



SCRUTINY BOARD (INFRASTRUCTURE AND INVESTMENT)

Meeting to be held in Civic Hall, Leeds, LS1 1UR on
Wednesday, 20th December, 2017 at 10.30 am

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

MEMBERSHIP

Councillors

- N Buckley - Alwoodley;
- C Campbell - Otley and Yeadon;
- N Dawson - Morley South;
- P Gruen - Cross Gates and Whinmoor;
- A Ogilvie - Beeston and Holbeck;
- D Ragan - Burmantofts and Richmond Hill;
- E Taylor - Chapel Allerton;
- C Towler - Hyde Park and Woodhouse;
- P Truswell (Chair) - Middleton Park;
- P Wadsworth - Guiseley and Rawdon;

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

Principal Scrutiny Adviser:
Sandra Pentelow
Tel: (0113) 37 88655

Produced on Recycled Paper

A G E N D A

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

To receive any apologies for absence and notification of substitutes.

6

MINUTES - 22 NOVEMBER 2017

1 - 4

To approve as a correct record the minutes of the meeting held on 22 November 2017

7

SCRUTINY INQUIRY - SUSTAINABLE DEVELOPMENT

5 - 14

To consider the report from the Head of Governance and Scrutiny Support and Director of City Development which provides information to support the 5th session of the scrutiny inquiry into Sustainable Development.

8

FINANCIAL HEALTH MONITORING AND BUDGET PROPOSALS FOR 2018/19

15 - 94

To consider a report from the Head of Governance and Scrutiny Support which provides information with regard to the financial health of City Development for period 7 and the outline budget proposals for 2018/19.

9	<p>BEST COUNCIL PLAN PERFORMANCE REPORT Q2 2017/18 - INFRASTRUCTURE AND INVESTMENT</p>	95 - 108
	<p>To consider the report of the Director of City Development, Director of Communities and Environment and Chief Executive which provides a summary of Quarter 2, 2017/18 performance against the Best Council ambitions, outcomes and priorities for the council relevant to the Infrastructure and Investment Scrutiny Board.</p>	
10	<p>BEST COUNCIL PLAN REFRESH FOR 2018/19 - 2020/21 - INITIAL PROPOSALS</p>	109 - 126
	<p>To consider the Best Council Plan Refresh for 2018/19 – 2020/21 initial proposals which will be presented to Executive Board 13 December 2017 and is due to be referred to Scrutiny for consideration in accordance with the Council’s Budget and Policy Framework.</p>	
11	<p>WORK SCHEDULE</p>	127 - 142
	<p>To consider the Scrutiny Board’s work schedule for the 2017/18 municipal year.</p>	
12	<p>DATE AND TIME OF NEXT MEETING</p>	
	<p>Wednesday 24 January 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 (INFRASTRUCTURE AND INVESTMENT)

WEDNESDAY, 22ND NOVEMBER, 2017

PRESENT: Councillor P Truswell in the Chair

Councillors N Buckley, C Campbell,
P Gruen, H Hayden, A Ogilvie, D Ragan,
E Taylor, C Towler and P Wadsworth

35 Declaration of Disclosable Pecuniary Interests

There were no declarations of disclosable pecuniary interests declared at the meeting.

36 Apologies for Absence

Apologies for absence were submitted by Councillor N Dawson.

Notification had been received that Councillor H Hayden was to substitute for Councillor N Dawson.

37 Minutes - 25 October 2017

RESOLVED – That the minutes of the meeting held on 25 October 2017 be approved as a correct record.

38 Scrutiny Inquiry - Sustainable Development

The Head of Governance and Scrutiny Support submitted a report which provided information to support the 4th session of the scrutiny inquiry into Sustainable Development.

The following representatives were in attendance:

- Tim Hill - Chief Planning Officer
- David Feeney – Head of Strategic Planning
- Dr Kathy Roelich – Sustainability Research Institute
- Mark Goldstone – Leeds Property Forum
- Gerald Jennings – Leeds Property Forum

The following information was appended to the report:

- Leeds University Submission – Sustainability Research Institute, November 2017.

The key areas of discussion were:

- The principles of economic prosperity, social foundations and environmental limits as considerations in infrastructure development to ensure sustainability.
- That CIL and S106 alone are not enough to deliver sustainable infrastructure therefore there needs to be a strategic approach beyond planning funding.
- The need to get more businesses to understand that the City has an agenda for growth and economic development that is good for the City and is not development at any cost, environmental, social or financial.
- The link between good transport, housing and employment skills to ensure good economic growth and the funding of bus services by business to link communities to employment.
- The joined up approach to strategic planning through the Core Strategy, SAP and AVLAAP.
- The need to work collaboratively with business and voluntary sector and for the City to have a clear vision so that those looking to work and invest in Leeds know what to expect.
- NPPF and the perceived mismatch between economic growth, inclusive growth and sustainable development, and the need to ensure that policies relating to these areas are complementary and not conflicting.

RESOLVED - The Scrutiny Board (Infrastructure and Investment):

Noted the information contained within the report and presented at the meeting.

39 Transport update and Directors Response - Supertram, NGT and Beyond

The Director of City Development submitted a report which provided an update on the Transport Strategy for Leeds and a response to the Scrutiny Inquiry, Supertram, NGT and Beyond.

The following representatives were in attendance:

- Martin Farrington – Director of City Development
- Gary Bartlett – Chief Officer, Highways and Transportation
- Andrew Hall – Head of Transportation
- Cllr Richard Lewis – Executive Board Member

The key areas of discussion were:

- Examples of where lessons learned principles had been implemented in recent transport development.
- The intention to consider the future strategy for mass transit in Leeds and West Yorkshire.

- The three year timescale for the addition of train stations.
- Clarity regarding the use of Council owned land for high speed bus transit and priority routes.
- Clarity was sought regarding the potential to use of NGT contributions for other transport schemes.
- The Leeds Public Transport Investment Programme and the intention to run a high frequency bus network. Clarity was sought regarding the work undertaken to progress recommendation 9 contained in the Scrutiny Inquiry report (Advancing Bus Service Provision) regarding the exploration of bus franchising under the Bus Services Act and the requirements for gaining Secretary of State approval.
- Clarity was sought regarding progress of the Stourton Park and Ride scheme.

RESOLVED - The Scrutiny Board (Infrastructure and Investment):

Noted the content of the report and the response of the Director of City Development to the Scrutiny Inquiry – Supertram, NGT and Beyond.

Cllr C Campbell left the meeting at 12:25 at the conclusion of this item.

40 Traffic Congestion Update and Investment Overview

The Director of City Development submitted a report which provided analytical information to understand trends in journey times across the main road network in Leeds, including congestion at key junction hotspots.

The following representatives were in attendance:

- Gary Bartlett – Chief Officer Highways and Transportation
- Andrew Hall – Head of Transportation
- Tim Harvey – Principal Transport Planner

The following information was appended to the report:

- Congestion Hot Spots in Leeds

The key areas of discussion were:

- The need to provide transport alternatives to the car such as a good public transport system before car restrictions are put into place in the centre of Leeds. The Board was advised that planned improvements and changes to the road systems are planned to complement public transport improvement plans.
- Clarity was sought regarding passenger growth at Leeds and Bradford airport.
- The intention to improve hot spots through transport investment. This will include bus priority and urban traffic management and control.

- Horsforth and Rodley roundabouts and the impact of recent investment on improving traffic flow and reducing casualties and accidents.
- The intended production of a traffic communications plan which will include WYCA and the rail network to keep the public informed of plans and progress.
- The desire to see a strengthening in the planning system to boost developer contributions for highways development.
- The management of traffic and the traffic enforcement to reduce driver habits which restrict traffic flow.

RESOLVED - The Scrutiny Board (Infrastructure and Investment):

Noted the information contained in the report.

41 Work Schedule

The Head of Governance and Scrutiny Support submitted a report which detailed the Scrutiny Board's draft work programme for the 2017/18 municipal year

The following information was appended to the report:

- Draft Scrutiny Board Work Schedule 2017/2018 Municipal Year.
- Executive Board Minutes 18 October 2017

Sandra Pentelow, Principal Scrutiny Advisor was in attendance to respond to members questions.

RESOLVED – The Scrutiny Board noted the content of the report and agreed the work programme.

42 Date and Time of Next Meeting

Wednesday 20 December 2017 10:30am

(pre-meeting for board Members at 10:00am)



Report author: Sandra Pentelow and David Feeney Tel: 0113 2474792

Report of the Head of Governance and Scrutiny Support and Director of City Development

Report to Scrutiny Board (Infrastructure and Investment)

Date: 20 December 2017

Subject: Scrutiny Inquiry into Sustainable Development in Leeds

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. Summary of Main Issues

- 1.1 Leeds City Council has an ambition to be the best council in the UK, compassionate fair, open and welcoming with an economy that is both prosperous and sustainable, so all our communities are successful. The Vision for Leeds 2011 – 2030 supports this ambition, stating that by 2030 all communities will be successful where local services, including shops and healthcare, are easy to access and meet people’s needs. It also states that local cultural and sporting activities are available to all and there are high quality buildings, places and green spaces, which are clean, looked after, and respect the city’s heritage, including buildings, parks and the history of our communities. The Best Council Plan 2017 – 2018 states that the Council wants everyone to live in good quality, affordable homes within clean and well cared for places.
- 1.2 At its meeting on the 21 of June 2017, Scrutiny Board (Infrastructure and Investment) considered their work programme for the 2017/18 municipal year. At this meeting the Board discussion the approach in Leeds to ‘sustainable development’ through the provision of structure that supports the physical and social needs of the people, now and in the future, who will ultimately, live, work and spend time in their community. The Scrutiny Board stressed the importance of designing and planning places that are supported sufficiently by transport, health and education infrastructure and services. The Board resolved that this would be the main scrutiny inquiry for 2017/18. Terms of reference for the inquiry were agreed on the 19 July 2017.

- 1.3 This report provides information to support the fifth session of the inquiry which focuses on the planning of community infrastructure that is tailored to meet the needs of developing communities including health, education and transport.
- 1.4 Health, Transport and Education representatives have been invited to the meeting to support debate and provide clarity.

2. Recommendation

The Scrutiny Board (Infrastructure and Investment) is recommended to:

- i. note the information contained within this report and provided at the meeting and make recommendations as deemed appropriate.

3 Purpose of this report

- 3.1 This report provides information to support the fifth session of the Scrutiny Inquiry into Sustainable Development in Leeds. The purpose of this report is to provide the Scrutiny Board with information to support further discussion regarding the planning of community infrastructure that is tailored to meet the needs of developing communities including health, education and transport.

4. Background

- 4.1 At its meeting on the 21 of June 2017, Scrutiny Board (Infrastructure and Investment) considered their work programme for the 2017/18 municipal year. At this meeting the Board discussion the approach in Leeds to 'sustainable development' through the provision of structure that supports the physical and social needs of the people, now and in the future, who will ultimately, live, work and spend time in their community. The Scrutiny Board stressed the importance of designing and planning places that are supported sufficiently by transport, health and education infrastructure and services. The Board resolved that this would be the main scrutiny inquiry for 2017/18. Terms of reference were agreed on the 19 July 2017, when the first session of the inquiry was undertaken.
- 4.2 The purpose of the inquiry is to make an assessment of and, where appropriate, make recommendations about the delivery of sustainable development in Leeds, and the extent to which the local authority can influence sustainable development.
- 4.3 Sustainable Development is a wide ranging concept at a global and through to the local level and has emerged as a key strand of public policy, with the ambition of securing patterns of development, economic prosperity, social progress and the management of environmental resources, at the same time. Whilst a number of core elements can be identified, sustainable development has multiple definitions and interpretations and has introduced a plethora of new technical language.
- 4.4 Sustainable Development is therefore a cross cutting imperative, which aims to take a longer term and holistic view and is the responsibility of Governments, the business community and wider society, to operate within acceptable limits, to meet its objectives. Within this overall context, and within the UK, the Planning system has a key role to play in delivering the principles of sustainable development but it is by no means the only mechanism through which these aims might be achieved. Planning is also limited in its scope, is impacted by externalities (such as wider Government policies, global economic conditions and changing evidence) and does not have the financial resources available to put in place all of the necessary interventions and programmes to facilitate a more sustainable future. However, within the limitations of Government requirements and legislation, Planning does provide an opportunity to shape the character of places and to help influence and coordinate investment decisions.

5. Main Issues

- 5.1 From a Planning perspective, the focus for the delivery of sustainable development is guided through national planning guidance (National Planning Policy Framework), which provides the context for 'plan-making' (the development plan) and decision taking via the Development Management process. In the UK local planning authorities have the responsibility for the preparation of the Local Plan

(Development Plans with a 15 year time frame and the determination of planning applications via the Development Management process. In Leeds the Local Plan is comprised of a series of documents including the Core Strategy (adopted 2014), the Natural Resources and Waste local plan (adopted 2013), the Aire Valley Leeds Area Action (adoption anticipated November 2017) and the Site Allocations Plan (adoption anticipated 2018). Once 'made', Neighbourhood Plans will also form part of the development plan.

5.2 The NPPF emphasises the importance of infrastructure. This encompasses transport, cultural, telecommunications and green infrastructure. With regard to plan-making paras.156 and 157 describes the need for Local Plans to focus on strategic priorities relating to:

- the provision of infrastructure for transport, telecommunications, waste management, water supply, wastewater, flood risk and coastal change management, and the provision of minerals and energy (including heat);
- the provision of health, security, community and cultural infrastructure and other local facilities;
- plan positively for the development and infrastructure required in the area to meet the objectives, principles and policies of this Framework.

5.3 Within this overall context it should be noted that whilst the NPPF outlines the role of Planning in identifying and delivering infrastructure, the wide ranging nature of infrastructure is such, that other aspects of infrastructure planning and delivery (whilst broadly related to) are outside the direct scope of the planning process. However, integral to the Council's approach via the plan-making process, is to take a collaborative and partnership approach to infrastructure planning. Given the range of bodies, agencies, legal responsibilities, Government priorities, funding mechanisms, the characteristics of Leeds (and it's communities), the level of existing infrastructure and the need for additional infrastructure to support growth, whilst presenting opportunities - this is a particular challenge for the District.

Leeds Core Strategy

5.4 In providing a strategic framework for the overall scale and distribution of growth (2012-2028), the adopted Core Strategy (2014), contains strategic and thematic policies which are seeking to align the need for regeneration and development with infrastructure. These include: transport, community infrastructure (e.g. school places) and Green Infrastructure. The Plan is underpinned by an Infrastructure Delivery Plan (IDP), setting out a comprehensive package of planned, programmed and proposed infrastructure, to support the proposals set out. The Core Strategy also includes specific Policies relating to Implementation and Delivery (ID1 & ID2). The focus of this approach is to ensure that the Plan makes best use of a variety of mechanisms, initiatives and investment decisions to achieve its aims and ambitions.

Leeds Site Allocations Plan (SAP)

5.5 In taking this approach forward the Site Allocations Plan (SAP), is also underpinned with an up dated IDP. The SAP identifies infrastructure requirements reflected via the Schools Background Paper, Transport Background Paper and the IDP. The IDP is a 'living' document which means it is necessary to review it over time. The

SAP Infrastructure Background Paper (submission draft, May 2017), is structured around 5 key sections. These are: Introduction, Physical Infrastructure, Social and Community Infrastructure, Green Infrastructure & Green space and the Leeds Infrastructure Schedule. The contents page of the document is attached as Appendix 1, for information.

- 5.6 It identifies as far as possible the currently planned infrastructure provision in Leeds MD, including the critical infrastructure necessary for the delivery of the SAP and Aire Valley Leeds Area Action Plan (AVLAAP), within the context of the Core Strategy up until 2028. It provides an overarching framework for other service providers' plans and programmes, to bring them into one place and to ensure that all providers are planning for the predicted locations of future growth as set out in the allocation Plans. The IDP (and related Background Papers) has therefore been prepared concurrently with the Plan and made available for public consultation at each key stage. An updated version of the IDP was prepared for the SAP submission (May 2017).

Aire Valley Leeds Area Action Plan (AVLAAP)

- 5.7 In relation to the adopted AVLAAP, an IDP was prepared to support the Publication Draft version of the Plan and subject to public consultation (September 2015). This was then revised and updated to support the submission of the Plan for examination in September 2016. The schedule was again updated further during the examination of the Plan at the request of the Inspector.
- 5.8 The IDP provides a framework for the Council's and other service providers' plans and programmes within the AVLAAP area to co-ordinate the infrastructure investment that will deliver and support the scale of development proposed in the Plan. The IDP focuses on strategic level investments taking into account and setting out infrastructure projects to address the cumulative impacts of development in the Plan and where appropriate proposals in the SAP.
- 5.9 The IDP provides a schedule of infrastructure projects across the following broad types of infrastructure:
- Public transport (rail and buses)
 - Cycle / Pedestrian network – local initiatives, including Core Cycle network and improving pedestrian priority with city centre
 - Highway infrastructure (Strategic Road Network with Highways England)
 - Park and ride
 - School provision (e.g. 2 form entry primary school and through school with 2FE primary school and 4FE secondary school)
 - Green infrastructure (city park, green spaces, children's play equipment)
 - Waste Management
 - Flood defences and management
 - Superfast broadband network
- 5.10 The schedule distinguishes whether the infrastructure is crucial for the delivery of the development proposed in the AVLAAP, or whether it is desirable and future funding. It also includes major infrastructure projects that lie within the AVLAAP area but are not essential to deliver the development proposed in the plan and but support other Council key priorities, for example, the recycling and energy recovery

facility at Cross Green. The schedule outlines the approximate cost, funding sources and partners and delivery dates. The intention is to update the IDP periodically to support the implementation of the AAP.

Community Infrastructure Levy (CIL)

- 5.11 As discussed previously through this Scrutiny Inquiry, the City Council has introduced a CIL Charging schedule (April 2015). As set down in national regulation and guidance, the purpose of CIL is not to cover the costs of infrastructure in its entirety but to provide a source of 'gap funding', in contributing to overall costs.
- 5.12 Executive Board in February 2015 made key decisions around spending of the future CIL income, directing it into two main funding streams; a Strategic Fund, and a Neighbourhood Fund, plus up to 5% for administrative costs. The Neighbourhood Fund is 15% in an area without a Neighbourhood Plan, and 25% in an area with an adopted Neighbourhood Plan. In Town and Parish Council areas it is to be passed directly to those local Councils, as required by national CIL regulations. In non-parished areas the decisions about spending are delegated to the relevant Leeds City Council Community Committee (CC), and the CIL neighbourhood fund ring fenced by the City Council for that purpose.
- 5.13 Executive Board agreed that the Strategic CIL Fund will be 70-80% of the total CIL received, and that priorities for its spending will be decided on an annual basis as part of the Council's budget setting process, in line with the Regulation 123 List, and taking into account the impact of specific and cumulative infrastructure needs arising from new development. In terms of spending of Strategic Fund this can only be in relation to items of strategic infrastructure which are identified on the Regulation 123 list. Appendix 3 sets the current list this sets out a list of those projects or types of infrastructure that it intends will be, or may be, wholly or partly funded through the Community Infrastructure Levy (CIL). In order to ensure that individual developments are not charged for the same infrastructure items through both Section 106 Agreements and the CIL, a S106 contribution or agreement cannot then be made towards an infrastructure item already on the List.

Infrastructure Delivery (Issues, Risks and Opportunities)

- 5.14 Notwithstanding the preparation of the above Development Plans and the accompanying IDPs, the delivery of infrastructure continues to be a major opportunity and challenge.

Within this context, a number of key risks can be identified which include:

- Ability to deliver investment priorities,
- Funding shortfalls in meeting current and future infrastructure needs,
- Ability to work collaboratively via a coordinated strategy and implementation programmes (including adopted Core Strategy, SAP and AVLAAP),
- Ensuring that infrastructure requirements are necessary and proportionate,
- Limitations of the planning system to meet infrastructure shortfalls, such as Adult Social Care,
- The Government are expected to review the CIL but has been subject to delay,

- The complexity of capturing a range of changing and dynamic funding streams at a national to local level and linking these to a planned and structured programme of delivery.

5.15 Despite such risks, the Development Plans and IDPs set out in this report, provide a comprehensive framework to infrastructure planning in the District, in conjunction with a wide range of partners. Infrastructure planning and delivery is by its very nature complex. The economic climate, shifting priorities and changing mechanisms can create a level of uncertainty. However, the focused and proactive approaches set out in this report are aimed to ensure that Leeds is able to make the best use of available resources and through its influence and collaboration with partners secure agreed priorities.

6 Corporate Considerations

6.1 Consultation and Engagement

The board may undertake consultation should it be deemed appropriate in order to conduct the inquiry or gather necessary evidence.

6.2 Equality and Diversity / Cohesion and Integration.

6.2.1 Equality Improvement Priorities have been developed to ensure our legal duties are met under the Equality Act. The priorities will help the council to achieve its ambition to be the best City in the UK and ensure that as a city work takes place to reduce disadvantage, discrimination and inequalities of opportunity.

6.2.2 Equality and diversity will be a consideration throughout the Scrutiny Inquiry and due regard will be given to equality through the use of evidence, written and verbal, outcomes from consultation and engagement activities.

6.2.3 The Scrutiny Board may engage and involve interested groups and individuals (both internal and external to the council) to inform recommendations.

6.2.4 Where an impact has been identified this will be reflected in the final inquiry report, post inquiry. Where a Scrutiny Board recommendation is agreed the individual, organisation or group responsible for implementation or delivery should give due regard to equality and diversity, conducting impact assessments where it is deemed appropriate.

6.3 Council Policies and City Priorities

This inquiry will support objectives as defined in The Vision for Leeds 2011 – 2030 and the Best Council Plan 2015-20

6.4 Resources and Value for Money

There is no resource or value for money implications relating to this report. At the conclusion of the inquiry any identified impact will be reported in the final inquiry report.

6.5 Legal Implications, Access to Information and Call In

None

6.6 Risk Management

There are no risk implications relating to this report. At the conclusion of the inquiry any identified risk will be reported in the final inquiry report.

7 Recommendations

The Scrutiny Board (Infrastructure and Investment) is recommended to:

- a) note the information contained within this report and provided at the meeting and make recommendations as deemed appropriate.

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.

Appendix 1.

Leeds Site Allocations Plan – (Submission Plan, May 207)

LEEDS INFRASTRUCTURE DELIVERY PLAN

Contents

1. Introduction

- i) Purpose of the Infrastructure Delivery Plan
- ii) Developing the SAP Infrastructure Requirements
- iii) Developing the Aire Valley Leeds AAP Infrastructure Requirements
- iv) Developing the IDP
- v) Infrastructure Delivery
 - a) Site Specific Requirements
 - b) Neighbourhood Plans
 - c) The Community Infrastructure Levy and Section 106 Agreements
 - d) Leeds City Region Deal and the West Yorkshire Plus Transport Fund
 - e) Other Funding Sources

2. Physical Infrastructure

- i) Transport
 - a) Public Transport Major Schemes
 - b) Buses
 - c) Railways
 - d) Cycling
 - e) Pedestrians
 - f) Airport
 - g) Highways
- ii) Utilities
 - a) Energy – Electricity, Gas, Renewable Energy, District Heating
 - b) Water and Waste Water
 - c) Broadband
- iii) Flood Defences
- iv) Waste Management
- v) Minerals

3. Social and Community Infrastructure

- i) Education
 - a) Early Years
 - b) Primary Education
 - c) Secondary Education
 - d) Further and Higher Education Health
- ii) Community Centres and Libraries
- iii) Emergency Services
 - a) Police
 - b) Fire and Rescue
 - c) Ambulance Service

4. Green Infrastructure and Green space

5. The Leeds Infrastructure Schedule

April 2013 Infrastructure Delivery Plan Projects Now Completed
Planned Infrastructure Projects 2017 Onwards

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Report of Head of Governance and Scrutiny Support

Report to Scrutiny Board (Infrastructure and Investment)

Date: 20 December 2017

Subject: Financial Health Monitoring

- 1) Budget Update Period 7 2017/18**
- 2) 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. The Scrutiny Board (Infrastructure and Investment) resolved to consider the budget of City Development at appropriate intervals. This is reflected in the work programme of the Scrutiny Board 2017/18. The purpose of this report is to provide Board Members with information with regard to the financial health of City Development for period 7 (appendix A). Period 7 information will be considered at the Executive Board on the 13 December 2017.
2. Initial budget proposals for 2018/19 are also due to be considered at the Executive Board meeting on 13 December 2017, when the Board is expected to refer the proposals to Scrutiny in accordance with the Budget and Policy Framework of the Council. This report is attached (appendix B).
3. The appended budget reports contain a full overview of the complete corporate budget to provide context, however the focus of Scrutiny Board (Infrastructure and Investment) is in relation to the budget within the terms of reference for this Scrutiny Board.
4. The Scrutiny Board will have the opportunity at its meeting to raise any specific questions with regard to budget proposals that fall within its portfolio area. Any conclusions, observations and recommendations that are made by Scrutiny Board (Infrastructure and Investment) will be fed back to Executive Board prior to full Council. Each Scrutiny Board will be undertaking a similar level of focus for their defined areas.

5. At the Scrutiny meeting in June 2017 the Board received a budget update. At this meeting concern was raised regarding the allocation of resources for planning services. By way of update the Chief Officer Resources and Strategy (City Development Directorate) has provided the following information to supplement the budget information provided:

To meet staff pressures, it is proposed by the Chief Planning Officer, that the following additions to the current establishment are made. These will be funded through additional revenue which will result from an increase to the nationally set planning fees, which are currently progressing through Parliament for approval.

- 3*Planners in Development Management
- 1*Enforcement Officer
- 1*Highways Development Control
- 2*Career grades
- 1*Group Manager

Due to immediate staff pressures, 2 posts have been released for appointment in advance of the Government fee increase approval, these are Group Manager and Highways Development Control.

6. The Director of City Development and the directorate's Head of Finance have been invited to present the budget information and address any further questions from the Board.

Recommendations

7. Members are asked to:
- a. note the financial position of City Development for period 7 2017/18
 - b. consider the initial 2018/19 budget proposals relevant to the Scrutiny Board's portfolio and provide relevant comment and recommendations.

Background documents - None¹

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

Appendix A

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.

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	RAG	Action Plan Value	Forecast Variation
A. Significant Variations					£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	(154)
2.	Economic Development	Tom Bridges	Increased income and running cost savings		Amber	52
3.	Asset Management and Regeneration	Tom Bridges	Strategic Investment Income and additional fee income.		Red	231
4.	Highways and Transportation	Gary Bartlett	Additional income from fees and developers.		Green	(286)
5.	Arts and Heritage	Cluny MacPherson	Savings via increased income opportunities, not hosting the Tour de Yorkshire in 2017, and minor restructure.		Amber	40
6.	Employment and Skills	Sue Wynne	Staffing and commissioning savings.		Green	(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	157
8.	Resources and Strategy	Ed Mylan	Directorate wide additional savings requirement.		Green	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 PPPU 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
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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 overpayments along with the average value of the overpayments. Current indications are that overmaking 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)		0	(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)

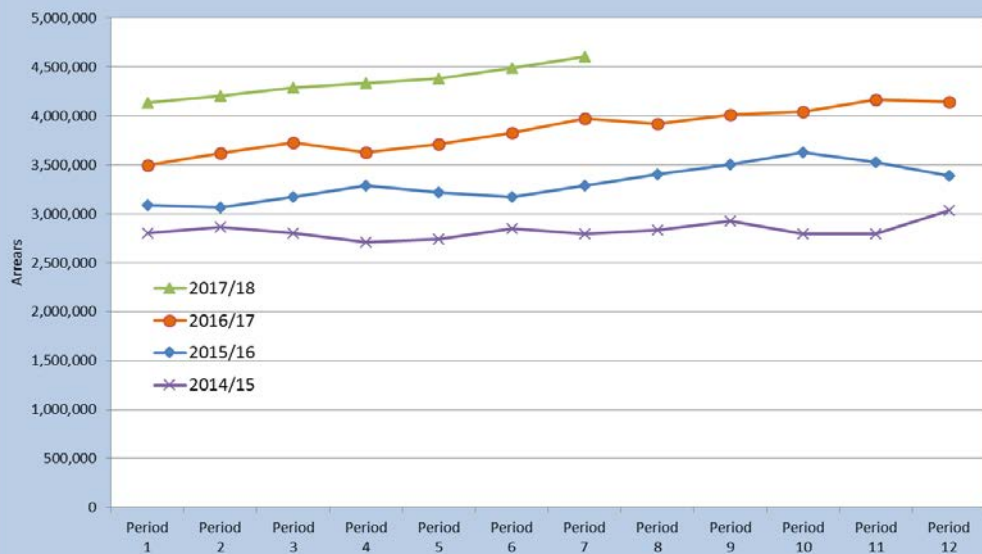
Directorate	Current Budget	Projected Spend	Variance to budget	Comments	Previous period variance
	£000	£000	£000		£000
Income					
Rents	(215,352)	(215,058)	294	Rent lower than budget due to lower stock numbers from increased RTB sales. The void level is under the target at 0.79%	367
Service Charges	(6,968)	(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)

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

Appendix B

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.**

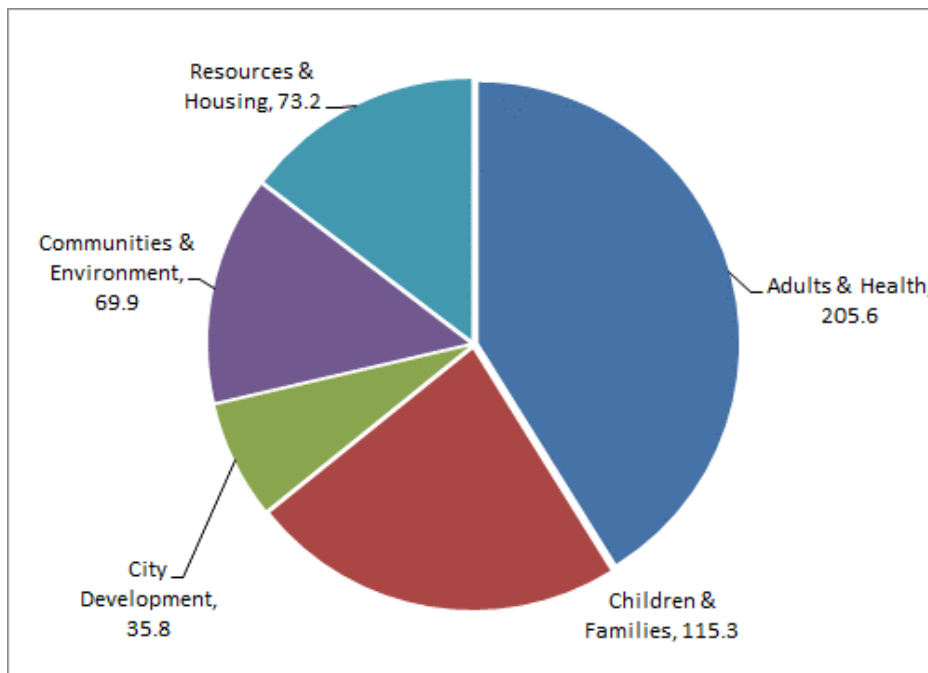
7.11.1. In March 2016 the Secretary of State for Communities and Local Government issued guidance, which allowed Local Authorities to use capital receipts to support the delivery of more efficient and sustainable services by extending the use of capital receipts to finance costs of efficiency initiatives 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).

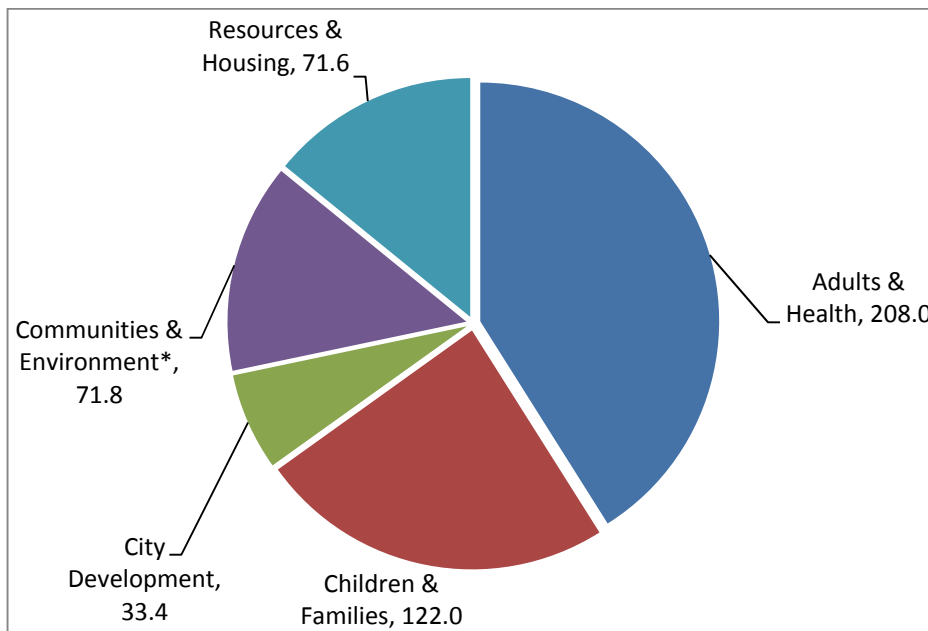
7.12. **Summary Budget By Directorate**

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

A) Efficiencies

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

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 of Director of City Development; Director of Communities and Environment; and Chief Executive

Report to Infrastructure and Investment Scrutiny Board

Date: 20th December 2017

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 Best Council ambitions, outcomes and priorities for the council relevant to the Infrastructure and Investment Scrutiny Board, within the annual 2017/18 part of the Best Council Plan 2015-20, and any additional areas to be reported as previously requested by the City Development Scrutiny Board.

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 in any of these areas.

1.0 Purpose of this report

1.1 This report presents a summary of the Best Council Plan (BCP) performance data for Quarter 2, 2017/18 in relation to progress against the delivery of the BCP 2017/18 ambitions, outcomes and priorities within the BCP 2015-20 together with additional items which the City Development Scrutiny Board previously asked to be monitored.

2.0 Background information

2.1.1 This report has one appendix:

- Appendix 1: Best Council Plan Performance Summary Quarter 2, 2017/18

3.0 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 BCP 2017/18 ambitions, outcomes and priorities relevant to the Infrastructure and Investment Scrutiny Board within the BCP 2015-20 together with additional performance indicators previously requested by the City Development Scrutiny Board.

3.1.2 The key performance indicators within the BCP 2017/18 are reported on Appendix 1, the BCP Performance Summary, together with red/amber/green (RAG) ratings to reflect progress against the 2017/18 annual targets.

3.1.3 A number of the key performance indicators within the BCP 2017/18 are reported annually, as shown on the BCP 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 RAG ratings, where available.

3.1.4 The Board's attention is drawn to the key performance indicators on Appendix 1 relating to:

Growth in New Homes in Leeds

3.1.5 The Growth in New Homes performance indicator combines the net reduction in long term empty homes (empty for longer than 6 months) together with the number of newly built/converted homes, and reports this figure quarterly.

3.1.6 Net reduction is reported as the difference in the number of long term empty homes at the end of the quarter, compared with the number at the end of the last financial year, since long term empty homes can increase or decrease over time.

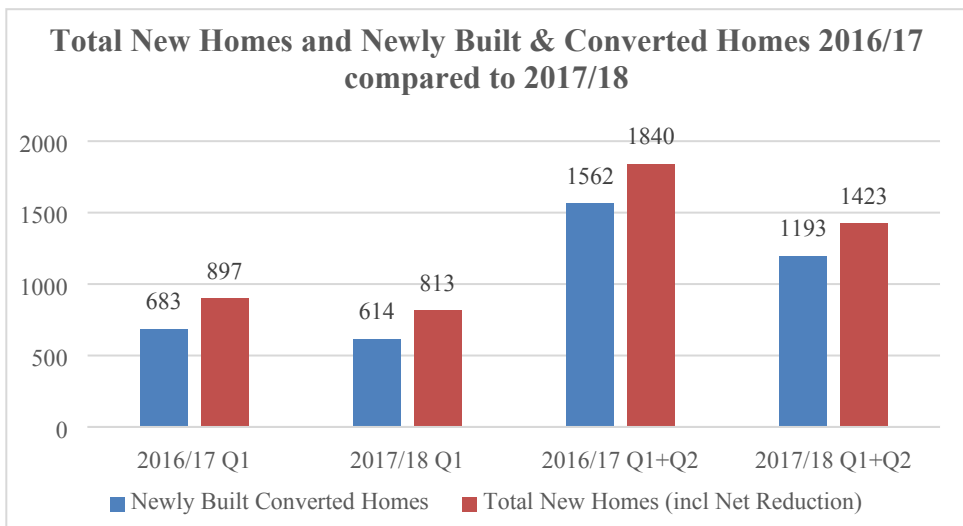
3.1.7 Newly built/converted homes includes newly built homes; net conversions of existing homes; C2 elderly homes; with in-year demolitions taken off in the final quarter of the year.

3.1.8 At the end of quarter 2, net reduction of long term empty homes was 230 fewer long term empty homes than on the 31st March 2017. However, the net reduction in empty homes figure does have a tendency to fluctuate throughout the year and would normally increase substantially during quarter 3.

3.1.9 The quarter 2 newly built/converted homes figure is 579, i.e. a cumulative total of newly built/converted homes since the 1st April 2017 of 1,193 homes.

3.1.10 Overall by quarter 2, 1,423 new homes were delivered in total, of which 230 were long term empty homes returned to use and 1,193 homes were newly built/converted homes. The newly built/converted element is the key underlying factor for housing growth and this remains at a lower level than is needed to demonstrate quarter by quarter improvement.

3.1.11 When compared with 2016/17, cumulative performance for quarters 1 and 2 2017/18 for New Homes has fallen at 1,423 versus 1,840 in quarters 1 and 2 in 2016/17. The graph below shows the newly built/converted element and total New Homes both in quarter 1 and cumulatively to quarter 2 for both 2016/17 and 2017/18:



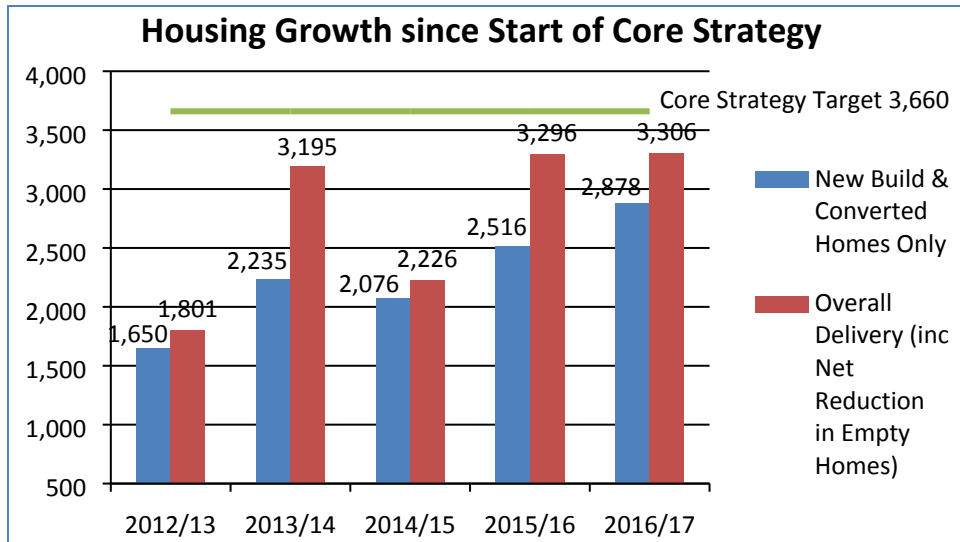
3.1.12 When compared to the current Core Strategy combined (newly built/converted homes together with the net reduction in long term empty homes) 'step up' target of 4,700 new homes (applicable from the 1st April 2017), the indicator is not on track. Given that net reduction of empty homes is also anticipated to reduce, it is very likely that delivery will not meet the 4,700 new homes target by the end of the 2017/18 year.

3.1.13 It must however be noted for context that the selective Core Strategy Review, which includes a review of the annual New Homes target, shows early indications of a possible target around the 3,247 mark. Comparison with this revised target, should it be the final outcome of the Review, would show that it may be possible for New Homes to meet the target if newly built/converted homes delivery accelerates during the remaining part of the year.

3.1.14 The Core Strategy Selective Review outcomes will be subject to Executive Board approval in December 2017 with Submission, Examination and final Adoption by Winter 2018.

3.1.15 In addition, a recently published government consultation suggests that the base housing need figure for Leeds is even less, at 2,649 dwellings per annum or 42k for a 16 year plan period, which will be achievable given current new homes delivery levels.

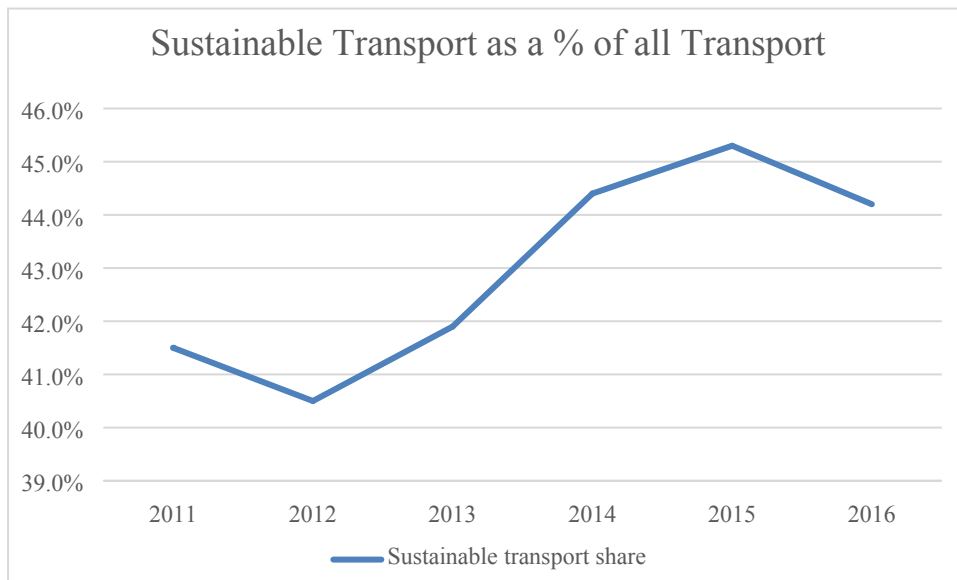
3.1.16 There is also the residual amount to consider, a result of under-delivery since the 1st April 2012, which stood at 4,476 homes on the 31st March 2017 and which also needs to be delivered over the plan period of the Core Strategy. The graph below shows in which years under-delivery has taken place since the adoption of the Core Strategy, however it also demonstrates that the newly built/converted homes element has been increasing steadily since 2012/13:



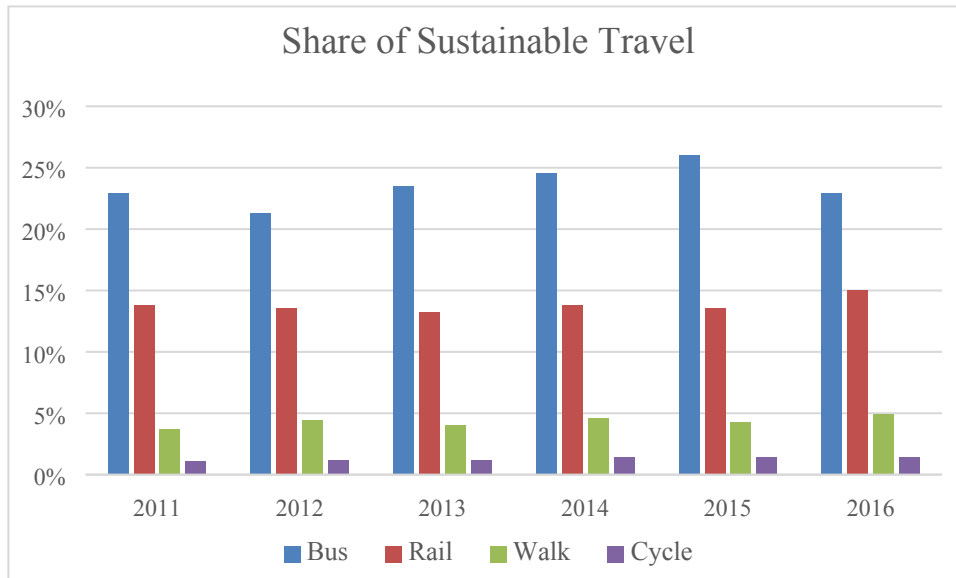
3.1.17 Homes currently under construction at larger sites include: Land At Owlars Farm, Wide Lane, Morley; Skinner Lane; Green Lane Dyeworks, Yeadon; Pollard Lane; Spofforth Hill, Wetherby; Station Road, Allerton Bywater; Leeds Girls High School, Headingley; and Bruntcliffe Road, Morley with a total capacity of up to 1,759 homes.

Increase in City Centre Travel by Sustainable Transport (bus, train, cycling, walking)

3.1.18 The Increase in City Centre Travel by Sustainable Transport indicator is calculated annually by counting the number of journeys into the city centre by each type of transport through a city centre cordon. This has been completed for 2017/18, however the result will not be available until later in the year once rail passenger data has been incorporated. The graph below shows how sustainable travel, as a proportion of all travel, has increased since 2011.



3.1.19 The graph below shows how sustainable travel is split across the different types of sustainable transport and how their relative percentage shares have changed since 2011.



- 3.1.20 For quarter 2, Park & Ride (P&R) usage is reported here as a proxy measure since it is an indication of a shift in the mode of transport used, and also has the consequential benefits of both reduced congestion (on the roads and in the city centre), and on reducing emissions and hence improving air quality. Cars are counted at Elland Rd P&R by an automated counter and at Temple Green P&R manually by the attendants, an automated counter is due to be installed at Temple Green shortly. The number of people using the P&R sites is calculated by dividing the total number of bus journeys to and from the sites each day by two.
- 3.1.21 Between April and September 2017, there has been an increase in the number of people using the P&R facility at Elland Rd, amounting to a year on year increase of 22,851 people, a rise of 32% compared to the same period in 2016. Since the end of August, Elland Rd P&R was operating at almost full capacity. The 1,000 space Temple Green P&R opened on 19th June 2017, and by the end of October 2017 is now showing an average usage of in excess of 500 cars per day.
- 3.1.22 Journeys on the Cycle Superhighway have now been included here as an additional measure as cycling is a sustainable form of transport and therefore usage levels of the superhighway can provide an indication of a shift in the mode of transport people use.
- 3.1.23 The City Connect Cycle Superhighway uses automated cycle counters at a number of locations along the West and East sections and the canal towpath to measure cycling activity. Usage is measured by comparing average weekday usage with pre-scheme data collected in 2014, with all counts being two way, i.e. counting travel in both directions. The data uses automatic counters built into the Superhighway and therefore does not include cyclists who travel on the highway or the footpath.
- 3.1.24 In September 2017, the two counters along the canal section showed a 59% and 57% increase against the 2014 baseline, this represents an average of 346 cyclists at Kirkstall Forge and 592 at Armley Mills per weekday. Annual rolling monthly data shows that there was an average of almost 9,800 monthly cycle trips at Kirkstall Forge, while at Armley Mills there were over 15,200 monthly cycle trips.
- 3.1.25 On the western section of the Superhighway for the month of September 2017, the counter at Stanningley Rd showed an increase of 1%, an average 251 cyclists per weekday. The counter at Armley Rd showed an increase of 45%, an average of 285 cyclists per weekday. Stanningley Rd saw a monthly average of almost 6,400 trips whilst Armley Rd recorded over

7,100. The counter at Bradford Rd showed an increase in usage of 15% which is an average of 179 cyclists per weekday which is equivalent to around 4,700 trips per month.

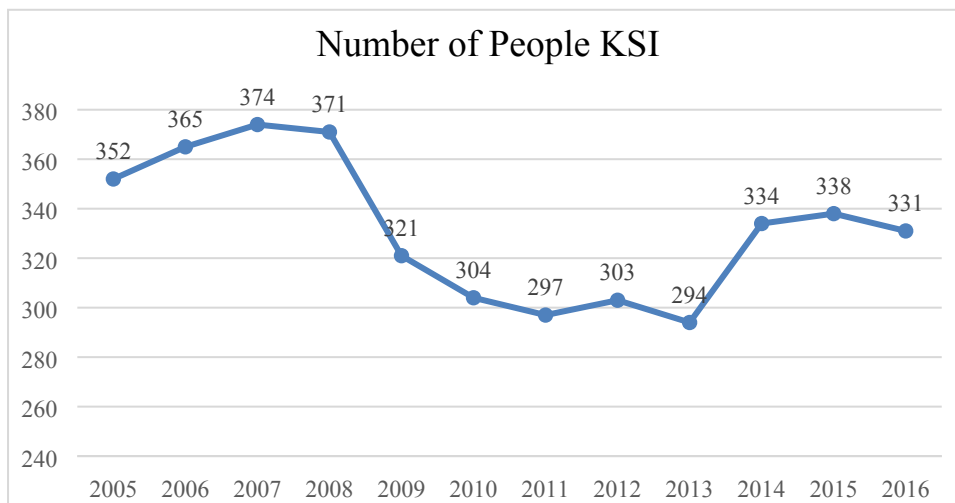
3.1.26 The September count for the eastern section shows a 25% reduction in cyclists passing the counter at Burmantofts compared to the 2014 baseline count, however, an average of over 4,750 trips per month indicates that usage across the eastern sites is now approaching the levels on the western section.

3.1.27 The initial 2014 pre-scheme data represents an estimate of cycling levels based on a seven day survey at each site and whilst this approach is more robust than typical one day counts, there remains a level of uncertainty in the data. However, some automated counter data enables adjustments to be made to the overall usage to account for weather and seasonality variations, whilst usage is based on manual counts there is confidence that they are an appropriate way to measure change from the pre-scheme situation. Additionally as mentioned, the current cycle counts do not include those riding on the highway, a full manual count scheduled for Spring 2018 will provide a better understanding of this aspect. The West Yorkshire Combined Authority has not yet declared the eastern section open and has therefore not done any real promotion to advertise and encourage usage. The service is continuing to promote and encourage the use of both the western and eastern sections of the cycle superhighway through localised public events, advertising material and maps, and promotion in schools.

3.1.28 Work has now begun on the city centre extension of the superhighway which is hoped to be completed by summer 2018. As with the already completed sections, work is being funded by the Department for Transport Cycle City Ambition Grant. The works are due to be carried out in three sections: York St, Marsh Ln, Duke St, Kirkgate and Crown Point Rd (Oct 17 – Summer 18); Wellington St (Oct 17 – Summer 18); and Queen St and Park Square East (Mar 18 – Summer 18).

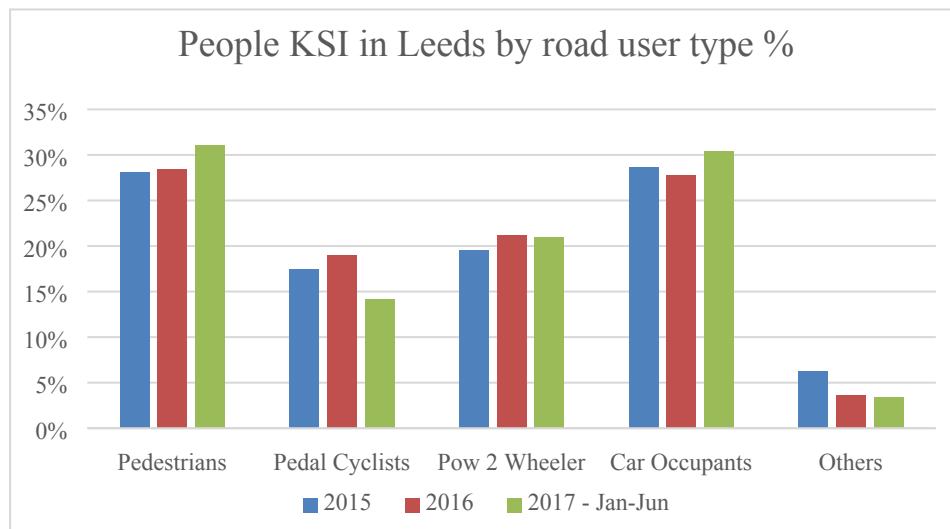
Reduce Number of People Killed or Seriously Injured (KSI) in Road Traffic Accidents

3.1.29 This indicator measures the number of individuals who have been killed or seriously injured in road traffic accidents in Leeds. The Local Transport Plan target for people Killed and Seriously Injured (KSI) is a reduction by 50% between 2011 and 2026, of the average KSI figure for 2005-09. For 2017/18 this is no more than 250 people. The graph below shows the change in the number of people KSI since 2005.



3.1.30 There were a total of 148 people KSI in quarter 1 and quarter 2 2017 (Jan - Jun), this compares with 147 people KSI for the same period in 2016.

3.1.31 Of the 148 people KSI, 46 were pedestrians, 21 were cyclists, 31 were two wheeled motor cyclists and 45 were occupants of private motor vehicles (of which 23 were drivers and 22 were passengers), 2 were bus passengers and 3 were aboard goods vehicles. There were 6 fatalities in total of which 4 were pedestrians and 2 were two wheeled motor cyclists. The graph below shows the KSI split as a % compared to 2015 and 2016.



3.1.32 Work is currently underway to identify vulnerable groups within those killed or seriously injured. Analysis indicates that the 16-24 age range is a particularly vulnerable group; since 2011 this age range has had the highest number of KSI each year, and within that group young men account for a significantly higher proportion. Following the identification of this trend, further detailed analysis of the data is underway in order to determine what actions are appropriate.

3.1.33 The main road schemes and interventions are progressing well. Kirkstall Rd is substantially complete with the relocation of a bus stop being the only outstanding work, Harehills Rd is progressing at a reduced pace to minimise the impact on local businesses and is due to be complete in January 2018. Phase 2 of the Dewsbury Rd scheme began at the end of October 2017 and is due to complete in March 2018. The Roundhay Rd scheme, the major priority in 2018/19, is currently undergoing extensive modelling and is likely to be considered by Executive Board in the Spring.

3.1.34 An additional smaller scale scheme is being planned for Chapletown Rd and is expected to go before the Highways Board before the end of the year. Although each of the schemes focuses on local issues, the underlying concern of reducing casualties is the primary focus and includes interventions that improve cycling and pedestrian safety through dedicated cycle lanes, pedestrian islands and speed reduction measures. Additional measures to influence inconsiderate parking, and including a central medium to the roadway to reduce U turns by vehicles, are being introduced where appropriate.

3.1.35 Radio and bus-back advertising raising awareness of cycling issues is on-going and the Close Pass initiative continues to be trialled on the A660 by the Police, further rollout of this initiative will occur as resources allow. Individual Close Pass publicity and promotion events are being delivered in conjunction with West Yorkshire Police.

3.1.36 Following the formation of the West Yorkshire Safer Roads Executive, a West Yorkshire Safer Roads Working Group was formed including members from Leeds and other West Yorkshire Authorities. The working group's purpose is to provide technical support and advice, and to carry out investigatory work and make subsequent recommendations for actions on new

issues as they arise. Following the initial meeting in July there have been some operational issues which we are seeking to address.

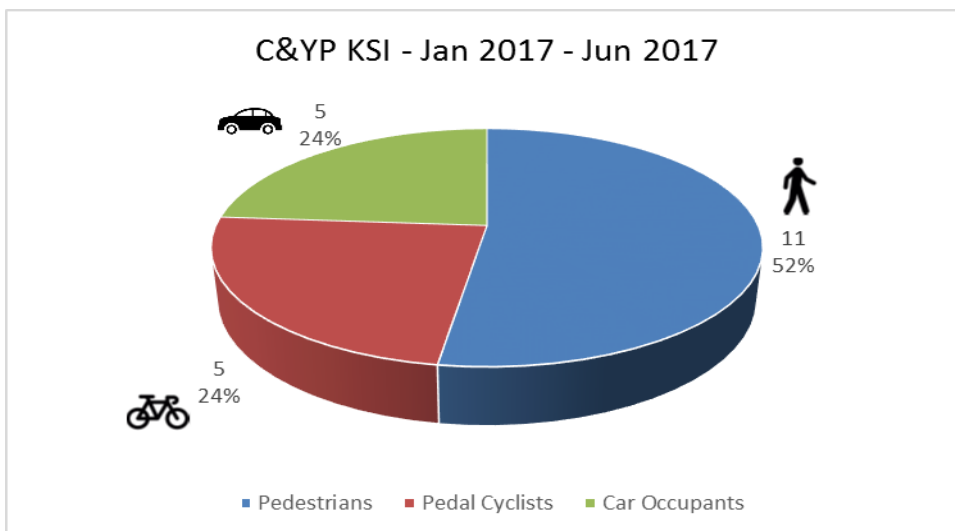
3.1.37 Work on the Emerging Casualty Locations initiative continues. Locations which have been identified as sites for inclusion in the Sites for Concern document (15 accidents in 5 years or 4 accidents in the last year between 2011 and 2015) have been submitted to traffic engineers to identify if any remedial work/ actions are appropriate. Work is now underway to analyse Lower Order Sites (10 – 14 accidents) to identify accident patterns which may be suitable for low cost interventions. Vulnerable road users including Children & Young People (C&YP) will be considered as part of the analysis.

3.1.38 Work is currently ongoing to identify sites, within the monitored lengths of road, which do not reach the criteria for the Lengths for Concern document, to identify if accidents are clustered and consider if these 'hot sections' demonstrate any patterns which may benefit from low cost remedies. Additionally, part year significance testing is underway to look at accident rates for the current year compared to the previous five years in order to identify any sudden changes in frequency. Cluster site analysis is also being undertaken to identify accidents occurring under similar circumstances, with common attributes, or which share common cited causation factors. Vulnerable road users including C&YP will be considered as part of the analysis.

Reduce Number of Children and Young People (C&YP) Killed and Seriously Injured (KSI) on the City's Roads

3.1.39 There were a total of 21 Children & Young People (C&YP) Killed or Seriously Injured (KSI) between January and June, during the same period in 2016 there were 17 C&YP KSI, an increase of 4. Although, there is no numerical target for C&YP KSI, the objective is to achieve a reduction compared to the previous year and an overall downward trend.

3.1.40 Of the C&YP KSI, 11 were pedestrians and 5 were cyclists, the remaining 5 were car passengers. There has been 1 fatality during the period who was a pedestrian aged under 5. The chart below shows the split of C&YP KSI highlighting that the significant majority of



incidents were pedestrians.

3.1.41 Bikeability Levels 1, 2 and 3 have been delivered to 4,125 pupils whilst pedestrian Skills Training has been delivered to 2,781 individuals during quarters 1 and 2. The main influence upon vulnerable road users is through education and enforcement and whilst the Educational Programme continues to be rolled out successfully, the enforcement aspect is currently being impacted upon by reduced Police resources. The programme of the creation of 20mph zones

and pedestrian crossings is progressing with a number of schemes in consultation, design or on site.

Operation and Maintenance of On and Off Street Car Parking Provision

- 3.1.42 The number of pay parking spaces available has remained static at 5,151, comprising 2,407 on street and 2,744 in car parks. There are a further 3,031 spaces in free car parks operated by the service. The main issue at present is the theft of parking machines with 96 incidents so far. This has meant an increasing reliance on cashless parking which is available in every space. The service is currently trialling new machines, card payment and cashless only payment methods to inform decisions on provision in the future. Due to the advances in metal cutting tools, it is likely that it will not be feasible to offer cash payment in some locations.
- 3.1.43 The service also supports the City's cultural offer by using parking spaces for other purposes. In the first two quarters, the pedestrianisation of Greek Street, the City Centre Park and the transition areas for Triathlon are all sited on pay and display parking areas.

Decriminalised Parking Functions including:

- 3.1.44 Issuing of Parking Contravention Notices -
The number of penalty charge notices has been broadly stable at about 95,000 per year for the last 4 years and this has continued in 2017/18. The Council has purchased a CCTV enforcement vehicle to issue PCNs for stopping in bus stops and on school zigzags and it has had a noticeable effect especially in deterring waiting in bus stops by private hire drivers in the evenings.
- 3.1.45 Camera Operated Bus Lanes -
The Council currently enforces 29 bus lanes using cameras. This has been very effective in reducing offence levels with up to 98% reductions in some locations. As a result of this, the number of offences is below estimate by about 20% at 37,000. There are two further installations planned, the priority areas are now all covered and there are no plans to introduce further sites until new bus lanes are created.
- 3.1.46 Provision of Commercial and Residential Parking Permits -
Two new large permit zones have been created this year in Garforth and Holbeck and the total number of residential permits is now about 50,000. There have been some delays in processing applications due to staff shortages, this is now improving. Online permit applications have now been introduced which has benefits for both the Council and the customer.
- 3.1.47 Monitoring and Enforcement of Disabled 'Blue Badge' Parking Use –
The team have been operating a zero tolerance policy on blue badge abuse for the past three years. We carry out more prosecutions than any other local authority and have been commended by Department for Transport for our approach. This has had a real impact on offence levels, we prosecuted 213 offences in 2015/16, 156 in 2016/17 and the quarter 2 figure for this year is 62, a reduction of 42% from the peak.

Devolution

- 3.1.48 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.

4.0 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 This is an information report and as such does not need to be consulted on with the public. However all performance information is published on the council website and is 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 for the city 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.

5.0 Conclusions

5.1 This report provides a summary of performance against the objectives for the council related to the City Development Scrutiny Board.

6.0 Recommendations

6.1 Members are recommended to:

- Note the 2016/17 performance information and to consider if they wish to undertake further scrutiny work to support further improvement work in any of these areas.
- Note the new Best Council Plan Key Performance Indicators to be reported during 2017/18.









7.0 Background documents¹

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

7.1 Best Council Plan 2015 – 20

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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 1 2017/18 Result		Quarter 2 2017/18 Result	
1a	Leeds... A Strong Economy and a Compassionate City	TRANSPORT & INFRASTRUCTURE Connecting people and places, improving air quality, meeting housing needs	Live in good quality, affordable homes within clean and well cared for places	Quarterly BCP KPI: Growth in new homes in Leeds*	Newly Built/Converted Homes	>=4,700 homes <small>(Core Strategy currently target, under review)</small>		614* newly built/converted homes	813 New Homes 	1193* newly built/converted homes	1423* New Homes 
1b					Net Reduction in Long Term Empty Homes			199 net reduction		230 net reduction	
2			TRANSPORT & INFRASTRUCTURE Connecting people and places, improving air quality, meeting housing needs	Move around a well-planned city easily	Annual BCP KPI: Increase in city centre travel by sustainable transport (bus, train, cycling, walking)	>44.2% of journeys <small>(2016/17 result)</small>	Number of two way bus journeys to Park & Ride sites*	44,462* people (Mar-May 2017) 	93,718* people (Mar-Aug 2017) 		
3					Quarterly BCP KPI: Number of people killed or seriously injured (KSI) in road traffic accidents* <small>(Reported a quarter in arrears, based on calendar quarters)</small>	<=250 people <small>(Local Transport Plan target)</small>		76* people 	148* people 		
4	Quarterly KPI: Reduce number of Children & Young People (CYP) killed and seriously injured (KSI) on the city's roads* <small>(Reported a quarter in arrears, based on calendar quarters)</small>	<=43 CYP <small>(2016 result)</small>				11* children and young people 	21* children and young people 				

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Report author: Sandra Pentelow
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Report of Head of Governance and Scrutiny Support

Report to Scrutiny Board (Infrastructure and Investment)

Date: 20 December 2017

Subject: Services 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 is due to consider an approach for refreshing the Best Council Plan. The Budget and Policy Framework defines a process which includes referral to Scrutiny for consideration. The Executive Board report is appended which fully details the initial proposals.

2. The appended Best Council Plan initial proposal provides a full overview of the council's priorities and ambitions to provide context, however the focus of Scrutiny Board (Infrastructure and Investment) is in relation to the areas defined in the Scrutiny Boards terms of reference. The City Development Corporate Plan for 2017/18 is provided as appendix 2 to provide an example of how the Best Council Plan is then translated into departmental priorities.

3. It is 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 a number of considerations including the most significant city strategies and plans, most notably the draft Leeds Inclusive Growth Strategy 2017-23¹ and the Leeds Health and Wellbeing Strategy 2016-21.
4. The Scrutiny Board will have the opportunity at its meeting to raise any specific area of concern or questions with regard to the initial proposals that fall within its area. Any conclusions, observations and recommendations that are made by Scrutiny Board (Infrastructure and Investment) will be fed back to Executive Board prior to the revised Best Council Plan being referred to full Council. Each Scrutiny Board will be undertaking a similar level of focus for their defined areas of responsibility.
5. The Director of City Development and a representative from the Resources and Housing Directorate has been invited to present the Best Council Plan initial proposals and address any further questions from the Board.

Recommendations

The Scrutiny Board (Infrastructure and Investment) is recommended to:

- a) Consider the appended report and the Best Council Plan initial proposals and provide input to help shape the emerging Best Council Plan.
- b) Make recommendations for consideration by Executive Board as deemed appropriate.

Background documents

None²

¹ <http://www.leedsgrowthstrategy.co.uk/wp-content/uploads/2017/07/LEEDS-GROWTH-STRATEGY-DOCUMENT-JULY-2017-Web.pdf>

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

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).

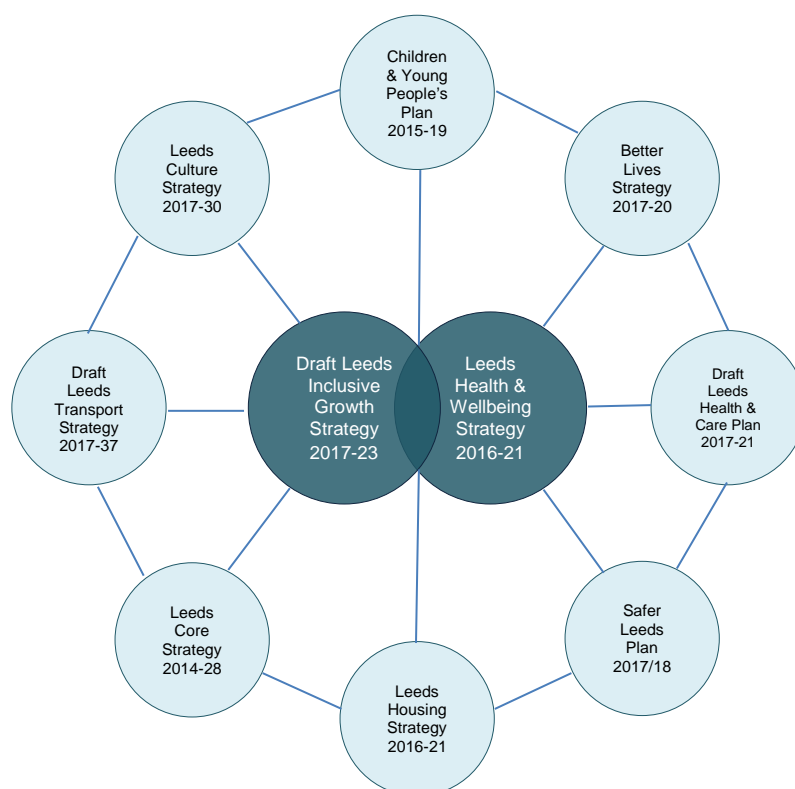


Figure 1

(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

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

2017/18 PRIORITIES

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



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



CITY DEVELOPMENT DIRECTORATE PLAN 2017/18

AMBITIONS • Leeds... A Strong Economy and a Compassionate City • Leeds City Council... An Efficient and Enterprising Organisation, smaller in size, bigger in influence

CITY DEVELOPMENT DIRECTORATE VISION



Leeds will be the best place for everyone to enjoy happy, healthy and prosperous lives, being able to move around a well-planned, connected city to access economic, leisure and cultural opportunities.

CITY DEVELOPMENT DIRECTORATE 2017/18 PRIORITIES

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

OUTCOMES

How we'll know if we've made a difference:

- More new homes in Leeds
- Business rate growth will be better than the 12/13 baseline
- Jobs growth
- Fewer people killed or seriously injured in road traffic accidents
- Increased use of sustainable transport
- More people are active
- Increased footfall to major cultural events
- Overall satisfaction with cultural provision
- More people supported into work
- Number of people with improved skills
- Successfully progressed Equality objectives
- Deliver a balanced budget so revenue available to fund other vital council services
- Happy and motivated staff

OUR CORNERSTONES

- Working collaboratively to agreed time
- Finding and owning solutions
- Empowerment and accountability
- Thinking innovatively including the use of technology
- Equality & compassion
- Maximising income and adding value
- Living our values.

INCLUSIVE ECONOMIC GROWTH

IMPROVED TRANSPORT FOR A CONNECTED CITY

FACILITATE WORLD CLASS AND DIVERSE CULTURAL OFFER

MEET HOUSING GROWTH NEEDS

GET PEOPLE MORE ACTIVE

MEET FINANCIAL TARGETS AND DELIVER A BALANCED BUDGET

BREAKTHROUGH PROJECTS – We will contribute to all eight council breakthrough projects specifically driving:

- Cutting carbon and improving air quality
- World class events and a vibrant city centre that all can benefit from
- More jobs, better jobs
- Housing growth and high standards in all sectors
- i** Innovation and collaboration, on a city-wide scale, driving change for individuals, communities and public services

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

i Underpinning what we do and how we work

CITY DEVELOPMENT DIRECTORATE PRIORITIES 2017/18

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



Leeds... A Strong Economy and a Compassionate City

- Inclusive economic growth
- Meet housing growth needs
- Improved transport for a connected city
- Get people more active
- Facilitate world class and diverse cultural offer

Leeds City Council... An Efficient and Enterprising Organisation, smaller in size, bigger in influence

- Meet financial targets and deliver a balanced budget

To show that we are listening: Our Staff Engagement Survey themes for improvement are:

- Providing clear feedback on work
- Training & development opportunities (including Diversity & inclusion training)
- Hearing ideas for spending/saving money

PLACE ACTIVITIES

PLANNING, TRANSPORT AND CONNECTIVITY

We will:

- Deliver year one outcomes from the transport conversation Progress West Yorkshire Transport Fund schemes
- Improve Broadband / Wifi connectivity
- Maximise sustainable access to economic activity and employment
- Implementing Spatial Planning Framework.

HOUSING GROWTH

We will:

- Improving Housing Standards in Leeds
- Progress ELOR/ East Leeds Extension and Brownfield programme
- Progress affordable & extra care housing
- Facilitate City Centre housing growth via new models.

INFRASTRUCTURE

We will:

- Deliver the new leisure and wellbeing centre plan
- Improve Leeds' flood resilience
- Rationalise to maximise the value of our assets, investments and capital receipts
- Progress South Bank framework incl New Dock and city park
- Develop a City centre framework
- Facilitate Energy and digital infrastructure
- Progress Public realm improvements
- Support Leeds Innovation district
- Maintain and operate a safe highway.

ORGANISATIONAL ACTIVITIES

SUPPORT STAFF TO BE THEIR BEST

We will:

- Support, empower and develop staff
- Quality appraisals and regular 121's
- Actively listen
- Doing things with, not for or to
- Ensure the right staff are employed in the right places at the right time
- Support staff to stay safe and well at work
- Encourage staff to look for digital opportunities and solutions
- Actively consider equality and diversity when making decisions
- Encourage staff to spend money wisely.

WORK WELL WITH OTHERS

We will:

- Develop a bid for the Capital of Culture 2023
- Complete the Cultural Strategy
- Improve the key account management approach to support growth and ambitions
- Encourage and enable Locality working
- Develop clear communications & messages
- Play a major role in High Speed 2, Core Cities & the Northern Powerhouse
- Deliver savings through the Asset Management Plan
- Actively work with and assist others to deliver services efficiently and digitally
- Preparation of neighbourhood plans.

SAFETY HEALTH AND WELLBEING

We will:

- Look after and protect information and use it securely
- Encourage everyone to take responsibility and to play their part
- Support initiatives to improve air quality.

PEOPLE ACTIVITIES

INCLUSIVE GROWTH

We will:

- Develop a skills system needed for the city economy and its people
- Encourage inward investment and visitors
- Develop a Growth Strategy for Leeds
- Support businesses to grow, invest and diversify
- Support businesses to promote progression, retain graduates and to respond to the Apprenticeship Levy
- Support people to get better jobs.

INNOVATE AND BE ENTERPRISING

We will:

- Deliver efficient high quality services to meet the needs of residents & communities
- Work flexibly
- Develop smart cities technology and encourage greater use of digital services
- Ensure contracts maximise environmental, financial & social benefits
- Modernise our ways of working
- Promote and fully utilise GIS, the web and social media
- Get external funding
- Generate income for the council by being enterprising.

TACKLE POVERTY AND INEQUALITY

We will:

- Improve awareness of equality issues
- Deliver our Equality Improvement Priorities
- Consult widely on major schemes including Social Media
- Support improvements in priority neighbourhoods
- Encourage aspiration and work with tenants in difficulty
- Support economic & social regeneration within an improved environment.



Report author: S Pentelow

Tel: 37 88655

Report of the Head of Governance and Scrutiny Support

Report to Scrutiny Board (Infrastructure and Investment)

Date: 20 December 2017

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 forthcoming municipal year.

2 Main Issues

2.1 A draft work schedule is attached as appendix 1. The work programme has been provisionally completed pending on going discussions with the Board.

2.2 When considering the draft work programme effort should be undertaken to:

- Avoid duplication by having a full appreciation of any existing forums already having oversight of, or monitoring a particular issue
- Ensure any Scrutiny undertaken has clarity and focus of purpose and will add value and can be delivered within an agreed time frame.
- 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

2.3 Attached as appendix 2 is the minutes of Executive Board for 15 November 2017.

3. Recommendations

3.1 Members are asked to:

- a) Consider the draft work schedule and make amendments as appropriate.
- b) Note the Executive Board minutes

4. **Background papers**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.

Draft Scrutiny Board (Infrastructure and Investment) Work Schedule for 2017/2018 Municipal Year

Schedule of meetings/visits during 2017/18			
Area of review	June	July	August
Inquiries		<u>Directors Response</u> Advancing Bus Service Provision <u>Inquiry - Scoping and first session</u> Sustainable Development	
Annual work programme setting - Board initiated pieces of Scrutiny work (if applicable)	Consider potential areas of review		
Budget	Budget update		
Pre Decision Scrutiny			
Policy Review		Response to Grenfell Towers	
Recommendation Tracking			
Performance Monitoring	Performance Report		
Working Groups			

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*Prepared by S Pentelow

Key: SB – Scrutiny Board (Infrastructure and Investment) Meeting

WG – Working Group Meeting

Draft Scrutiny Board (Infrastructure and Investment) Work Schedule for 2017/2018 Municipal Year

Schedule of meetings/visits during 2017/18			
Area of review	September	October	November
Inquiries	<u>Evidence Gathering –</u> Sustainable Development 2 <u>Agree Final Inquiry Report</u> Supertram, NGT and Beyond	<u>Evidence Gathering</u> Sustainable Development 3	<u>Evidence Gathering</u> Sustainable Development 4 <u>Directors Response</u> Supertram, NGT and Beyond
Pre Decision Scrutiny			
Policy Review	Highways Maintenance - request for Scrutiny		Leeds Transport investment update
Recommendation Tracking			
Performance Monitoring			Traffic Congestion (requested by SB to be scheduled with Transport update)
Working Groups			

Draft Scrutiny Board (Infrastructure and Investment) Work Schedule for 2017/2018 Municipal Year

Schedule of meetings/visits during 2017/18			
Area of review	December	January	February - Single item
Inquiries	<u>Evidence Gathering</u> Sustainable Development 5 – Final Session		
Budget and Policy Framework	Initial Budget Proposals 2018/19 and Budget Update including Planning Services Resources Best Council Plan Refresh		
Pre Decision Scrutiny			
Policy Review			
Recommendation Tracking		Digital Inclusion	Advancing Bus Service Provision Inquiry – Comprehensive progress review (inc. WYCA)
Performance Monitoring	Performance Report	KSI – Road Safety Review	
Working Groups			

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Draft Scrutiny Board (Infrastructure and Investment) Work Schedule for 2017/2018 Municipal Year

Schedule of meetings/visits during 2017/18			
Area of review	March	April	May
Inquiries	<u>Agree Final Inquiry Report</u> Sustainable Development		
Budget and Policy Framework	Local Flood Risk Management Strategy Annual scrutiny review		
Pre Decision Scrutiny			
Recommendation Tracking	Housing Mix		
Performance Monitoring			
Working Groups			

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Potential unscheduled to be considered-

- Housing Growth Annual Report – EB report not yet scheduled
- Core Strategy Review (including Housing Target Update)– Potentially Dec onwards

Updated – Dec 2017 *Prepared by S Pentelow

EXECUTIVE BOARD

WEDNESDAY, 15TH NOVEMBER, 2017

PRESENT: Councillor L Yeadon in the Chair

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

APOLOGIES: Councillor J Blake

89 Chair of the Meeting

In accordance with Executive and Decision Making Procedure Rule 3.1.5, in the absence of Councillor Blake who had submitted her apologies for absence from the meeting, Councillor Yeadon presided as Chair of the Board for the duration of the meeting.

90 Declaration of Disclosable Pecuniary Interests

There were no Disclosable Pecuniary Interests declared at the meeting, however, in relation to the agenda item entitled, 'The Grand Quarter Townscape Heritage Scheme', Councillor Yeadon drew the Board's attention to her position as a member of the Leeds Grand Theatre and Opera House Board of Management. (Minute No. 96 refers).

91 Minutes

RESOLVED – That the minutes of the previous meeting held on 18th October 2017 be approved as a correct record.

EMPLOYMENT, SKILLS AND OPPORTUNITY

92 Improving Health and Work Outcomes

The Director of City Development and the Director of Adults and Health submitted a joint report proposing the development of a new approach towards the improvement of health and work outcomes, and summarising the joint activity undertaken with partners in order to refocus provision. The report also highlighted the need to develop an integrated approach towards health and employment support in order to ensure that disabled people and those with long term health conditions that wished to work were supported to secure and sustain employment. Finally, the report provided details on the ambition to involve a wider group of stakeholders in the promotion of healthy workplaces, with a focus on creating and retaining a talented and diverse workforce.

Members highlighted the importance of the work being undertaken in this area, which it was noted, was in line with Council initiatives such as the Leeds Inclusive Growth Strategy.

Responding to a Member's enquiry, information was provided in respect of how further positive outcomes in this area would continue to be delivered. It was emphasised that in order to achieve such positive outcomes, the Council would need to work with those companies it had contracts with and also the private sector in general, in addition to working collaboratively with the Authority's more long standing partners, such as those within the health sector. It was also highlighted by Members that as work in this area continued to progress, further detail in respect of outcomes and associated targets would be welcomed, with it being suggested that such data be provided to the Board in due course.

Members also highlighted the importance of ensuring that a proactive approach was taken in tackling the issue of stress related illness and the promotion of good mental health. In response, the Board was provided with examples of the work currently being undertaken and which continued to be developed in this area.

With regard to the further development of work regarding health and work outcomes, emphasis was placed upon the need for the Council to be well positioned to bid for any further sources of external funding, should they become available in the future.

RESOLVED -

- (a) That the work undertaken to date in respect of improving health and work outcomes, together with the progress which has been achieved in this area, be noted;
- (b) That the proposed approach which will continue to engage with a broad range of stakeholders and seek their commitment to improving health and work outcomes in the city, be supported;
- (c) That agreement be given for the Council to work with Health and Care partners in order to build the business case for a revised joint delivery model which would support disabled people and those with health barriers to access and sustain employment;
- (d) That it be noted that the Chief Officer, Employment and Skills and the Chief Officer, Health Partnerships will be responsible for the implementation of such matters.

RESOURCES AND STRATEGY

93 Treasury Management Strategy Update 2017/18

The Chief Officer, Financial Services submitted a report which provided a review and an update of the Council's Treasury Management Strategy for 2017/18.

With regard to a Member's enquiry, the Board was provided with further details in respect of the Council's approach towards New Replacement Borrowing, which aimed to maintain an appropriate balance between short

and long term loans. Also, in respect of Leeds' approach towards such matters when compared to other Local Authorities, officers undertook to provide the relevant Member with a further briefing.

RESOLVED – That the update on the Treasury Management borrowing and investment strategy for 2017/18, as detailed within the submitted report, be noted.

94 Capital Programme Quarter 2 Update 2017 - 2021

The Chief Officer, Financial Services submitted a report providing an update on the Council's Capital Programme position as at the end of the second quarter of the financial year. In addition, the report also sought specific approvals in relation to funding injections, as detailed within the covering report and the associated appendices.

Responding to a Member's enquiry regarding the nature of the jobs being created as a result of the Council's Capital Programme investment, officers undertook to provide the Member in question with a briefing on such matters.

RESOLVED -

- (a) That the latest position, as at quarter 2, on the General Fund and Housing Revenue Account Capital Programmes, as detailed within the submitted report and appendices, be noted;
- (b) That the net increase in the General Fund and Housing Revenue Account Capital Programme 2017-2021 of £337.5m since the setting of the Capital Programme in February 2017, be noted, with it also being noted that such injections are detailed in Appendix D to the submitted report, and that £64.1m of schemes require approval as part of the report;
- (c) That it be noted that the borrowing required to fund the Capital Programme in 2017-18 has reduced by £5.4m since the February Capital Programme update 2017, with it also being noted that the Capital Programme remains affordable within the approved debt budget for 2017-18, and that further work is underway through regular Capital Programme reviews in order to ensure that future debt costs are maintained within the overall Medium Term Financial Strategy;
- (d) That the following £64.1m of injections into the Capital Programme, as set out below, and as detailed within Appendix D to the submitted report, be approved:-
 - £38.2m education grants funding;
 - £9.6m Better Care Fund grant;
 - £5.4m annual programme injections reconciling to the medium term financial strategy, as set out in Appendix B to the submitted report, funded by Leeds City Council borrowing;
 - £5.0m Local Centres Programme;
 - £3.1m other grants and contributions;
 - £2.0m Grand Quarter Townscape Heritage Scheme Grant;

Draft minutes to be approved at the meeting
to be held on Wednesday, 13th December, 2017

- £0.8m Capital Receipts Incentive Scheme (CRIS), as detailed at Appendix E to the submitted report.
- (e) That it be noted that the above resolution (d) to inject funding will be implemented by the Chief Officer, Financial Services.

95 Financial Health Monitoring Report - Month 6

The Chief Officer, Financial Services submitted a report regarding the Council's projected financial health position for 2017/18, as at month 6 of the financial year.

Responding to a Member's enquiry, the Board was provided with further information on the current position in respect of the Dedicated Schools Grant, and the actions being taken and proposed to be taken in order to manage the associated budgetary pressures.

In addition, with regard to the Children's Centres budget, Members received clarification on the source of the pressures in this area, together with further information on the actions being taken to monitor and manage them. Also, the Board received further details of the projection as detailed within the report, with regard to the 'Children Looked After' budget.

RESOLVED – That the projected financial health position of the Authority, as at month 6 of the financial year, be noted.

REGENERATION, TRANSPORT AND PLANNING

96 The Grand Quarter Townscape Heritage Scheme

The Director of City Development submitted a report seeking authorisation for the resubmission of the Grand Quarter Townscape Heritage scheme to the Heritage Lottery Fund (HLF) in December 2017, together with the allocation of £500,000 Council match funding for the project.

The Board was supportive of the proposals detailed within the submitted report.

Members highlighted the unique character which had been developed in this area over time, referencing the wide range of independent retailers located in the Quarter. Emphasis was placed upon the need to maintain a mixed economy of uses following any potential regeneration of the area, in order to maximise the benefit for all.

Responding to a Member's specific enquiry, the Board was provided with further information regarding the disposal of the Belgrave Gardens site, which it was noted, formed part of the Council's Capital Receipts programme.

RESOLVED –

- (a) That the submission of a Stage 1 Application to the Heritage Lottery Fund in December 2017 in respect of the Grand Quarter Townscape Heritage Scheme, be approved;

- (b) That the allocation of £500,000 Leeds City Council match funding from within the general contingency budget be approved, subject to a successful Townscape Heritage bid to the Heritage Lottery Fund, with it being noted that this will lever in up to £2m of Heritage Lottery Fund grant and, subject to individual property grant agreements, £2.5m of private match funding;
- (c) That it be noted that the Executive Manager (Town Centres, Heritage & Buildings) will be responsible for the implementation of such matters.

97 The Local Centres Programme (LCP)

The Director of City Development submitted a report which presented details of the emerging Local Centres Programme (LCP), provided information on the proposed scope and application procedure for the initiative and which also sought agreement to implement the programme, as outlined within the submitted report.

Members welcomed the proposals detailed within the submitted report. The Board considered the flexible approach which was proposed to be taken towards the bidding process for programme funding, discussed the impact that such an approach may have, with the key role of local Ward Members in this process being highlighted.

RESOLVED –

- (a) That the contents of the submitted report, be noted;
- (b) That the Director of City Development, in liaison with the Executive Member (Regeneration, Transport and Planning), be authorised to implement the Local Centres Programme, as outlined in paragraphs 3.1 to 3.9 and appendices 1 to 3 of the submitted report;
- (c) That it be noted that the Executive Manager (Town Centres, Heritage and Buildings) will be responsible for the implementation of such matters.

HEALTH, WELLBEING AND ADULTS

98 Refresh of the Better Lives Strategy

The Director of Adults and Health submitted a report presenting a refreshed and updated version of the Council’s ‘Better Lives’ strategy, together with an associated action plan for the period 2017-2021.

In acknowledging how the refreshed strategy aimed to prioritise the delivery of high quality of provision in Leeds, a suggestion was made as to whether consideration could potentially be given to making the monitoring arrangements for such provision more participative.

Responding to a Member’s enquiry, the Board received an update regarding the progress being made on the development of infrastructure as part of the

Better Lives Strategy. Specifically however, Members also discussed the current position with regard to Extra Care housing provision in the city, with a detailed update being provided on the ongoing work being undertaken in this area and with it being noted that the intention was for the Council to go out to tender for the development of 2 sites in January 2018. When considering the position of the Council in terms of Extra Care housing provision compared to other Local Authorities, it was noted that the Council did communicate and share best practice with other Authorities. In conclusion, a briefing on such matters was also offered to Board Members, should they require it.

With regard to the issue of social isolation, the Board was provided with further details on the actions being taken to address this issue across the city.

RESOLVED –

- (a) That the refreshed Better Lives strategy and associated action plan for the period 2017-2021, be approved;
- (b) That it be noted that the Director of Adults and Health is responsible for the implementation of such matters.

CHILDREN AND FAMILIES

99 The Leeds Preparing for Adulthood Strategy 2017-2022

The Director of Children and Families submitted a report which sought to raise awareness of the Leeds 'Preparing for Adulthood' Strategy 2017- 2011. The report provided the background, the strategic fit and how the vision and strategy had been designed using a co-production approach – which had been undertaken with key stakeholders including young people and families, together with partners from the education, health and care sectors across the city.

Emphasis was placed upon the successes to date of the supported internship pilot programme.

Responding to an enquiry regarding the performance indicators which had been developed for the strategy, it was noted that a mechanism would be developed in order to ensure that outcomes were monitored and measured.

RESOLVED –

- (a) That the work undertaken to date on the Preparing for Adulthood Strategy 2017 – 2022 be acknowledged; and that the intended outcomes of the Strategy be supported and agreed;
- (b) That the 'supported internship' programme, as detailed within the submitted report, be supported and promoted across the Council and its partners by offering 'supported internship' placements, and also by embedding the 'ask' in the social value commissioning framework and the Child Friendly Leeds Employers' network;

- (c) That it be noted that the Head of the Complex Needs Service is the responsible officer for the implementation of the Strategy.

100 Proposal for a Strategic Review of provision for children and young people with Special Education Needs and Disabilities (SEND)

The Director of Children and Families submitted a report proposing the undertaking of a Strategic Review of 0-25 SEND (Special Educational Needs and Disability) provision in Leeds. The report also set out the Local Authority's duties in this area, and provided details of the proposed scope and methodology of the review together with the associated consultation.

Members highlighted the importance of the work proposed to be undertaken in this area, and in response to an enquiry, assurance was provided that the associated communication process with young people and their families would be clear, and that consultation would be robust.

RESOLVED –

- (a) That the Strategic Review process, including the consultation period running from 6th November 2017 to 4th December 2017, be noted;
- (b) That agreement be given for the Good Learning Places Board to hold the accountability for governance and permissions in relation to the implementation of the outcomes arising from the review;
- (c) That it be noted that the final proposals will be presented in the document entitled, 'Local Authority Strategic Plan of SEND Provision 2018-2021', which will be presented to the Executive Board for consideration and approval in February 2018;
- (d) That it be noted that the overall responsible officer for the implementation of the Strategic Review, together with the publication of the plan is the Head of Complex Needs.

COMMUNITIES

101 Locality Working - Tackling Poverty and Reducing Inequalities

The Director of Communities and Environment submitted a report which sought approval to introduce a new place-based, integrated approach towards the delivery of service provision, the tackling of poverty and the reduction of inequality in some of the city's poorest neighbourhoods.

In considering the proposals, the Board acknowledged the continuing involvement of Scrutiny in the development of the approach. In addition, Members noted that the locations of the priority Council estates needed further work to ensure that all relevant estates meeting the set criteria were identified. Furthermore, and responding to a Member's comments, it was emphasised that the universal service provision for communities across the city would remain.

Also, responding to a Member's enquiry, the Board was provided with further information on: how the proposed multi-agency approach would work; how the performance of previous approaches had informed the current proposals; and how Scrutiny would help to evaluate the progress being made by the initiative as it developed.

RESOLVED –

- (a) That the deployment of a new place-based approach towards early intervention and prevention in respect of tackling poverty, reducing inequality and addressing vulnerability in Leeds, be approved;
- (b) That the Director for Communities and Environment be requested to provide an annual progress report on the impact of this initiative as it develops.

102 Beyond Decent Homes - The 2018 Housing Revenue Account (HRA) Capital Investment Plan

Further to Minute No. 171, 22nd March 2017, the Director of Resources and Housing submitted a report providing an update on, and seeking support of the latest position regarding capital investment proposals for the Housing Revenue Account (HRA) assets over the next 10 years.

In introducing the report, the Executive Member for Communities highlighted the extensive engagement and communication exercises which had taken place with tenants following the Grenfell Tower fire, and it was noted that following the undertaking of independent inspections in all of the Council's high rise blocks, it was confirmed that all of the Council's blocks had achieved the necessary standard.

Members welcomed the proposals to lobby Government in respect of the removal of the HRA borrowing cap in order to allow the replacement of homes sold under the 'Right to Buy' initiative, and also welcomed the prioritisation being given to the proposed fire safety measures, including the installation of sprinkler systems in high rise stock.

Responding to a Member's enquiry, it was noted that should Government funding be made available for the provision of required fire safety measures, then further information would be submitted to the Board for consideration in terms of the extent to which such funding contributed towards the cost of meeting all required measures, and the impact that it would have upon the wider HRA Capital Investment Plan.

Finally, the Board also noted that the proposed Council investment into fire safety measures, as detailed within the report, enabled work to progress in this area, whilst the outcomes from the Grenfell Tower inquiry and any subsequent Government decisions were awaited.

RESOLVED –

- (a) That the 10 Year HRA Capital Investment Plan, as detailed within the submitted report and appendices, be supported, subject to further annual review being undertaken as part of the HRA Business Plan;
- (b) That Executive Board support be given to the lobbying of Government: to provide funding for any new fire safety requirements which arise from the Grenfell Tower inquiry, such as the installation of sprinklers in all high-rise stock; and also to the removal of the HRA borrowing cap in order to allow the replacement of homes sold under the 'Right to Buy' initiative.

ENVIRONMENT AND SUSTAINABILITY

103 The future of the Waste and Recycling Strategy for Leeds

Further to Minute No. 56, 27th July 2016, the Director of Communities and Environment submitted a report which set out the proposed programme regarding the development of a revised waste and recycling strategy for Leeds. The report provided an update on the local and national context, and discussed some of the key issues for consideration in terms of the Council's future ambitions and the achievement of targets. Also, the report outlined the detailed appraisal work to be undertaken on the options for the Council's kerbside recycling strategy, and sought approval to the guiding principles and proposed programme for the development of the strategy.

Members received clarification on the role of DEFRA's (Department for Environment, Food and Rural Affairs) Waste and Resources Action Programme (WRAP) in respect of the proposals, and noted that funding had been received from WRAP in order to undertake an assessment of a range of kerbside recycling options.

The Board discussed the proposals detailed within the submitted report, and considered the future opportunities and challenges that the waste and recycling service faced, and how such matters would be taken into consideration as part of the overall review.

Responding to a Member's enquiry, emphasis was placed upon the need to ensure that an overarching and joined up approach was taken when considering matters such as the delivery of recycling provision. A specific example was provided in relation to the planning and waste management teams. In response to that specific example, officers undertook to liaise with the relevant directorates and report back to Board Members with the findings.

In addition, it was also highlighted that any future strategy would need to: have a long term vision, in order to ensure that it was able to adapt to the changes brought about by events such as Brexit or the evolving global recycling market; maximise any opportunities to access external funding sources should they become available; and also use Leeds' large scale to its advantage whilst at the same time ensuring that the range of differing requirements found in communities across the city were recognised.

RESOLVED –

- (a) That the contents of the submitted report, in particular the context and issues relating to the Council's waste and recycling strategy, as detailed within the submitted report, be noted;
- (b) That the areas and options to be considered and assessed (as detailed within section 5.3 of the submitted report), as a part of the proposed options appraisal exercise, to be led by the Chief Waste Management Officer, be supported;
- (c) That in principle approval be given to the outline programme (as detailed at section 5.5 of the submitted report) for the development of a revised Leeds Waste Strategy, including the undertaking of public consultation, with the detail to be subsequently agreed with the Director of Communities and Environment.

DATE OF PUBLICATION: FRIDAY, 17TH NOVEMBER 2017

**LAST DATE FOR CALL IN
OF ELIGIBLE DECISIONS:** 5.00 PM, FRIDAY, 24TH NOVEMBER 2017

(Scrutiny Support will notify Directors of any items called in by 12.00 noon on Monday, 27th November 2017)