the Government's announcement in September 2017 that it is lifting the public sector pay cap could have implications for the 1% increase in pay assumed in these initial budget proposals. However, it should be noted that no additional funding was announced in the Chancellor's budget.
- The level of funding from partners could be less than assumed in the budget.
- Other sources of income and funding could continue to decline.
- The increase in the council tax base could be less than anticipated.
- The level of business rates appeals continues to be a risk. Whilst there is very little scope for new appeals against the 2010 list there are still a significant number of back dated appeals for which the Council has an appropriate provision. However there is very little information on which to assess appeals against the new 2017 list, therefore business rates income could be adversely affected which would have implications for the level of resources available to the Authority. In addition the position

on business rates retention, and specifically the impact of back-dated appeals, could deteriorate further.

- The initial budget proposals makes a number of assumptions about the costs associated with managing its debt. Currently the Council benefits from low interest rates but following the Monetary Policy Committee's decision on 2nd November there is now an upward movement in interest rates. If these are greater than increases assumed in the budget proposals then this this will lead to an further increase in the costs associated with financing the Council's debt portfolio.
- The Council and City's economic and fiscal position is clearly impacted upon by the wider national economic context. The UK's decision to exit the EU has undoubtedly fuelled economic and political uncertainty and the outcome of the negotiations between the UK and EU potentially, in the short term, could weaken the pound, increase inflation, reduce domestic and foreign direct investment and impact on borrowing costs. All of these have the potential to impact upon both not only the level of resources available to the Council but also the level of demand for the services that it provides.
- Following the introduction of the National Living Wage, national negotiations are underway to review the NJC spine structure and we are awaiting confirmation of these negotiations to understand the implications for the LCC pay structure to ensure an equal pay proof structure. These initial budget proposals do not reflect any implications of this review although it is recognised that pending the outcome of discussions it will be necessary to provide for this.

13.6.4. A full analysis of all budget risks in accordance will continue to be maintained and will be subject to monthly review as part of the in-year monitoring and management of the budget. Any significant and new risks and budget variations are contained in the in-year financial health reports submitted to the Executive Board.

14. Conclusions

- 14.1. This report has shown that the current financial position continues to be very challenging. The Council is committed to providing the best service possible for the citizens of Leeds and to achieving the ambition for the city of being the best in the UK with a firm focus on tackling inequalities. In order to achieve both the strategic aims and financial constraints, the council will need to work differently, helping people to look after themselves, others and the places they live and work by considering the respective responsibilities of the 'state' and the 'citizen' (the social contract). This approach underpins the medium-term financial strategy and the refreshed 2018/19 Best Council Plan.
- 14.2. Based on the government multi-year settlement there will be a further reduction in the settlement funding assessment for 2018/19 of £14.0m. This is offset by additional funding from business rates and council tax of £27.5m to give an increased net revenue budget of £506.2m (in 2018/19. However, the initial budget proposals for 2018/19 set out in this report,

subject to the finalisation of the detailed proposals in February 2018, will still require savings and additional income of £38.2m to produce a balanced budget.

- 14.3. Clearly savings of this magnitude will not be without risk and they also need to be seen in the context of the Council having undertaken a significant programme of budget reductions since 2010/11.

15. Recommendations

- 15.1. Executive Board is asked to agree the initial budget proposals and for them to be submitted to scrutiny and also for the proposals to be used as a basis for wider consultation with stakeholders
- 15.2. Executive Board is asked to agree that, should the application to pilot 100% business rates retention succeed, Leeds should continue as a member of that designated Business Rates Pool and should act as lead authority for it. Notwithstanding this decision, the continuation of the Pool will be dependent upon none of the other member authorities choosing to withdraw within the statutory period after designation.

16. 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.

2018/19 SUBMISSION

	Adults & Health	Children & Families	City Development	Communities & Environment	Resources & Housing	Strategic & Central	Total Net Revenue Budget
	£m	£m	£m	£m	£m	£m	£m
Net managed budget (2017/18) - RESTATED	205.59	115.30	35.81	69.93	73.16	(7.12)	492.68
Inflation	5.70	1.15	1.24	1.51	1.27		10.87
Employer's LGPS contribution	0.11	0.19	0.12	0.17	0.31		0.88
Leeds CC minimum pay rate	0.01	0.06	0.07	0.06	0.37		0.56
National Living Wage - commissioned services	4.10	0.59					4.69
Fall-out of capitalised pension costs						(0.40)	(0.40)
Demand and demography - CLA		3.00					3.00
Demand and demography - ASC	3.17						3.17
Demand and demography - other				0.08			0.08
New Homes Bonus						1.51	1.51
Public Health grant reduction	1.18						1.18
Public Health funding Directorate services		0.22	0.10				0.32
Adult Social Care - iBCF and Spring Budget Grants	(20.53)						(20.53)
Adult Social Care - Support Grant (one off in 17/18)	3.30						3.30
Adult Social Care Grant Spend - Spring Budget	9.43						9.43
Adult Social Care - Client contributions	1.37						1.37
Specific grants - fall out of funding		4.97		0.61	(1.96)	(2.22)	1.41
Homelessness grant spend					1.96		1.96
Partner funding income pressures	8.00						8.00
Cultural Legacy						0.38	0.38
Tour de Yorkshire			0.20				0.20
Changing the Workplace					1.38		1.38
West Yorkshire Transport Fund						0.20	0.20
Elections				1.12			1.12
S278 income						1.00	1.00
Debt - external interest						4.00	4.00
Housing Benefit overpayment income reductions				1.20			1.20
Markets income trends and rent relief			0.58				0.58
Sport income			0.20				0.20
Expansion of Brown Bin Collections				0.36			0.36
Other pressures/savings	0.25	1.50	0.04	0.38	1.60	0.75	4.51
Contribution to / (from) Earmarked / Other Reserve				(0.35)		4.17	3.82
Create an ELI reserve						2.00	2.00
Total - cost and funding changes	16.08	11.68	2.54	5.13	4.93	11.40	51.75
Budget savings proposals							
As per Appendix 2	(13.68)	(5.00)	(4.91)	(3.22)	(6.51)	(1.00)	(34.32)
Use of Capital Receipts / S106 balances						(3.92)	(3.92)
Total - Budget savings proposals	(13.68)	(5.00)	(4.91)	(3.22)	(6.51)	(4.92)	(38.24)
2018/19 Submission	208.00	121.98	33.44	71.84	71.58	(0.64)	506.17
Increase/(decrease) from 2017/18 £m	2.40	6.68	(2.37)	1.92	(1.58)	6.48	13.50
Increase/(decrease) from 2017/18 %	1.17%	5.79%	(6.61%)	2.74%	(2.17%)		2.74%
TOTAL FUNDING AVAILABLE (Forecast Net Revenue Charge)							506.17
GAP							0.00

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Savings Proposal

Comments

2018/19 2019/20 Is this relevant
 fye to Equality &
 Diversity?
 £m £m

A) Efficiencies

No further contribution made to earmarked reserves	Fall out of one off Adult Social Care Support Grant	(3.3)	0.0	N
Demand: review Care Package costs, preventative and recovery services	Review care packages and impact of strengths based social work. Review increase in the use of reablement, telecare and the recovery service.	(3.5)	0.0	Y
Staffing - strengths based approach	Invest Spring Budget money for two years	(0.5)	0.0	N
Better Lives Phase 4	Defer plans and utilise Spring Budget money for two years	(0.4)	0.0	N
Equipment (for social care clients)	Utilise Spring Budget monies for two years	(0.3)	0.0	N
CIC bed, CBS savings and Better Lives Phase 3	Savings resulting from new contracts for the Community Beds and Intermediate Care Beds services and full year effect of Better Lives Phase III	(0.7)	0.0	N
Staffing savings	Set a universal 3% turnover factor across all services	(0.7)	0.0	N
Agency spend	Cessation of temporary change service	(0.1)	0.0	N
Direct Payment Audit - additional recovery		(0.4)	0.0	Y
Running Cost savings	Review and reduction of non-essential spend budgets	(0.3)	0.0	N
Other efficiency savings to be identified by the Directorate	One off funding sources e.g. use of earmarked reserves would be available, but Directorate to pursue efficiency savings that are sustainable solutions as a priority	(0.7)	0.0	N
Sub-Total Efficiencies		(10.8)	0.0	

Savings Proposal	Comments	2018/19	2019/20	Is this relevant to Equality & Diversity?
		£m	£m	
B) Changes to Service				
Sub-Total Service Changes		0.0	0.00	
C) Additional Income - Fees and Charges				
Income	Improved income collection from community care services	(1.0)	0.0	Y
Sub-Total Additional Income (Fees & Charges)		(1.0)	0.0	
D) Additional Income - Traded Services, Partner and Other Income				
iBCF	Better Care Fund inflation	(0.5)	0.0	N
Sub-Total Additional Income (Traded Services, Partner and Other Income)		(0.5)	0.0	
E) Grants & Other Income				
Public Health grant	Public Health grant - £0.7m use Spring Budget money for 2 years; £0.3m budget to repay borrowed reserve no longer required & £0.1m reduction to Children centre funding (see pressure in Children services)	(1.2)	0.0	Y
War Pensions Grant	New Grant for 2017/18	(0.1)	0.0	N
Sub-Total Grants & Other Income		(1.3)	0.0	
Sub-Total Revised Plans		(13.7)	0.0	

Children & Families - Savings options 2018/19

Savings Proposal	Comments	2018/19	2019/20	Is this relevant to Equality & Diversity?
		£m	£m	
A) Efficiencies				
Children & Family Services general efficiencies	The Service has commenced a series of reviews to realign staffing resources within the directorate to deliver services more efficiently. This also includes a reduction in directorate running costs and other running costs.	(1.3)		Y
Non-Staffing inflation	Reduce amount of allowable non-staffing inflation in the strategy.	(0.3)		N
Direct Payments and Independent Support Workers	Recovery of Direct Payments costs (new hub led by ASC audits) and reduction in the use of Independent Support Workers reflecting recent trend.	(0.3)		N
Family Services (Early Years)	Review of funding for Family Services provision within Early Years..	(0.3)		Y
Sub-Total Efficiencies		(2.1)	0.0	
B) Changes to Service				
Children & Family Services reviews	A review of core and traded activities to reduce net subsidies. This will include reviewing spend and income.	(0.4)		Y
Sub-Total Service Changes		(0.4)	0.0	
C) Additional Income - Fees and Charges				
Sub-Total Additional Income (Fees & Charges)		0.0	0.0	
D) Additional Income - Traded Services, Partner and Other Income				
Adel Beck	Additional income from price rises and demand for placements and also reviewing costs.	(0.4)		N
Safeguarding Protection Team	Additional income target	(0.1)		N
Sub-Total Additional Income (Traded Services, Partner and Other Income)		(0.5)	0.0	

E) Grants & Other Income

School Improvement Grant	Additional grant income reflecting Summer Term funding for 2017-18 academic year. Anticipated for one year only	(0.3)	0.3	N
Utilisation of Reserves and reduction in Provisions (Pfi & Bad Debt)	Review of Pfi Reserves & Bad Debt provision. Part one off impact.	(0.3)	0.2	N
Additional DSG funding for educational element of external residential placements and teachers severance costs.	Additional DSG contribution towards educational elements of external residential placements and costs associated with teachers severance costs.	(0.5)		N
Educational Support Grant (ESG)	Reduction of the net impact of loss of ESG in 2018-19.	(0.3)		N
Education programme for Teenage Pregnancy	To be funded by the DfE PiP grant	(0.2)		N
Unaccompanied Asylum Seekers Children Grant	Additional grant income (above 17/18 base budget)	(0.4)		N
Improvement Partner Income	Additional income from the DfE for the improvement partnership with Kirklees Council.	(0.1)		N
Sub-Total Grants & Other Income		(2.1)	0.5	
Total Savings Options - Children & Families		(5.0)	0.0	

City Development - Savings options 2018/19

Savings Proposal	Comments	2018/19	2019/20 fye	Is this relevant to Equality & Diversity?
		£m	£m	
A) Efficiencies				
Economic Dev't	Economic Development & Tourism - running cost savings and additional income	(0.10)		N
Highways	Extension of street lighting part-night switch off	(0.10)		N
Sport	Sport & Active Lifestyles - Increase income and operational cost reductions.	(0.10)		N
Sport	Sport & Active Lifestyles - additional income from sport VAT exemption (with HMRC following EU judgement in favour)	(1.20)		N
Arts	Events	(0.03)		N
Arts	Tour de Yorkshire - assumed income from the LCR Business Rates Pool funds stage hosting	(0.20)		N
Directorate Wide	Increased Vacancy Factor	(0.29)		N
Employment & Skills	Review of line by line expenditure	(0.02)		N
Sub-Total Efficiencies		(2.0)	0.0	
B) Changes to Service				
Sub-Total Service Changes		0.00	0.0	

City Development - Savings options 2018/19

Savings Proposal	Comments	2018/19	2019/20 fye	Is this relevant to Equality & Diversity?
		£m	£m	
C) Additional Income - Fees and Charges				
Asset Management	Strategic Investment - new rental income from the purchase of commercial assets	(1.00)		N
Asset Management	Commercial Property - additional fee income from capital sales and additional income from assets and activities	(0.27)		N
Asset Management	Additional Fee income	(0.15)		N
Asset Management	Additional fee recoveries	(0.05)		N
Economic Dev't	Additional income from events and licences	(0.04)		N
Economic Dev't	Markets - increased income from Street Trading & speciality markets	(0.03)		N
Highways	Fee Income from Highways Capital Schemes	(0.50)		N
Planning	Full year effect of income from street naming & numbering	(0.03)		N
Planning	Additional fees from premium services & savings from business process review	(0.10)		N
Planning	Additional income from volumes (not fee increases)	(0.25)		N
Sport	Increase income and operational cost reductions.	(0.28)		N
Arts	Museums - FYE of trends at Thwaite Mills	(0.03)		N
Arts	Breeze - increase income	(0.05)		N
Arts	Increased income opportunities and realignment of services	(0.04)		N
Arts	Museums -increase income opportunities	(0.05)		N
Sub-Total Additional Income (Fees & Charges)		(2.9)	0.0	
D) Additional Income - Traded Services, Partner and Other Income				
Planning	Building Control - additional income & savings from business process review	(0.02)		N
Sub-Total Additional Income (Traded Services, Partner and Other Income)		(0.02)	0.0	
Total Savings Options - City Development		(4.9)	0.0	

Resources & Housing - savings options 2018/19

Savings Proposal	Comments	2018/19	2019/20	Is this relevant to Equality & Diversity?
		£m	£m	
A) Efficiencies				
Shared Services	Staffing savings	(1.0)		Y
Shared Services	Review of Mail & Print (cross cutting)	(0.1)		N
LBS	Additional impact on bottom line of LBS from insourced work & efficiencies	(1.1)		N
Early Payment of Invoices	Target savings to be generated from agreeing discounts with suppliers for early payment of invoices	(0.6)		N
Directorate Wide	Additional staffing vacancy factor across the Directorate	(0.2)		Y
CEL	Review of Passenger transport costs - savings to accrue to Childrens Services	(0.2)		N
CEL	Facilities Management operations review	(0.1)		N
CEL	Fleet staffing restructure & operational savings	(0.1)		Y
Housing Related Support	Projected contract savings	(0.2)		N
Democratic Services / Legal Services	Review of staff and running costs	(0.1)		N
Strategy and Improvement	Targeted staffing and cost savings	(0.1)		Y
PPPU	Review of PPPU	(0.3)		N
HR	Targeted staffing and cost savings	(0.4)		Y
Finance	Targeted staffing and cost savings	(0.5)		Y
Sub-Total Efficiencies		(4.9)	0.0	
B) Changes to Service				
Sub-Total Service Changes		0.0	0.0	
C) Additional Income - Fees and Charges				
Strategy & Improvement	Potential communications support income from schools and savings target	(0.1)		N
CEL	Increased Cleaning income	(0.04)		N
Shared Services	Additional income target	(0.4)		N
HR	Schools HR service price increase & supply contract charges; apprenticeship levy income	(0.1)		N
DIS	Review of operational costs and charges to capital schemes	(1.0)		N
Strategic Housing Partnerships	Capitalisation of staff costs and efficiencies	(0.1)		N
Sub-Total Additional Income (Fees & Charges)		(1.6)	0.0	

Savings Proposal

Comments

2018/19	2019/20	Is this relevant to Equality & Diversity?
£m	£m	

D) Additional Income - Traded Services, Partner and Other Income

CEL	Efficiencies linked to capital investment & capital injection of annual equipment replacement programme.	(0.1)		N
Sub-Total Additional Income (Traded Services, Partner and Other Income)		(0.1)	0.0	
Total Savings Options - Resources & Housing		(6.5)	0.0	

Communities and Environment - Savings options 2018/19

Savings Proposal	Comments	2018/19	2019/20	Is this relevant to Equality & Diversity?
		£m	£m	
A) Efficiencies				
Waste Management	Savings in waste disposal budgets, reflects trends witnessed in 17/18	(0.2)	0.0	N
Waste Management	Review of line by line budgets including bin replacement financing costs, refuse plastic sacks, closed landfill site maintenance	(0.5)	(0.2)	N
Community Safety	Identify efficiencies in use of Community Safety Funding	(0.1)	0.0	N
Welfare & Benefits	Estimated savings from retendering in respect of Advice consortium	(0.1)	0.0	Y
Customer Access	Estimated savings from consolidating Library Management Systems contracts and retendering	(0.1)	0.0	N
Customer Access	Closer working between Council Tax Recovery and Contact Centre Teams	(0.03)	0.0	Y
Customer Access	Migration of Contact Centre telephone lines to new datalines	(0.1)	0.0	N
Customer Access	Council wide savings in respect of Compliments and Complaints service as part of Support Services review	(0.1)	0.0	Y
Communities	Community Centres: reduced Facilities Management costs/additional lettings income	(0.1)	0.0	Y
Communities	Review management & leadership arrangements	(0.1)	0.0	Y
Car Parking	Reduction in parking enforcement staff through deletion of vacant posts	(0.1)	0.0	Y
Elections/Licensing & Registrars	Savings on hire of porta cabins used for elections	(0.03)	0.0	N
All Services	Increased vacancy factors across the directorate	(0.2)	0.0	N
Sub-Total Efficiencies		(1.4)	(0.2)	
B) Changes to Service				
Welfare & Benefits	Local Welfare Support Scheme - reduction in scheme budget reflecting review of white goods and carpet replacements	(0.2)	0.0	Y
Customer Access	Home Library Service - transfer to voluntary sector	(0.03)	0.0	Y
Customer Access	Contact Centre Digital Centre of Excellence Proposals - Channel Shift/Channel Shove - involves switching off phone lines/using eforms/remove email option. Saving also includes full year effect of reduced service failure target from 2017/18.	(0.3)	0.0	Y
Customer Access	Use of Automated Switchboard in Contact Centre	(0.1)	0.0	Y
Communities	Targeted 10 % savings on third sector contracts	(0.03)	0.0	Y
Sub-Total Service Changes		(0.6)	0.0	

C) Additional Income - Fees and Charges

Waste Management	Implement previously approved decision to charge for Inert Building Waste, Plasterboard and Tyres at HWSS	(0.3)	0.0	Y
Waste Management	Additional weighbridge income - reflects trends witnessed in 2017/18	(0.1)	0.0	N
Parks & Countryside	Review of charges at Attractions (Tropical World, Lotherton Bird Garden and Temple Newsam Home Farm) following capital investment work	(0.1)	0.0	Y
Parks & Countryside	Bereavement charges - inflationary increase, net of costs for additional community engagement	(0.2)	0.0	Y
Parks & Countryside	Estimated additional net income from plant and other retail sales at the Arium	(0.1)	0.0	Y
Elections / Licensing & Registrars	Registrars: fee review in respect of non statutory charges	(0.05)	0.0	Y
Car Parking	Increase parking charges at Woodhouse Lane Multi Storey Car Park by 50p to £7.50 for a full day	(0.1)	0.0	Y

Sub-Total Additional Income (Fees & Charges)		(0.8)	0.0	
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D) Additional Income - Traded Services, Partner and Other Income

Waste Management	Review Medi-Waste service to eliminate current subsidy	(0.2)	0.0	Y
Welfare & Benefits	Introduce management fee for Free School Meals for Academies admin service	(0.01)	0.0	N
Community Safety	Additional CCTV income from Housing Leeds	(0.1)	0.1	N
Customer Access	Additional income from Interpreting Service	(0.1)	0.1	N

Sub-Total Additional Income (Traded Services, Partner and Other Income)		(0.4)	0.2	
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Total Savings Options - Communities and Environment		(3.2)	0.0	
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Strategic & Central 2018/19

Savings Proposal

Comments

2018/19	2019/20 fye	Is this relevant to Equality & Diversity?
£m	£m	

A) Efficiencies

Additional Capitalisation

Short term increase in additional capitalisation

(1.0)

0.0

N

Sub-Total Efficiencies

(1.0)

0.0

Total Savings Options - Strategic & Central

(1.0)

0.0

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Equality, Diversity, Cohesion and Integration Screening

As a public authority we need to ensure that all our strategies, policies, service and functions, both current and proposed have given proper consideration to equality, diversity, cohesion and integration.

A **screening** process can help judge relevance and provides a record of both the **process** and **decision**. Screening should be a short, sharp exercise that determines relevance for all new and revised strategies, policies, services and functions.

Completed at the earliest opportunity it will help to determine:

- the relevance of proposals and decisions to equality, diversity, cohesion and integration.
- whether or not equality, diversity, cohesion and integration is being/has already been considered, and
- whether or not it is necessary to carry out an impact assessment.

Directorate: Resources and Housing	Service area: Corporate Financial Management
Lead person: Doug Meeson	Contact number: 88540

1. Title: Initial Budget Proposals 2018/19

Is this a:

Strategy / Policy

Service / Function

Other

If other, please specify

2. Please provide a brief description of what you are screening

The council is required to publish its initial budget proposals two months prior to approval of the budget by full council in February 2018. The initial budget proposals report for 2018/19 sets out the Executive's plans to deliver a balanced budget within the overall funding envelope. It should be noted that the budget represents a financial plan for the forthcoming year and individual decisions to implement these plans will be subject to equality impact assessments where appropriate.

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3. Relevance to equality, diversity, cohesion and integration

All of the council's strategies/policies, services/functions affect service users, employees or the wider community – city-wide or more local. These will also have a greater/lesser relevance to equality, diversity, cohesion and integration.

The following questions will help you to identify how relevant your proposals are.

When considering these questions think about age, carers, disability, gender reassignment, race, religion or belief, sex, sexual orientation. Also those areas that impact on or relate to equality: tackling poverty and improving health and well-being.

Questions	Yes	No
Is there an existing or likely differential impact for the different equality characteristics?	X	
Have there been or likely to be any public concerns about the policy or proposal?	X	
Could the proposal affect how our services, commissioning or procurement activities are organised, provided, located and by whom?	X	
Could the proposal affect our workforce or employment practices?	X	
Does the proposal involve or will it have an impact on <ul style="list-style-type: none"> • Eliminating unlawful discrimination, victimisation and harassment • Advancing equality of opportunity • Fostering good relations 	X X X	

If you have answered **no** to the questions above please complete **sections 6 and 7**

If you have answered **yes** to any of the above and;

- Believe you have already considered the impact on equality, diversity, cohesion and integration within your proposal please go to **section 4**.
- Are not already considering the impact on equality, diversity, cohesion and integration within your proposal please go to **section 5**.

4. Considering the impact on equality, diversity, cohesion and integration

If you can demonstrate you have considered how your proposals impact on equality, diversity, cohesion and integration you have carried out an impact assessment.

Please provide specific details for all three areas below (use the prompts for guidance).

- **How have you considered equality, diversity, cohesion and integration?**

(think about the scope of the proposal, who is likely to be affected, equality related information, gaps in information and plans to address, consultation and engagement activities (taken place or planned) with those likely to be affected)

The initial budget proposals identify a savings requirement of £34.3m due to a reduction in Government funding and unavoidable pressures such as inflation and demand/demography. Savings proposals to bridge this gap will affect all citizens of Leeds to some extent. The council has consulted on its priorities in recent years and has sought to protect the most vulnerable groups. However, the cumulative effect of successive annual government funding reductions, means that protecting vulnerable groups is becoming increasingly difficult. Further consultation regarding the specific proposals contained in this report will be carried out before the final budget for 2018/19 is agreed.

• Key findings

(think about any potential positive and negative impact on different equality characteristics, potential to promote strong and positive relationships between groups, potential to bring groups/communities into increased contact with each other, perception that the proposal could benefit one group at the expense of another)

The budget proposals will impact on all communities but those who have been identified as being at the greatest potential risk include:

- Disabled people
- BME communities
- Older and younger people and
- Low socio-economic groups

The initial budget proposals have identified the need for significant staffing savings in all areas of the council which may impact on the workforce profile in terms of the at-risk groups. There will be some impact on our partners through commissioning and/or grant support which may have a knock on effect for our most vulnerable groups.

• Actions

(think about how you will promote positive impact and remove/ reduce negative impact)

A strategic equality impact assessment of the budget will be undertaken prior to its approval in February 2018.

There will also be further equality impact assessments on all key decisions as they go through the decision making process in 2018/19.

5. If you are not already considering the impact on equality, diversity, cohesion and integration you will need to carry out an impact assessment.

Date to scope and plan your impact assessment:	
Date to complete your impact assessment	

Lead person for your impact assessment (Include name and job title)	
--	--

6. Governance, ownership and approval		
Please state here who has approved the actions and outcomes of the screening		
Name	Job title	Date
Doug Meeson	Chief Officer Financial Services	24/11/17
Date screening completed		24/11/17

7. Publishing	
<p>Though all key decisions are required to give due regard to equality the council only publishes those related to Executive Board, Full Council, Key Delegated Decisions or a Significant Operational Decision.</p> <p>A copy of this equality screening should be attached as an appendix to the decision making report:</p> <ul style="list-style-type: none"> • Governance Services will publish those relating to Executive Board and Full Council. • The appropriate directorate will publish those relating to Delegated Decisions and Significant Operational Decisions. • A copy of all other equality screenings that are not to be published should be sent to equalityteam@leeds.gov.uk for record. <p>Complete the appropriate section below with the date the report and attached screening was sent:</p>	
For Executive Board or Full Council – sent to Governance Services	Date sent: 5/12/17
For Delegated Decisions or Significant Operational Decisions – sent to appropriate Directorate	Date sent:
All other decisions – sent to equalityteam@leeds.gov.uk	Date sent:



Report author: Angela Brogden
Tel: 0113 378 8661

Report of Head of Governance and Scrutiny Support

Report to Scrutiny Board (Inclusive Growth, Culture and Sport)

Date: 17th January 2018

Subject: Best Council Plan Refresh for 2018/19-2020/21 – Initial Proposals

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. On 13 December 2017 the Executive Board considered an approach for refreshing the Best Council Plan for 2018/19 – 2020/21. The Executive Board report is appended which fully details the initial proposals.

2. For such Budget and Policy Framework matters, the Council’s constitution sets out a process which includes referral to appropriate Scrutiny Boards in order to consider and comment on any initial proposals. The attached proposals are therefore submitted to Scrutiny Board for consideration and review.

3. While the appended Best Council Plan initial proposal provides a full overview of the council’s priorities and ambitions to provide context, the focus of Scrutiny Board (Inclusive Growth, Culture and Sport) should relate to its specific terms of reference. Each of the Council’s Scrutiny Boards will consider the proposals and have the opportunity to comment on matters within each Scrutiny Board’s terms of reference.

4. Any comments or recommendations identified by the Scrutiny Board (Inclusive Growth, Culture and Sport) will need to be submitted to the Director of Resources and Housing by the end of January 2018, in order that the Executive Board can consider these at its meeting in February 2018; and prior to submission of the proposals to full Council on 21 February 2018.

5. In line with the approach to the initial budget proposals for 2018/19, it is intended to produce a summary of the discussion and comments from all Scrutiny Boards in order to make a single submission to Executive Board.
6. Relevant Executive Members and Directors (or their nominees) have been invited to the meeting to contribute to the discussion and address any questions raised by the Scrutiny Board.

Recommendations

7. The Scrutiny Board (Inclusive Growth, Culture and Sport) is recommended to:
 - a) Consider the appended Executive Board report and the initial proposals for the Best Council Plan for 2018/19 – 2020/21; and,
 - b) Provide input to help shape the emerging Best Council Plan for 2018/19 – 2020/21, making any recommendations for consideration by Executive Board as deemed appropriate.

Background documents¹

8. 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.

Report of the Director of Resources and Housing

Report to Executive Board

Date: 13 December 2017

Subject: Best Council Plan Refresh for 2018/19-2020/21 – Initial Proposals

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

Summary of main issues

1. The Best Council Plan is the council's strategic plan, setting out the authority's ambitions and priorities for both the city (working in partnership) and the organisation. The current 2017/18 Best Council Plan was approved by Council in February 2017 and is now due to be refreshed for 2018/19.
2. This paper sets out an approach to doing this that maintains the clear, strategic message expressed for the last two years around Best City meaning a strong economy in a compassionate city, the Best Council Plan articulating what the council and its partners are doing to work towards this ambition, thereby tackling poverty and inequalities; our Best Council ambition of being an efficient and enterprising organisation supporting this. This approach, with its continued focus on tackling poverty and reducing inequalities, the council being both efficient and enterprising, underpins the Medium-Term Financial Strategy 2018/19–2020/21 approved by the Executive Board in July 2017 and the Initial Budget Proposals for 2018/19 on today's agenda.
3. It is therefore proposed that much of the current 2017/18 Best Council Plan is retained but with further refinement of the council's priorities and associated key performance indicators through consultation with elected members and staff. This refinement will be based on the latest socio-economic analysis of Leeds, understanding of government policy and its potential impacts locally, findings from the recent refresh of the Leeds-led Commission on the Future of Local Government and consideration of the most significant 'city' strategies and plans, most notably the

draft Leeds Inclusive Growth Strategy 2017-23 and the Leeds Health and Wellbeing Strategy 2016-21.

4. It is also proposed that the refreshed Best Council Plan covers the period 2018/19-2020/21 in line with the latest Medium-Term Financial Strategy with the Best Council Plan priorities and key performance indicators continuing to be reviewed and updated annually alongside the council's Budget.

Recommendations

Executive Board is asked to approve:

1. Engagement with Scrutiny Boards on the emerging Best Council Plan in accordance with the Budget & Policy Framework Procedure Rules.
2. The approach set out in the report to update the Best Council Plan for 2018/19 – 2020/21 that balances continuity of the Best City (Strong Economy and Compassionate City) / Best Council (Efficient and Enterprising Organisation) ambitions with further refinement of the council's priorities and key performance indicators.
3. That the Best Council Plan priorities and key performance indicators will be reviewed annually and updated as needed alongside the council's Budget.
4. That the Director of Resources and Housing will be responsible for developing the Best Council Plan for 2018/19 - 2020/21 for its consideration by this Board and Full Council in February 2018 alongside the supporting 2018/19 Budget.

1. Purpose of this report

- 1.1 This paper sets out an approach for Executive Board's consideration for refreshing the Best Council Plan for the period 2018/19 – 2020/21, aligned with the supporting Initial Budget Proposals for 2018/19 on today's agenda.

2. Background information

- 2.1 The Best Council Plan is Leeds City Council's strategic plan, bringing together the headline aspirations from a range of supporting council and partnership plans to set out the authority's overall ambitions, policy direction and priorities for both city and organisation. It informs the council's budget setting and financial strategies, helps our staff understand how the work they do makes a real difference to the people of Leeds and shows our partners how we contribute to city-wide issues.
- 2.2 The Best Council Plan currently consists of two parts: the first, a five-year 'strategic context' narrative that was last updated for the period 2015-20 and next due to be updated for 2021; the second a shorter document setting out the council's priorities for the year and so updated annually. Both parts are publicly available on the leeds.gov website [here](#).
- 2.3 In February 2017 this Board and Council approved bringing forward the next update of the 'strategic context' document from 2021 to 2018, taking account of the significant changes and uncertainties at national and local level and to incorporate the findings of a planned refresh of the Commission on the Future of Local Government.

3. Main issues

- 3.1 There is now the opportunity to merge the two parts of the Best Council Plan into a single document covering the period 2018/19 -2020/21 and therefore in line with the Medium-Term Financial Strategy approved by this Board in July 2017.
- 3.2 It is proposed that the refreshed Best Council Plan will feature an updated 'strategic context' introduction that brings in headlines from the Commission refresh and the latest socio-economic analysis; retains the Best City (Strong Economy and Compassionate City) / Best Council (Efficient and Enterprising) vision and ambitions that have been in place since 2016 and now widely communicated and understood; and presents a draft set of priorities and key performance indicators (KPIs) that will be further developed in the coming weeks through consultation ready for 2018/19.

Proposed Structure

- 3.3 The proposed structure for the Best Council Plan 2018/19 - 2020/21 document is as follows:
- (a) A Foreword, setting out our approach, underpinning principles and coverage of the Best Council Plan (i.e. the council's role and contribution in working in partnership towards city ambitions) with Inclusive Growth and Health and Wellbeing at the heart of our Strong Economy / Compassionate City approach.
 - (b) An analysis of the council's key policy (e.g. locality working, priority neighbourhoods) and financial drivers, linked to the council's 2018/19 Budget proposals and 2018/19 – 2020/21 Medium Term Financial Strategy; emerging findings from the Commission review¹; a consideration of key 'city' strategies and plans (most notably the draft Inclusive Growth Strategy and the Health and Wellbeing Strategy); and headline socio-economic analysis of Leeds. (This will also inform subsequent work on the next Joint Strategic Needs Assessment of Leeds, the JSNA².)
 - (c) Drawing on this analysis, a revised set of priorities will follow. For each priority there will be a summary of challenges and opportunities (using infographics), policy context, key actions pursuing the priority (including programmes and breakthrough projects), links to the main supporting plans and strategies and headline KPIs.
 - (d) The final section will outline our approach to performance management, both in assessing progress towards city outcomes and organisational performance and improvement. A key part of this will be a new Performance Management Framework which sets out key principles including transparency and accountability, together with the standardisation, sharing and use of data.
 - (e) This final section will also present the full set of KPIs, seeking to highlight accountability for those indicators which the council is responsible for / takes a lead on and those which are shared.

¹ This builds on the previous Leeds-led Commission in 2012 that brought together a range of experts from across public, private and voluntary sectors to consider how local government can help the UK meet its big social and economic challenges.

² The Joint Strategic Needs Assessment (JSNA) is a rolling programme of needs assessments and analysis with a primary focus on Health and Wellbeing. Its purpose is to influence priorities and inform commissioning strategies and plans. The last JSNA for Leeds was produced in 2015 and focused on population, deprivation, housing, mental health, potential years life lost and learning disabilities. The Health and Wellbeing Board will consider proposals in January 2018 for the next JSNA.

Draft Plan on a Page

- 3.4 The full draft document will be brought to Executive Board at its 7th February 2018 meeting prior to approval by Full Council on 21st February. In the interim, Annexe 1 presents a draft 'Plan on a Page' for the 2018/19 – 2020/21 Best Council Plan for Executive Board's initial consideration, depicting ambitions, outcomes, draft priorities and values. (Annexe 2 shows the current 2017/18 Plan on a Page for easy reference). It proposes a mixture of continuity of the council's strategic message with further refinement:

Continuity

- (a) No change to our **Best City** vision and ambition, 'Leeds ... A Strong Economy and Compassionate City': examples of a 'strong economy' including the exciting work around HS2, the South Bank and European Capital of Culture bid; 'compassionate city' encompassing the council's role in protecting the most vulnerable people in our city. A range of reports³ have been considered by this Board on the progress being made towards this ambition but also the ongoing challenges: significant inequalities persist in the city, requiring continued and long-term efforts to promote economic growth that benefits all our citizens with a focus on those people and areas most at need.
- (b) No change to our **Best Council** vision and ambition: 'Leeds City Council ... An Efficient and Enterprising Organisation'. In order to deliver the Best City vision and ambitions above within the context of a reduced financial envelope, the council must continue to change what it does and how it does it, reducing costs, generating income, considering different service provision models and targeting its resources to where they are most needed and will have the most impact.
- (c) No change to the 8 population **outcomes** (aspirations for everyone in Leeds to, for example, 'be safe and feel safe') agreed for the 2016/17 Best Council Plan. These remain current and aligned with the outcomes agreed across a range of supporting council and partnership plans and strategies. One possible exception may be a minor change to the wording of the current outcome for everyone to 'Do well at all levels of learning and have the skills they need for life' to reflect the wording in the refreshed Children and Young People's Plan (CYPP) 2018-23; at the time of writing, the CYPP is being drafted, due for consideration by this Board in March 2018 prior to Council approval.
- (d) No change to the values which continue to underpin what we do and how we work.

Refinement

- (e) Some updating to the Best City priorities to reflect our key, interconnected strategies, centred around the Draft Leeds Inclusive Growth Strategy 2017-23 and the Leeds Health and Wellbeing Strategy 2016-21 as shown in Figure 1 below. The priorities also incorporate the Citizens@Leeds propositions supporting communities and tackling poverty and an element of 'environmental sustainability' (for which we do not have a single key strategy).

³ These include the current 2017/18 Best Council Plan itself (8/2/17), the 'Best Council Plan Annual Performance Report 2016/17 (17/7/17), Leeds Inclusive Growth Strategy – Consultation Draft (17/7/17), Leeds Talent and Skills Plan – Consultation Draft (20/9/17), Citizens@Leeds – Tackling Poverty and Supporting Communities Update (20/9/17), 'Locality working – Tackling Poverty and Reducing Inequalities' (15/11/17) and the 'Medium Term Financial Strategy 2017/18 to 2019/20' (21/9/16).

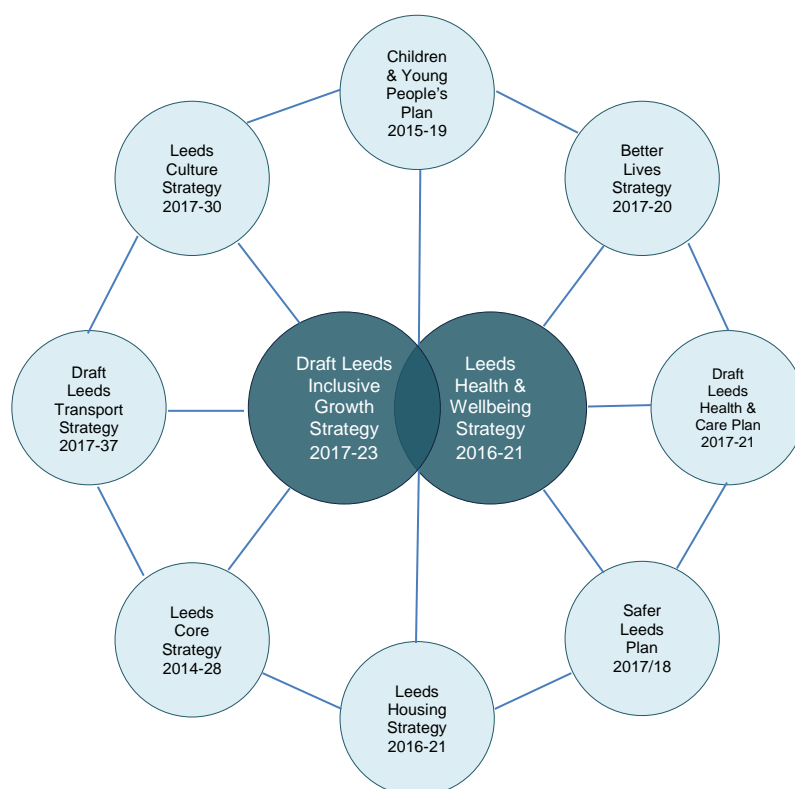


Figure 1

(f) As such, the Best City priorities proposed for 2018/19 – 2020/21 compared to the priorities in the current 2017/18 Best Council Plan are:

Draft 2018/19 – 2020/21 priorities	Current 17/18 priorities	Notes
Inclusive growth	Good growth	Propose a minor change to the wording in line with the draft Inclusive Growth Strategy
Health & wellbeing	Health & wellbeing	No change
Safe, strong communities	Resilient communities	Propose a minor change to the wording to better incorporate the Safer Leeds Plan and the council's safeguarding responsibilities
21st century infrastructure	Transport & infrastructure	Propose a change to wording in line with Inclusive Growth Strategy; also this better encompasses a range of infrastructure including green, blue, digital, social etc.
NEW: Housing	N/A	In the 2017/18 Best Council Plan, housing ran through the narrative of all the priorities which was explicit in the full document but less obvious on the plan on a page. Suggest more prominence needed.
NEW: Culture	N/A	To reflect the importance of the Culture Strategy which was still in development when the 2017/18 Best Council Plan was approved
NEW: Education & skills	N/A	Although referenced in the 2017/18 Best Council Plan priorities on child-friendly city and good growth, given the increased focus on attainment in the Children and Young People's Plan and the new draft Talent & Skills Plan, propose a new priority bringing these together.

Draft 2018/19 – 2020/21 priorities	Current 17/18 priorities	Notes
N/A	Child-friendly city	Suggest deleting as children are at the heart of all our plans and strategies, as will continue to be explicit in the Best Council Plan full narrative.
N/A	Better lives	Suggest deleting as 'Better Lives' is internal organisational terminology so makes less sense to many picking up the Best Council Plan; also, the key aims of the Better Lives Strategy are incorporated in Annexe 1 under the proposed Health & Wellbeing and Housing priorities.
N/A	Low carbon	Suggest deleting as the air quality aspect of the current Low carbon priority is incorporated in Annexe 1 under the proposed 21 st century infrastructure priority; the fuel poverty aspect through the proposed Housing priority.

- (g) Beneath each of the draft Best City priorities at Annexe 1 a number of specific areas of focus are proposed for the Board's consideration. These are all drawn from the key supporting strategies outlined above and the Citizens@Leeds propositions.
- (h) No 'Best Council' priorities are included at Annexe 1 as these are captured within the Values. The narrative in the full Best Council Plan document will be updated to reflect this, covering key themes including culture, people, processes, assets, technology and finances.

Draft key performance indicators

- 3.5 Annexe 3 presents an early draft set of key performance indicators for 2018/19 against each of the proposed Best City priorities and our 'Efficient and Enterprising' Best Council ambition. These draw heavily on the current 2017/18 Best Council Plan KPIs with some changes in line with the emerging priorities and new/updated supporting council and partnership strategies. Further development work will be carried out in the coming weeks to ensure the Best Council Plan indicators remain 'SMART' (specific, measurable, achievable, realistic and time-bound) and, where possible, facilitate benchmarking.
- 3.6 Through consultation and engagement with elected members and staff in the coming weeks, a draft 2018/19 – 2020/21 Best Council Plan will be developed based on this proposed approach and brought to the Executive Board in February, recommending its adoption by Council alongside the 2017/18 Budget. This will be a text version only, with a more visual 'design' version incorporating a strong graphical element to follow. The report will also include an assessment of any equality impacts at a strategic level.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 The 2018/19 – 2020/21 Best Council Plan is being developed through engagement with members and staff and will be informed by other public consultation underway – notably on the 2018/19 Initial Budget Proposals. It will also draw on priorities set

out in existing council and partnership plans and strategies which themselves have been subject to extensive consultation and engagement.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 A strategic equality impact assessment (EIA) will be carried out in the coming weeks and presented to Executive Board in February with the final Best Council Plan 2018/19 – 2020/21 proposals. Additional EIAs have been carried out on key supporting plans and strategies, including the Joint Health and Wellbeing Strategy 2016-21, Children and Young People’s Plan 2015-19 and Core Strategy 2014-28.

4.3 Council policies and best council plan

- 4.3.1 This report presents initial proposals for refreshing the Best Council Plan for 2018/19 – 2020/21, continuing to provide a framework for the council’s approach to responding to the inequality challenges in Leeds through growing the economy while being a compassionate city.
- 4.3.2 The emerging Best Council Plan will be discussed with Scrutiny Boards in the coming weeks, prior to the final Best Council Plan and budget proposals being presented to Executive Board and Full Council in February. This process is in accordance with the council’s Budget and Policy Framework (Article 4 of the council’s Constitution) and the Budget and Policy Framework Procedure Rules (Part 4 Rules of Procedure).

4.4 Resources and value for money

- 4.4.1 The refreshed Best Council Plan 2018/19 – 2020/21 will set out the council’s priorities aligned with the medium-term financial strategy and annual budget. Developing and then implementing the Best Council Plan will continue to inform, and be informed by, the council’s funding envelope and staffing and other resources.

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

- 4.5.1 There are no significant legal issues relating to this report and all information within this report is publicly available.
- 4.5.2 This report has been produced in compliance with the Council’s Budget and Policy Framework. In accordance with this framework, the initial Best Council Plan proposals, once approved by the Board will be submitted to Scrutiny for their review and consideration. The outcome of their review will be reported to the February 2018 meeting of this Board at which proposals for the 2018/19 – 2020/21 Best Council Plan will be considered prior to submission to full Council on 21 February 2018. As such, this report is not eligible for call-in in line with Executive & Decision Making Procedure Rule 5.1.2 which states that ‘the power to Call In decisions does not extend to decisions made in accordance with the Budget & Policy Framework Procedure Rules’.

4.6 Risk management

- 4.6.1 The council’s corporate and directorate risk registers will continue to be reviewed in light of changes to the Best Council Plan to ensure that the key risks that could impact upon new and evolving strategic objectives and priorities are appropriately identified, assessed and managed.
- 4.6.2 A full risk assessment will also be undertaken of the council’s financial plans - which support the delivery of the Best Council Plan - as part of the normal budget process

with some of the most significant potential risks to the council's budget and medium-term financial strategy outlined in today's 'Initial Budget Proposals' paper. These arrangements comply with the council's Risk Management Policy.

5. Conclusions

- 5.1 Executive Board has received a range of reports on the progress being made towards our Best City vision and ambition of Leeds having a strong economy and being a compassionate city, but also the ongoing challenges of persistent and significant inequalities. As the council's strategic plan that brings together a range of supporting council and partnership plans and strategies, it is therefore proposed that the updated Best Council Plan maintains its focus on addressing these challenges whilst retaining our ambitious programme to support economic growth.
- 5.2 At a time of continued financial pressures, it is also important that the council continues to play its part by becoming a more efficient and enterprising organisation, using its resources to support the Best City vision, and so it is proposed too that the update retains this 'Best Council' ambition.
- 5.3 This approach provides the framework for the Initial Budget Proposals for 2018/19 being considered today. Alongside the emerging budget, the 2018/19 – 2020/21 Best Council Plan will be developed further in the coming weeks through consultation with members and officers with final detailed proposals coming back to Executive Board in February recommending its adoption by Council.

6. Recommendations

- 6.1 Executive Board is asked to approve:
1. Engagement with Scrutiny Boards on the emerging Best Council Plan in accordance with the Budget & Policy Framework Procedure Rules.
 2. The approach set out in the report to update the Best Council Plan for 2018/19 – 2020/21 that balances continuity of the Best City (Strong Economy and Compassionate City) / Best Council (Efficient and Enterprising Organisation) ambitions with further refinement of the council's priorities and key performance indicators.
 3. That the Best Council Plan priorities and key performance indicators will be reviewed annually and updated as needed alongside the council's Budget.
 4. That the Director of Resources and Housing will be responsible for developing the Best Council Plan for 2018/19 - 2020/21 for its consideration by this Board and Full Council in February 2018 alongside the supporting 2018/19 Budget.

7. Background documents⁴

- 7.1 None

⁴ 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.

DRAFT Best Council Plan 2018/19 – 2020/21*Tackling poverty and reducing inequalities***LEEDS' BEST CITY AMBITION****Best City.....A Strong Economy in a Compassionate City****BEST CITY OUTCOMES****We want everyone in Leeds to...**

- Be safe and feel safe
- Enjoy happy, healthy, active lives
- Live in good quality, affordable homes within clean and well cared for places
- Do well at all levels of learning and have skills for life *[wording may change slightly in line with Children & Young People's Plan refresh]*
- Enjoy greater access to green spaces, leisure and the arts
- Earn enough to support themselves and their families
- Move around a well-planned city easily
- Live with dignity and stay independent for as long as possible

BEST CITY PRIORITIES**What we and our partners are focusing on in 2018/19 to improve outcomes with our Inclusive Growth and Health & Wellbeing Strategies as key drivers****INCLUSIVE GROWTH**

- Supporting growth and investment across the city, helping everyone benefit from the economy to their full potential
 - Targeting interventions to tackle poverty in priority neighbourhoods
- Helping people into work
 - Tackling low pay

HEALTH & WELLBEING

- Giving children the best start in life, a child-friendly city
- Reducing health inequalities and improving the health of the poorest the fastest
 - Supporting healthy, active lifestyles
- Supporting self-care, with more people managing their own health conditions in the community
 - Enabling people with care and support needs to have choice and control

Examples of the areas that will be covered in the full Best Council Plan narrative and will inform the key performance indicators

SAFE, STRONG COMMUNITIES

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

EDUCATION & SKILLS

- Improving educational attainment and closing achievement gaps for vulnerable learners
 - Helping ready students for the world of work
- Supporting businesses and people to improve skills and progress into better jobs

CULTURE

- Growing the cultural and creative sector
- Ensuring that culture can be created and experienced by anyone
 - Enhancing the image of Leeds through major events and attractions

HOUSING

- Housing of the right quality, type, tenure and affordability in the right places
 - Minimising homelessness through a greater focus on prevention
- Providing the right housing options to support older people and vulnerable residents to remain active and independent
 - Tackling fuel poverty

21st CENTURY INFRASTRUCTURE

- Improving transport connections, reliability and affordability
- Improving social, green and blue infrastructure, including flood protection
- Strengthening digital and data 'Smart City' infrastructure and increasing digital inclusion
 - Reducing consumption and promoting low carbon energy
 - Improving air quality, reducing noise and carbon emissions

LEEDS' BEST COUNCIL AMBITION**Best Council..... An Efficient and Enterprising Organisation****OUR VALUES****Underpinning what we do and how we work**

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



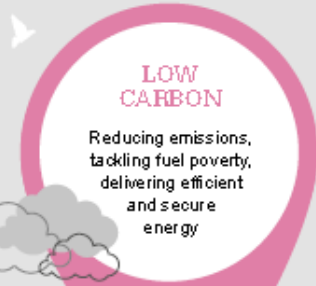
BEST COUNCIL PLAN 2017/18: Tackling poverty and reducing inequalities

AMBITIONS • Leeds... **A Strong Economy and a Compassionate City** • Leeds City Council... **An Efficient and Enterprising Organisation**



We want everyone in Leeds to...

- Be safe and feel safe
- Enjoy happy, healthy, active lives
- Live in good quality, affordable homes within clean and well cared for places
- Do well at all levels of learning and have the skills they need for life
- Enjoy greater access to green spaces, leisure and the arts
- Earn enough to support themselves and their families
- Move around a well-planned city easily
- Live with dignity and stay independent for as long as possible



LOW CARBON

Reducing emissions, tackling fuel poverty, delivering efficient and secure energy



GOOD GROWTH

Growing the economy, creating jobs, improving skills, promoting a vibrant city



HEALTH & WELLBEING

Supporting healthy lifestyles, improving mental health and wellbeing, integrating health and social care



RESILIENT COMMUNITIES

Building strong, cohesive communities, raising aspirations, reducing financial hardship

i What we and our partners are doing in 2017/18 to improve outcomes

2017/18 PRIORITIES



CHILD-FRIENDLY CITY

Keeping children safe, supporting families, raising aspirations and educational attainment



BETTER LIVES

Giving people with care and support needs the right care and support at the right time



TRANSPORT & INFRASTRUCTURE

Connecting people and places, improving air quality, meeting housing needs



BREAKTHROUGH PROJECTS – Helping deliver the Best Council Plan



Cutting carbon and improving air quality



World class events and a vibrant city centre that all can benefit from



More jobs, better jobs



Early intervention and reducing health inequalities



Strong communities benefiting from a strong city



Making Leeds the best place to grow old in



Housing growth and high standards in all sectors



Tackling domestic violence and abuse

OUR VALUES

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



Underpinning what we do and how we work

Annexe 3: Best Council Plan 2018/19 – 2020/21 Key Performance Indicators

DRAFT work in progress at 1/12/17

The tables below presents an early working draft set of key performance indicators (KPIs) to help monitor progress and performance on the proposed Best Council Plan 2018/19 – 2020/21. The majority of these have been rolled forward from the current Best Council Plan 2017/18 as they remain relevant and provide continuity and year-on-year analysis. Some additions are suggested, many of which are taken from key supporting plans and strategies that have been recently updated (e.g. the Better Lives Strategy) or are the process of being refreshed (e.g. the Children and Young People’s Plan - CYPP).

Table 1 presents the KPIs against the Best City ambition and proposed priorities but it should be emphasised that the priorities are interlinked and therefore the KPIs should be read as a whole. Table 2 shows KPIs against the Best Council ambition. These will continue to be developed in the coming weeks through consultation.

Table 1 - Best City ambition: A strong economy in a compassionate city	
Best City proposed priority and draft KPIs	Current BCP KPI?
Health and Wellbeing	
Infant mortality rate	Yes
Obesity levels at age 11	Yes
Percentage of physically active adults	Yes
Percentage of adults who smoke	Yes
Avoidable years of life lost	Yes
Suicide rates	Yes
Percentage of pupils achieving a good level of development at the end of the Early Years Foundation Stage	No. In draft CYPP 2018-23
Under-18 conception rates	No. In draft CYPP 2018-23
Reduced rate of early death for people with a serious mental illness	No. In Joint Health & Wellbeing Strategy
Percentage of CQC registered care services in Leeds rated as ‘good’ or ‘outstanding’	Yes
Number of permanent admissions to residential and nursing care homes (a) for people aged 18-64 including 12 week disregards; (b) for people aged 65+ including 12 week disregards	Yes (but wording amended in line with Better Lives Strategy 2017-21)
Delayed discharges from hospital (report both total delayed discharges and those due to social care - per 100,000 population)	Yes
Percentage of new referrals for social care which were resolved at initial point of contact or through accessing universal services	Yes
Inclusive Growth	
Jobs growth in the Leeds economy (with additional quarterly proxy measures on employment rate and economic activity & inactivity)	Yes
Productivity forecast – GVA per head	Yes

Table 1 - Best City ambition: A strong economy in a compassionate city

Best City proposed priority and draft KPIs	Current BCP KPI?
Number of new business start-ups	Yes
Business rates growth	Yes
Increased earnings for the lowest paid 10% of working Leeds residents	Yes
<i>At the time of writing, additional KPIs to be considered in the coming weeks in conjunction in particular with Inclusive Growth Strategy</i>	
Education and Skills	
Percentage of pupils reaching the expected standard in reading, writing and maths at the end of Key Stage 2	No. In draft CYPP 2018-23
Progress 8 score for Leeds at the end of Key Stage 4	Yes (but wording amended in line with draft CYPP)
Percentage / number [<i>report both</i>] of young people who are not in employment, education or training or whose status is 'not known'	Yes
Percentage of working age Leeds residents with at least a Level 4 qualification	Yes
Number of people supported to improve their skills	Yes
Attendance at primary and secondary schools	Yes
KPI on Leeds as a destination for higher education leavers (<i>i.e. graduates</i>]	No – data available and measured through More Jobs Better Jobs breakthrough project already
21st century infrastructure	
Increase in city centre travel by sustainable transport (bus, train, cycling, walking)	Yes
Percentage of waste recycled	Yes
Carbon emissions across the city	Yes
Level of CO2 emissions from council buildings and operations	Yes
<i>At the time of writing, additional KPIs to be agreed in the coming weeks in line with key supporting strategies and action plans</i>	
Housing	
Growth in new homes in Leeds	Yes
Number of new units of extra care housing	No. In Better Lives Strategy 2017-21
Improved energy and thermal efficiency performance of houses	Yes
Number of homeless preventions	Yes
Percentage of housing adaptations completed within target timescale	No – but data already collected and reported to Scrutiny

Table 1 - Best City ambition: A strong economy in a compassionate city

Best City proposed priority and draft KPIs	Current BCP KPI?
Percentage of council housing repairs completed within target	No – but data already collected and reported to Scrutiny
Tenant satisfaction with the neighbourhood as a place to live	No – but data already collected and reported to Scrutiny
<i>At the time of writing, potential KPI on affordable homes to be considered</i>	
Safe, strong communities	
Number of children who need to be looked after	Yes (but wording amended in line with draft CYPP)
Number of children and young people subject to a child protection plan	No. In draft CYPP 2018-23
Percentage of people with a concluded safeguarding enquiry for whom their desired outcomes were fully or partially met	No. In Better Lives Strategy 2017-21
Increased self-reporting of domestic violence and abuse incidents	Yes
Number of people killed or seriously injured in road traffic accidents (<i>total number and number of children within this currently reported</i>)	Yes
Level of tenant satisfaction with the neighbourhood as a place to live	No – but data available and reported to Scrutiny
<i>At the time of writing, wording of new KPI to be agreed around ‘how safe do you feel in your local area’ (based on a perception survey carried out by the Office of the Policy & Crime Commissioner across West Yorkshire with results then broken down into the 5 districts by percentage)</i>	No – Safer Leeds
Proportion of households reporting repeated anti-social behaviour / nuisance concerns	Yes
Number of reported hate incidents	Yes
Claimant rate for Employment Support Allowance	Yes
Number of adults of working age affected by in-work poverty	Yes
Number of households in fuel poverty	Yes
Culture	
Number of visitors at a range of venues and events	Yes – includes LCC venues and others across the city, e.g. Arena, Grand Theatre etc.
<i>At the time of writing, additional KPIs to be agreed in the coming weeks in line with the Culture Strategy</i>	

Table 2 - Best Council ambition: An efficient and enterprising organisation

Draft KPIs	Current BCP KPI?
Workforce more representative of our communities	Yes
Number of apprentices employed by the council	Yes
Average staff sickness levels	Yes
Staff engagement (<i>Currently reported based on the overall staff survey engagement score, 'If a friend asked you to give a score from 1 to 10 working for Leeds City Council, what would it be? For 18/19, will also report on the number/percentage of online and offline responses to the survey.'</i>)	Yes
Percentage of staff appraisals and mid-year reviews completed	Yes
Level of over/ underspend for this financial year	Yes
Council tax collection rates	Yes
Business rates collection rates	No but data available and reported to Executive Board monthly within the financial health monitoring report
Council housing rental collection rates	No – but data available and reported to Scrutiny
Percentage of ICT service desk calls fixed at the first point of contact	Yes
Level of customer complaints	Yes
Proportion of customers using self-service when getting in touch with the council	Yes
Percentage of information requests received responded to within statutory timescales (<i>Relates to both Freedom of Information requests and Subject Access Requirement requests</i>)	No – but data already collected



Report author: Angela Brogden
Tel: 3788661

Report of Head of Governance and Scrutiny Support

Report to Scrutiny Board (Inclusive Growth, Culture and Sport)

Date: 17th January 2018

Subject: Scrutiny Inquiry into Information, Advice and Guidance (IAG) provision in Leeds – draft terms of reference

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. Introduction

- 1.1 At the beginning of the municipal year, the Scrutiny Board expressed an interest in undertaking a piece of work aimed at achieving inclusive growth by addressing local employment and skills gaps. However, it was agreed that the Board would firstly consider the Council’s wider draft Inclusive Growth Strategy as part of the formal consultation process. This was undertaken during the Board’s September meeting.
- 1.2 The Scrutiny Board had also acknowledged the launch of the Council’s draft Leeds Talent and Skills Plan in July 2017 for wider consultation. This Plan covers the period 2017 – 2023, which is the same period as the Leeds Inclusive Growth Strategy. The Plan is also closely aligned to the Strategy, reflecting the critical importance of skills to economic growth, and similarly has been developed through collaboration between the Council, employers, residents, and education and skills providers.
- 1.3 The Scrutiny Board therefore considered the draft Leeds Talent and Skills Plan during its November meeting, acknowledging that many of its key areas of interest around employment and skills are already reflected within the draft Leeds Talent and Skills Plan. The Board had also expressed a specific interest in exploring how young people who have offended are also supported into the labour market and therefore also welcomed a briefing on this issue from the Leeds Youth Offending Service.
- 1.4 In conclusion, the Board agreed to undertake more detailed Scrutiny surrounding Information, Advice and Guidance (IAG) provision in Leeds.

1.5 Draft terms of reference relating to the Board's forthcoming inquiry into Information, Advice and Guidance (IAG) provision in Leeds will therefore be tabled at today's meeting for the Board's consideration and agreement.

2. Recommendation

2.1. Members are requested to consider and agree the terms of reference for its forthcoming inquiry into Information, Advice and Guidance (IAG) provision in Leeds.

3. Background documents¹

3.1 None

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

Report of Head of Governance and Scrutiny Support

Report to Scrutiny Board (Inclusive Growth, Culture and Sport)

Date: 17th January 2018

Subject: Work Schedule

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

1 Purpose of this report

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

2 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 a range of matters which were then used to help formulate an outline work schedule.

2.2 The latest iteration of the work schedule is attached as Appendix 1 for consideration and agreement of the Scrutiny Board – subject to any identified and agreed amendments.

2.3 Executive Board minutes from the meeting held on 13 December 2017 are also attached as Appendix 2. The Scrutiny Board is asked to consider and note the Executive Board minutes, insofar as they relate to the remit of the Scrutiny Board; and identify any matter where specific scrutiny activity may be warranted, and therefore subsequently incorporated into the work schedule.

Developing the work schedule

2.4 The work schedule should not be considered a fixed and rigid schedule, it should be recognised as something that can be adapted and changed to reflect any new and emerging issues throughout the year; and also reflect any timetable issues that might occur from time to time.

- 2.5 However, when considering any developments and/or modifications to the work schedule, effort should be undertaken to:
- Avoid unnecessary duplication by having a full appreciation of any existing forums already having oversight of, or monitoring a particular issue.
 - Ensure any Scrutiny undertaken has clarity and focus of purpose and will add value and can be delivered within an agreed time frame.
 - Avoid pure “information items” except where that information is being received as part of a policy/scrutiny review.
 - Seek advice about available resources and relevant timings, taking into consideration the workload across the Scrutiny Boards and the type of Scrutiny taking place.
 - Build in sufficient flexibility to enable the consideration of urgent matters that may arise during the year.
- 2.6 In addition, in order to deliver the work schedule, the Board may need to take a flexible approach and undertake activities outside the formal schedule of meetings – such as working groups and site visits, where deemed appropriate. This flexible approach may also require additional formal meetings of the Scrutiny Board.

Developments since the previous Scrutiny Board meeting

- 2.7 At the time of agenda publication, there are no significant developments to report since the previous Scrutiny Board meeting.

3. Recommendations

- 3.1 Members are asked to consider the matters outlined in this report and agree (or amend) the overall work schedule (as presented at Appendix 1) as the basis for the Board’s work for the remainder of 2017/18.

4. Background papers¹

- 4.1 None used

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

Scrutiny Board (Inclusive Growth, Culture and Sport) Work Schedule for 2017/2018 Municipal Year

June	July	August
Meeting Agenda for 28/06/17 at 10.30 am	Meeting Agenda for 26/07/17 at 11.00 am.	No Scrutiny Board meeting scheduled.
Scrutiny Board Terms of Reference and Sources of Work (DB) Performance update report (PM)	European City of Culture 2030 Bid - detailed briefing on the current position (PDS) Chief Executive's update to the Board (PSR) South Bank Regeneration Area – Update on Burberry (PSR)	
Working Group Meetings		
Site Visits		

Scrutiny Work Items Key:

PSR	Policy/Service Review	RT	Recommendation Tracking	DB	Development Briefings
PDS	Pre-decision Scrutiny	PM	Performance Monitoring	C	Consultation Response

Scrutiny Board (Inclusive Growth, Culture and Sport) Work Schedule for 2017/2018 Municipal Year

September	October	November
Meeting Agenda for 06/09/17 at 10.30 am.	Meeting Agenda for 1/10/17 2017 at 10.30 am.	Meeting Agenda for 15/11/17 2017 at 10.00 am.
Formal consultation on the new draft Inclusive Growth Strategy (PDS/C)	Systems approach to physical activity in Leeds (PDS)	Employment and Skills – Key challenges and opportunities (PSR)
Working Group Meetings		
		Consideration of the potential gaps and opportunities regarding delivery of the devolution agenda (PDS) 13/11/17 @ 9.30 am
Site Visits		

Scrutiny Work Items Key:

PSR	Policy/Service Review	RT	Recommendation Tracking	DB	Development Briefings
PDS	Pre-decision Scrutiny	PM	Performance Monitoring	C	Consultation Response

Scrutiny Board (Inclusive Growth, Culture and Sport) Work Schedule for 2017/2018 Municipal Year

December	January	February
Meeting Agenda for 13/12/17 2017 at 10.00 am.	Meeting Agenda for 17/01/18 at 10.30 am.	Meeting Agenda for 14/02/17 at 10.30 am.
Leeds 2023 European Capital of Culture Bid – Update (PSR) Supporting the development of a systems approach to physical activity in Leeds (PDS)	Performance report (PM) Financial Health Monitoring (PSR) 2018/19 Initial Budget Proposals (PDS) Best Council Plan Refresh for 2018/19-2020/21 – Initial Proposals (PDS) Inquiry into Information, Advice and Guidance provision in Leeds – draft terms of reference (PSR)	Culture Strategy 2017-2030 Delivery Plan (PSR)
Working Group Meetings		
Site Visits		

Scrutiny Work Items Key:

PSR	Policy/Service Review	RT	Recommendation Tracking	DB	Development Briefings
PDS	Pre-decision Scrutiny	PM	Performance Monitoring	C	Consultation Response

Scrutiny Board (Inclusive Growth, Culture and Sport) Work Schedule for 2017/2018 Municipal Year

March	April	May
Meeting Agenda for 14/03/17 at 10.30 am	No Scrutiny Board meeting scheduled.	No Scrutiny Board meeting scheduled.
Working Group Meetings		
Site Visits		

Scrutiny Work Items Key:

PSR	Policy/Service Review	RT	Recommendation Tracking	DB	Development Briefings
PDS	Pre-decision Scrutiny	PM	Performance Monitoring	C	Consultation Response

EXECUTIVE BOARD

WEDNESDAY, 13TH DECEMBER, 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

104 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.

105 Exempt Information - Possible Exclusion of the Press and Public

RESOLVED – That, in accordance with Regulation 4 of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the public be excluded from the meeting during consideration of the following parts of the agenda designated as exempt from publication on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present there would be disclosure to them of exempt information so designated as follows:-

- (a) Appendix 1 to the report entitled, 'Redevelopment of 6-32 George Street and Part Butchers Row, Kirkgate Market', referred to in Minute No. 113 is designated as exempt from publication in accordance with paragraph 10.4(3) of Schedule 12A(3) of the Local Government Act 1972 on the grounds that it contains information relating to the financial or business affairs of a particular person and of the Council. This information is not publicly available from the statutory registers of information kept in relation to certain companies and charities. It is considered that since this information was provided to enable the Council to consider the commercial viability and funding option for the redevelopment of the George Street shops, then it is not in the public interest to disclose this information at this point in time. Also, the release of such information would or would be likely to prejudice the Council's commercial interests in relation to the OJEU procurement exercise. It is considered that whilst there may be a public interest in disclosure, much of this information will be available from the Land Registry following completion of the development structure and consequently the public interest in maintaining the exemption

outweighs the public interest in disclosing this information at this point in time.

106 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 an updated version of a plan included within Appendix 2 to Item 12, entitled, 'Amendments to the Leeds Site Allocations Plan' which related to the Outer South HMCA area. It was noted that the version of the plan originally included within the agenda papers showed the route of HS2, as proposed at submission stage (May 2017). However, this was later updated, with some realignment, in July 2017. The updated version was provided to Members as a replacement for the version originally included within the agenda. (Minute No. 115 refers).

107 Declaration of Disclosable Pecuniary Interests

There were no Disclosable Pecuniary Interests declared at the meeting.

108 Minutes

RESOLVED – That the minutes of the previous meeting held on the 15th November 2017 be approved as a correct record.

RESOURCES AND STRATEGY

109 Best Council Plan Refresh for 2018/19 - 2020/21: Initial Proposals

Further to Minute No. 43, 17th July 2017, the Director of Resources and Housing submitted a report presenting an approach for the proposed refresh of the Best Council Plan for the period 2018/19 – 2020/21.

Members welcomed the efforts which had been made to ensure that the Plan was more accessible to the reader and that the progress made against the related performance indicators was more measurable.

In addition, the Board noted a concern raised by a Member regarding the proposal to remove the current 'Child Friendly City' priority. It was noted that this proposal had been suggested on the basis that children and young people were at the heart of all of the Council's plans and strategies, and it was undertaken that the issue raised would be included within the associated consultation process which was proposed.

RESOLVED –

- (a) That engagement with Scrutiny Boards on the emerging Best Council Plan, in accordance with the Budget & Policy Framework Procedure Rules, be approved;
- (b) That the approach as set out within the submitted report to update the Best Council Plan for 2018/19 – 2020/21, which aims to balance continuity of the Best City (Strong Economy and Compassionate City) / Best Council (Efficient and Enterprising Organisation)

ambitions with further refinement of the Council's priorities and key performance indicators, be approved;

- (c) That approval be given for the Best Council Plan priorities and key performance indicators to be reviewed annually and updated as needed alongside the council's Budget;
- (d) That it be noted that the Director of Resources and Housing will be responsible for developing the Best Council Plan for 2018/19 - 2020/21, for its consideration by this Board and Full Council in February 2018 alongside the supporting 2018/19 Budget.

(The matters referred to within this minute, given that they were decisions being made in accordance with the Budget and Policy Framework Procedure Rules, were not eligible for Call In, as Executive and Decision Making Procedure Rule 5.1.2 states that the power to Call In decisions does not extend to those decisions being made in accordance with the Budget and Policy Framework Procedure Rules)

110 Financial Health Monitoring 2017/18 - Month 7

The Chief Officer, Financial Services submitted a report regarding the Council's projected financial health position for 2017/18, as at month 7 of the financial year.

A Member made reference to the Children and Families directorate budget, noting that the External Residential and Independent Fostering Agents placements had recently increased, which had meant that the projected year end spend had also increased, with an enquiry being made around the potential to increase provision for accommodating such placements within the city. In response, it was highlighted that given the demand led nature of such provision, the pressures on that budget continued to be monitored, with it also being highlighted that the Children and Families directorate budget was projecting a balanced position as at month 7.

In addition, responding to a Member's specific enquiry, the Member in question received clarification regarding a specific budgetary pressure within the Waste Management service.

RESOLVED – That the projected financial health position of the Authority, as at month 7 of the financial year, be noted.

111 Parklife Programme

The Director of City Development and the Director of Communities and Environment submitted a joint report providing an update on the progress made in relation to the Leeds Parklife programme, which sought approval for work to continue on the programme, to note the shortlist of sites as detailed within the report and which also sought approval for funding of £100k towards feasibility studies on some of the shortlisted sites.

The proposals within the report, and the potential opportunities arising from them were welcomed. In addition, emphasis was placed upon how the programme would help address the issues arising from the high demand and over-use of Council owned pitches. Reference was also made to the ongoing discussions and progress being made with respect to the ownership of Woodhall Playing Fields.

In considering the report, Members highlighted the need to ensure that any new facilities developed as a result of this initiative were able to be accessed and used by local communities. Also, responding to an enquiry, the Board received further details on the principles set out by the Football Association by which sites could be brought forward for inclusion within the programme.

In conclusion, the Chair highlighted the fact that Leeds had successfully been included within the first round of the Parklife programme, and emphasised that the shortlist, as detailed within the submitted report was not finalised, and therefore suggestions for additional or alternative sites were welcomed.

RESOLVED –

- (a) That the proposal for the Parklife programme in Leeds, as detailed within the submitted report, be noted;
- (b) That the proposed shortlist of sites as detailed within the submitted report be noted, and that approval be given for officers to seek further suggestions for sites from local partners, subject to the criteria as set out in paragraph 3.7 of the report;
- (c) That further work with the Football Association and local and national partners to further develop the Parklife programme in Leeds, be approved, which will specifically include carrying out technical feasibility studies, production of a final shortlist, development of a delivery programme and the provision of costings for the development of each site;
- (d) That an injection into the capital programme of £100k in order to carry out feasibility works at some of the shortlisted sites, be approved;
- (e) That the release of £100k from the capital programme be approved, with the necessary authority also being delegated to the Director of City Development in order to enable the Director to take decisions regarding the release of funding for specific sites;
- (f) That it be noted that a further report will be submitted to Executive Board in order to make a final decision upon the shortlist and appropriate release of funds for development;
- (g) That it be noted that the Director of City Development and the Director of Communities and Environment will be responsible for the implementation of the above resolutions.

REGENERATION, TRANSPORT AND PLANNING

112 Leeds City Region HS2 Connectivity Strategy

Further to Minute No. 82, 18th October 2017, the Director of City Development submitted a report providing an update on the work commissioned by the West Yorkshire Combined Authority on the Leeds City Region HS2 Connectivity study, which looked to inform the HS2 Growth Strategy which was to be submitted to Government later in December 2017, whilst also identifying some priorities for the delivery of mass transit within Leeds.

Members highlighted the significant economic impact that the Connectivity Strategy could potentially have both on Leeds and across the city region, and how the strategy needed to ensure that outer lying communities were connected by any future public transport model. Emphasis was also placed upon the significance of the development of the corridor between Leeds and Bradford, with reference being made to the need to ensure that any short term decisions made regarding Leeds-Bradford connectivity did not affect the project in the longer term.

Given the key role being played by Leeds in the development of such matters, the Board highlighted the need to ensure that Elected Members were kept informed of the progress being made in this area. Linked to this, the Board also received information on the recognition which Leeds had recently received for the partnership approach being taken to progress the city's ambition in terms of future transport provision and connectivity.

RESOLVED –

- (a) That the principles of the emerging Leeds City Region HS2 Connectivity Strategy, be supported;
- (b) That following resolution (a) (above), the Director of City Development, in consultation with the Leader of the Council, the Executive Member for Regeneration, Transport and Planning and the Director of Resources and Housing, be requested to:-
 - (i) Further develop the Council's input into the Leeds City Region HS2 Connectivity Strategy and to report back to Executive Board around the emerging conclusions of the proposed Inclusive Growth Corridor Plans;
 - (ii) Undertake engagement with central Government and city partners on the HS2 Growth Strategy proposals alongside the West Yorkshire Combined Authority ahead of a final strategy being developed;
 - (iii) Continue collaboration with partners in order to bring forward the delivery of the Connectivity Vision.

113 Redevelopment of 6 - 32 George Street and part Butchers Row, Kirkgate Market

The Director of City Development submitted a report regarding proposals for the redevelopment of 6 to 32 George Street and part of Butchers Row, Kirkgate Market, and sought approval of the necessary steps to be taken in order to deliver the scheme.

Members discussed the timing of the proposed redevelopment, and how such proposals linked to the Victoria Gate scheme and the regeneration of the wider area.

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

RESOLVED –

- (a) That the contents of the submitted report and, specifically the scheme that has been produced, be noted;
- (b) That the necessary authority be delegated to the Director of City Development in order to approve the awarding of the contract to Town Centre Securities as the Council's selected developer partner;
- (c) That the recommended legal structure for the development partnership, together with the associated Heads of Terms, as detailed within the exempt appendix 1 to the submitted report, be approved;
- (d) That the injection into the Capital Programme and authority to spend of £12,903,600, as detailed within the exempt Appendix 1 to the submitted report, be approved, for the purposes of:-
 - (i) A fifty percent share in the ownership of the completed development;
 - (ii) The refurbishment of Westminster Buildings for market staff accommodation;
 - (iii) The costs associated with the legal and technical advice required.
- (e) That the Director of City Development be authorised to make all subsequent decisions which may be necessary in order to deliver this scheme, with the concurrence of the Executive Member for Regeneration Transport and Planning;
- (f) That it be noted that the Chief Officer, Economy and Regeneration is responsible for the delivery of the proposed scheme.

114 Phase 2 Leeds (River Aire) Flood Alleviation Scheme

Further to Minute No. 64, 20th September 2017, the Director of City Development submitted a report providing further information on the emerging proposals for the Phase Two River Aire, Leeds Flood Alleviation Scheme,

whilst also seeking approval for the submission of an outline business case and subsequent associated planning applications.

Members welcomed the information detailed within the submitted report, and received an update regarding the ongoing dialogue taking place with the Trustees of Rodley Nature Reserve in relation to the concerns which they have raised on the proposals.

In conclusion, the Chair paid tribute to all officers who had been involved in progressing the scheme to the current position, and also acknowledged the importance of the cross-party support which had been received.

RESOLVED –

- (a) That the necessary authority be delegated to the Director of City Development, in order to enable the Director to submit an outline business case for funding from DEFRA, subject to agreement with the Executive Member for Regeneration, Transport and Planning and the Leader of the Council;
- (b) That the necessary authority be delegated to the Director of City Development for the submission of associated planning applications for the emerging proposals relating to flood defence structures and their associated defence initiatives, subject to agreement with the Executive Member for Regeneration, Transport and Planning;
- (c) That it be noted that a further report will be submitted to Executive Board in April 2018 in order to provide an update on the progress being made and to advise on the status of the Operation and Maintenance of each element within the proposed scheme.

115 Amendments to the Leeds Site Allocations Plan

Further to Minute No. 148, 8th February 2017, the Director of City Development submitted a report presenting a revised approach towards progressing housing allocations and safeguarded land within the Leeds Site Allocations Plan (SAP) through its Examination. The report set out proposed amendments to the 'Submission draft SAP' for public consultation together with an indicative timetable for the SAP Examination. It was noted that such proposals followed on from reports considered by Development Plan Panel on the 3rd and 21st November 2017, which set out the reasons for the revised approach, the methodology to be used and the changes which were now considered necessary to the SAP.

Prior to the meeting, Board Members had received an updated version of a plan included within Appendix 2 to the submitted report relating to the Outer South HMCA area. The version of the plan originally included within the agenda papers showed the route of HS2, as proposed at submission stage (May 2017). However, this was later updated, with some realignment, in July 2017. As such, the updated version was provided to Members as a replacement for the version originally included within the agenda.

Responding to a Member's concerns, the Board received clarification regarding the relationship between the Council's Core Strategy and the Leeds SAP, and how the SAP needed to be examined against the requirements set out within the Council's adopted Core Strategy, which included the currently adopted housing requirement figures.

Again responding to Members' comments, the Board also received further information on how the submitted report looked to continue to progress the Site Allocations Plan through the Examination process, whilst at the same time undertaking the Core Strategy Selective Review, with the aim of Leeds adopting a Site Allocations Plan and an amended Core Strategy, with a revised housing allocation, at the earliest opportunity, in order to ensure that the Council had a defensible five year land supply.

The Board also received an update on the actions being taken to ensure that housing continued to be developed across the city, with examples being given on the work undertaken to develop brownfield land sites in order to evidence the viability of such sites, together with the work undertaken to stimulate residential development in the city centre.

Members also discussed the 'broad locations' approach being proposed, and the potential implications of such an approach when considering issues such as the development within the Green Belt. Also, emphasis was placed upon the need to achieve the right balance between ensuring that there was sufficient housing provision for the city, whilst at the same time ensuring that such housing was built in the correct locations.

In conclusion, the Chair highlighted the impact nationally that the Department for Communities and Local Government's proposals regarding revised methodology for the calculation of housing requirements has had, with it being emphasised that the lobbying of Government around the sufficiency of appropriate housing provision in Leeds would continue.

RESOLVED –

- (a) That the update on further technical work on housing and Green Belt release, together with the revised timetable for the hearing sessions of the SAP Examination, be noted;
- (b) That the updated version of the plan circulated to Board Members prior to the meeting (as referenced above) which was included within Appendix 2 to the submitted report and which related to the Outer South HCMA area, be noted as a replacement of the version originally included within the agenda papers;
- (c) That full Council be recommended to approve the Revised Submission Draft SAP for the purposes of public consultation on changes, as set out within Appendix 1 to the submitted report, concerning:
 - (a) deleting some proposed housing allocations and safeguarded land, and proposing identifying these as Broad Locations;

- (b) a new policy on Broad Locations;
 - (c) amending the phasing of proposed housing allocations to ensure that sufficient land is available to meet housing needs;
 - (d) revisions to the sustainability appraisal of the SAP (as detailed in Appendix 4 to the submitted report);
 - (e) consequential amendments to other parts of the Plan; and
 - (f) background material (and evidence) to support the proposed amendments.
- (d) That full Council be recommended to approve that this revised material (referenced in (c) above) be subject to 6 weeks public consultation and then be submitted to the Secretary of State (subject to any amendments following public consultation), as a Revised Submission Draft Plan prior to Stage 2 of the SAP Examination, pursuant to Section 20 of the Planning and Compulsory Purchase Act 2004 as amended, in line with the draft timetable set out within the submitted report;
 - (e) That full Council be recommended to approve that delegated authority is granted to the Chief Planning Officer, in consultation with the Executive Member for Regeneration, Transport and Planning to make further amendments to the revised Submission Draft in response to representations received during the consultation period that are considered to be required for the soundness of the Plan;
 - (f) That, as in the Submission of the Site Allocations Plan in May 2017, full Council be recommended to grant authority to the independent inspector appointed to hold the Public Examination, to make modifications to the Submission Draft Plan (as recommended to be revised in line with resolution (c) above), pursuant to Section 20 (7C) of the Planning and Compulsory Purchase Act 2004, as amended;
 - (g) That the necessary authority be delegated to the Chief Planning Officer, in consultation with the Executive Member for Regeneration, Transport and Planning, to:
 - (i) approve the detail of any further technical documents and supporting evidence required to be submitted alongside the revised Submission plan for consideration at Stage 2 of the hearings;
 - (ii) continue discussions with key parties and suggest to the Inspector any edits and consequential changes which are necessary to be made to the revised Submission Draft Plan following Council approval during the Examination, and also to prepare and give evidence in support of the revised Submission Plan at Examination.

(Under the provisions of Council Procedure Rule 16.5, Councillors A Carter and Golton both required it to be recorded that they respectively abstained from voting on the decisions referred to within this minute)

(The matters referred to within this minute, given that they were decisions being made in accordance with the Budget and Policy Framework

Procedure Rules, were not eligible for Call In, as Executive and Decision Making Procedure Rule 5.1.2 states that the power to Call In decisions does not extend to those decisions being made in accordance with the Budget and Policy Framework Procedure Rules)

HEALTH, WELLBEING AND ADULTS

116 Out of the Shadows: Time to Shine Programme

Further to Minute No. 114, 14th December 2016, the Director of Adults and Health and the Director Public Health submitted a joint report which provided a briefing on the 'Time to Shine' programme, whilst also presenting details of the progress and impact which had been made in tackling social isolation and loneliness in Leeds since the matter was previously considered by the Board.

The Board welcomed Rachel Cooper, Chief Executive of Leeds Older People's Forum and Lucy Jackson, Chief Officer / Consultant in Public Health to the meeting, both of whom were in attendance to introduce the key points of the submitted report.

The Board considered the HomeShare scheme, with a request being made that the performance of the initiative continued to be monitored.

Responding to a Member's comments regarding the potential for Council officers to contribute to and enhance the work being undertaken in this field, the Board was provided with details of the ways in which Communities Teams were involved in supporting older people's organisations which aimed to tackle loneliness and social isolation, with the Member in question being offered a further briefing on such matters, if required.

The Board also received further information on the learning which was being evaluated and shared as a result of the Time to Shine initiative, with the aim of ensuring that the positive practices and multi-agency approach being taken in the tackling of loneliness and social isolation across the city continued to be further developed throughout the period of this programme, and beyond.

In conclusion, it was noted that the Board would welcome further updates on the work being undertaken in this area, as and when appropriate.

RESOLVED –

- (a) That the submitted report, which updates the Board on the progress of the Time to Shine programme, be received;
- (b) That the progress made in the development and delivery of the 'Time to Shine' programme, be welcomed;
- (c) That the positive impact that the work on tackling loneliness and social isolation will have, and the contribution it will make towards the breakthrough project 'Making Leeds the Best City to Grow Old In', be recognised;

- (d) That recognition be given to the fact that social isolation and loneliness is a complex issue for which there are no simple 'one size fits all' solutions, with it also being acknowledged that 'Time to Shine' is a learning programme which will give greatest impact when learning is widely adopted through commissioning and direct delivery;
- (e) That the excellent work of Leeds Older People's Forum in leading the programme, be commended;
- (f) That it be noted that the lead officers responsible for ensuring that updates are submitted to the Board are the Chief Officer/Consultant in Public Health (Older People) and the Deputy Director for Integrated Commissioning;
- (g) That the value and impact of the work being undertaken in local areas be noted.

CHILDREN AND FAMILIES

117 Domestic Violence & Abuse Breakthrough Project

Further to Minute No. 75, 21st September 2016, the Director of Communities and Environment submitted a report which provided an outline of the work undertaken and the progress made to date in respect of the Domestic Violence Breakthrough Project, whilst it also outlines some ongoing challenges.

Members received an update on the multi-agency initiatives being undertaken to address the issue of domestic violence and abuse across the city, with the Board's thanks being extended to all those involved in the delivery of such services.

The Board highlighted the progress which had been made in recent years in tackling this issue, with specific reference made to the work undertaken both with the victims and the perpetrators, and the actions being taken to recognise the complexity of domestic violence, together with the range of domestic settings and relationships in which it occurs.

Members also discussed the impact of domestic violence upon children and young people and the developing approaches taken to safeguard them, with reference being made to how decisions were taken regarding the extent to which children were involved in any resolution processes.

Finally, specific reference was made to the 'Front Door Safeguarding Hub' initiative, and the multi-agency and timely response it provided to domestic violence cases, and the way in which its approach had proven to be very effective at inter-agency communication and ensuring that swift action was taken to help those affected by domestic violence and abuse.

RESOLVED –

- (a) That the progress made to date be noted, and that annual reports continue to be presented to the Board;
- (b) That the comments made by the Board during the consideration of this item regarding actions to address the challenges detailed within the submitted report and opportunities for further work, be noted;
- (c) That it be noted that the Director of Communities and Environment is responsible for the Domestic Violence & Abuse Breakthrough Project.

118 Outcome of consultation regarding a proposal to establish an academy (free school) on a site at Fearnville

Further to Minute No. 59, 20th September 2017, the Director of Children and Families submitted a report presenting the outcome of the consultation in respect of a proposal to establish a new 8 form entry secondary free school (1,200 place – 240 pupils per year group) for learners aged between 11-16 years, including a Resourced Provision for young people with Autism Spectrum Condition and Moderate Learning Difficulties. The report sought approval for the commencement of a ‘free school presumption process’ under the terms as detailed within the Education and Inspections Act 2006.

RESOLVED – That the consideration of this matter be deferred, in order to enable further consideration to be undertaken on all of the available options which have been brought forward to ensure the future sufficiency of school places in this area, with a further report on such matters being submitted to the Board in due course.

119 Outcome of consultation to increase learning places at Allerton Church of England Primary School

The Director of Children and Families submitted a report on proposals brought forward to meet the Local Authority’s duty to ensure a sufficiency of school places, which supported the achievement of the Best Council priority to improve educational achievement and close achievement gaps. Specifically, the submitted report described the outcome of the consultation process regarding proposals to expand primary school provision at Allerton Church of England Primary School and which sought permission to publish a statutory notice in respect of such proposals.

Responding to a Member’s enquiry, it was noted that concerns which had been raised in respect of highways and parking issues were being picked up via the associated consultation exercise, whilst assurances were provided that the implementation of any proposals would be taken through the normal planning procedures.

RESLOVED -

- (a) That the publication of a Statutory Notice on a proposal to expand primary provision at Allerton Church of England Primary School from a capacity of 420 pupils to 630 pupils, with an increase in the admission number from 60 to 90 with effect from September 2018, be approved;

- (b) That it be noted that the responsible officer for the implementation of such matters is the Head of Learning Systems.

120 Outcome of consultation to increase learning places at Beeston Hill St Luke's Church of England Primary School

The Director of Children and Families submitted a report on proposals brought forward to meet the Local Authority's duty to ensure a sufficiency of school places, which support the achievement of the Best Council priority to improve educational achievement and close achievement gaps. Specifically, the submitted report described the outcome of the consultation exercise regarding proposals to expand primary school provision and establish resourced Special Educational Needs (SEN) provision at Beeston Hill St Luke's Church of England Primary School, and which sought permission to publish a statutory notice in respect of such proposals.

RESOLVED –

- (a) That the publication of a Statutory Notice on a proposal to expand primary provision at Beeston Hill St Luke's Church of England Primary School from a capacity of 315 pupils to 420 pupils, with an increase in the admission number from 45 to 60 and to establish provision for pupils with Complex Communication Difficulties, including children who may have a diagnosis of ASC (Autistic Spectrum Condition) for approximately 8 pupils, with effect from September 2019, be approved;
- (b) That it be noted that the responsible officer for the implementation of such matters is the Head of Learning Systems.

ENVIRONMENT AND SUSTAINABILITY

121 Cutting Carbon Breakthrough Project Annual report

Further to Minute No. 129, 14th December 2016, the Director of Resources and Housing submitted a report which presented the first annual report of the Leeds Climate Commission, which outlined the progress that the Council had made in reducing carbon emissions through the schemes being delivered via the Cutting Carbon Breakthrough Project.

Professor Andy Gouldson, University of Leeds and Chair of the Leeds Climate Commission attended the meeting to introduce the key points from the report, and to outline the commission's priorities for the coming year.

Responding to a Member's enquiry regarding the benefits of anaerobic digestion and food waste initiatives, it was highlighted that such matters would form part of the Council's ongoing consultation in respect of the Waste and Recycling Strategy. It was also suggested that the Commission was a good arena in which to consider and progress energy infrastructure issues such as this, with it being noted that the commission had the benefit of being able to provide a 'whole city' perspective on such matters.

In conclusion, Members acknowledged the significant financial opportunities arising from the development of energy infrastructure, and noted that work in such areas would continue to be developed, including that liaison was intended to take place with the new owners of the Green Investment Bank.

RESOLVED –

- (a) That the findings of the Leeds Climate Commission Annual Report be noted, with support being given to continuing to respond to the Commission's advice and recommendations in the future;
- (b) That the progress being made in this field be noted, and that support be given to the continued delivery of the carbon reduction schemes within Cutting Carbon and Improving Air Quality Breakthrough Project;
- (c) That it be noted that all of the related recommendations will be delivered from 2017/18 onwards by the Sustainable Energy and Climate Change Team, which is led by the Executive Programme Manager within the Projects, Programmes, & Procurement Unit, under the direction of the Director of Resources and Housing.

122 Improving Air Quality Within The City

The Director of Resources and Housing, the Director of City Development and the Director of Public Health submitted a joint report providing an update on the new national air quality plan and national Clean Air Zone Framework which were published in July 2017. The report also presented an update on the actions being taken in Leeds to improve air quality following the previous report considered by the Board; detailing solutions identified to meet the city's Air Quality obligations as set out in UK law; and proposing the associated timetable for next steps.

Members highlighted the importance of the consultation exercise which was being proposed, the need to ensure that the matters raised during the consultation were taken into consideration and that a practical rather than a punitive approach was taken to improving air quality.

Responding to a Member's concern, assurances were provided that any associated work being undertaken by the Licensing Committee regarding the taxi and private hire trade would need to be aligned to the work proposed by the submitted report, to ensure that a collaborative approach was taken, with it also being highlighted that an effective communications process with the taxi and private hire trade would need to be ensured.

In considering the issue nationally, Members highlighted a number of areas which Government would need to lead on in order to progress the agenda, discussed the existing issues around infrastructure when considering the increased use of electric vehicles, and also considered the potential use of alternative energy, such as hydrogen.

RESOLVED – That approval be given to enter into a period of public consultation on the proposal to introduce a Clean Air Zone B within the Outer Ring Road/ Motorway network, with additional measures.

123 Environment, Housing and Communities Scrutiny Board Review of Cemetery and Crematoria Horticultural Maintenance of Grave Conditions

The Director of Communities and Environment submitted a report which presented the recommendations of the Scrutiny Board (Environment, Housing and Communities) regarding the arrangements in place to enforce grave conditions and how they related to horticultural maintenance arrangements, which followed issues which had been experienced in respect of associated communication and enforcement processes. The report noted how the Scrutiny Board had agreed to undertake the review via a working group meeting, and following which, the Scrutiny Board formally approved a number of recommendations, as appended to the submitted report.

Councillor B Anderson, Chair of the Scrutiny Board (Environment, Housing and Communities) attended the meeting in order to introduce the key points from the Scrutiny Board report. In doing so, he highlighted the role of the Scrutiny Board in providing both challenge and reassurance to the directorate, emphasised the importance of effective communication when dealing with such sensitive issues, and also highlighted the key role played by undertakers.

On behalf of the Board, the Chair extended her thanks to the Scrutiny Board for the work it had undertaken on this issue.

RESOLVED – That the following be approved:-

- (a) That 'grave conditions', as approved at Executive Board in December 2011, are supplemented by a notice placed on the grave (as illustrated in paragraph 3.4 of the submitted report) with a revised process introduced, as set out in paragraph 3.3 of the same report;
- (b) That national bodies representing funeral directors are approached to encourage funeral directors to effectively outline the implications of each burial option with bereaved families;
- (c) That all local funeral directors are contacted to remind them of the importance of clearly communicating the implications of each burial option;
- (d) That a proposal is brought forward to recruit two additional rangers, funded via bereavement services revenue, to work with existing volunteers and 'Friends Of' groups as well as establishing new community groups that support practical volunteer activities in cemeteries and crematoria;
- (e) That the Chief Officer, Parks and Countryside is responsible for the implementation of the resolutions (above) which should be in place by April 2018.

ECONOMY AND CULTURE

124 Initial Budget Proposals for 2018/19

The Chief Officer, Financial Services submitted a report which sought the Board's agreement to the Council's initial budget proposals for 2018/19, as detailed within the submitted paper. The report sought approval for those proposals to be submitted to Scrutiny and also used as a basis for wider consultation with stakeholders. In addition, the report also sought agreement for Leeds to continue as a member of Leeds City Region Business Rates Pool, should the application to pilot 100% Business Rates Retention in 2018/19 succeed.

RESOLVED –

- (a) That the initial budget proposals, as set out within the submitted report be agreed, and that approval be given for them to be submitted to Scrutiny and also to be used as a basis for wider consultation with stakeholders;
- (b) That should the application to pilot 100% business rates retention succeed, agreement be given for Leeds to continue as a member of the designated Business Rates Pool and should act as lead authority for it, with it being noted that notwithstanding this decision, the continuation of the Pool will be dependent upon none of the other member authorities choosing to withdraw within the statutory period after designation.

(Under the provisions of Council Procedure Rule 16.5, Councillors A Carter and Golton both required it to be recorded that they respectively abstained from voting on the decisions referred to within this minute)

(The matters referred to within Minute No. 124(a), given that it was a decision being made in accordance with the Budget and Policy Framework Procedure Rules, was not eligible for Call In, as Executive and Decision Making Procedure Rule 5.1.2 states that the power to Call In decisions does not extend to those decisions made in accordance with the Budget and Policy Framework Procedure Rules.

However, the matter referred to in Minute No. 124(b) was eligible for Call In, given that it was a decision not being taken as part of the Budget and Policy Framework Procedure Rules)

125 World Triathlon Series

Further to Minute No. 194, 22nd April 2015, the Director of City Development submitted a report which sought support for Leeds to continue to host the World Triathlon Series for 2019 and 2020 and which provided details of the positive steps being taken to improve the event experience in addition to the wider Triathlon development opportunities being delivered by partners.

RESOLVED –

- (a) That the contents of the submitted report, be noted;

Draft minutes to be approved at the meeting
to be held on Wednesday, 7th February, 2018

- (b) That pending confirmation from the British Triathlon Federation, agreement be given to seek approval for Leeds to be host city for the World Triathlon Series in 2019 and 2020;
- (c) That the continued contribution of £230,000 per annum as a cash contribution towards hosting the event, be approved;
- (d) That the Chief Officer, Culture and Sport be delegated the necessary authority to enter into any legal agreements for the 2019 and 2020 World Triathlon Series events;
- (e) That it be agreed that the Memorandum of Understanding for the World Triathlon Series Leeds 2018 (and any subsequent World Triathlon Series event) between British Triathlon Federation and the Council is entered into on the same financial basis as that previously agreed for the 2017 event.

EMPLOYMENT, SKILLS AND OPPORTUNITY

126 Leeds City Council Workforce - Inclusion and Diversity Training

The Director of Resources and Housing submitted a report which presented a framework for the refresh and improvement of the Inclusion and Diversity training provision for Leeds City Council employees, an initiative which looked to form part of the Council's wider work to build a more inclusive workplace.

Responding to a Member's enquiry, the Board was advised that although the Council had a good track record on such matters, work was ongoing to engage with disabled employees, in order to ensure that there was a greater consistency provided to disabled staff in terms of the provision of reasonable adjustments and also to promote managers' awareness and understanding of such issues.

RESOLVED – That the refresh of the Council's Inclusion and Diversity training, as outlined within the submitted report, be approved for the purposes of a Spring 2018 relaunch.

DATE OF PUBLICATION: FRIDAY, 15 DECEMBER 2017

LAST DATE FOR CALL IN OF ELIGIBLE DECISIONS: 5.00 P.M., FRIDAY, 22 DECEMBER 2017

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