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## SCRUTINY BOARD (STRATEGY AND RESOURCES)

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Meeting to be held in Civic Hall, Leeds, LS1 1UR on  
Monday, 16th July, 2018 at 10.30 am

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

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### MEMBERSHIP

#### Councillors

- G Almas - Beeston and Holbeck;
- A Blackburn - Farnley and Wortley;
- S Firth - Harewood;
- J Goddard - Roundhay;
- P Grahame (Chair) - Cross Gates and Whinmoor;
- D Jenkins - Killingbeck and Seacroft;
- J McKenna - Armley;
- M Robinson - Harewood;
- A Smart - Armley;
- P Wray - Hunslet and Riverside;

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

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**Principal Scrutiny Adviser:  
Angela Brogden  
Tel: 37 8888661**

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# A G E N D A

| Item No | Ward/Equal Opportunities | Item Not Open |   | Page No |
|---------|--------------------------|---------------|---|---------|
| 1       |                          |               | <p><b>APPEALS AGAINST REFUSAL OF INSPECTION OF DOCUMENTS</b></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><b>EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC</b></p> <p>1 To highlight reports or appendices which officers have identified as containing exempt information, and where officers consider that the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons outlined in the report.</p> <p>2 To consider whether or not to accept the officers recommendation in respect of the above information.</p> <p>3 If so, to formally pass the following resolution:-</p> <p><b>RESOLVED –</b> 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><b>No exempt items have been identified.</b></p> |         |

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| 3       |                          |               | <p><b>LATE ITEMS</b></p> <p>To identify items which have been admitted to the agenda by the Chair for consideration.</p> <p>(The special circumstances shall be specified in the minutes.)</p>   |         |
| 4       |                          |               | <p><b>DECLARATION OF DISCLOSABLE PECUNIARY INTERESTS</b></p> <p>To disclose or draw attention to any disclosable pecuniary interests for the purposes of Section 31 of the Localism Act 2011 and paragraphs 13-16 of the Members' Code of Conduct.</p> |         |
| 5       |                          |               | <p><b>APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTES</b></p> <p>To receive any apologies for absence and notification of substitutes.</p>   |         |
| 6       |                          |               | <p><b>MINUTES - 18TH JUNE 2018</b></p> <p>To confirm as a correct record, the minutes of the meeting held on 18<sup>th</sup> June 2018.</p>  | 1 - 4   |
| 7       |                          |               | <p><b>FINANCIAL PERFORMANCE - 2017/18 OUTTURN</b></p> <p>To receive a report from the Head of Governance and Scrutiny Support presenting details of the outturn for the financial year 2017/18.</p>  | 5 - 46  |
| 8       |                          |               | <p><b>FINANCIAL HEALTH MONITORING 2018/19 (MONTH 2)</b></p> <p>To receive a report from the Head of Governance and Scrutiny Support presenting a summary of the Council's projected financial health position for 2018/19 at month 2.</p>              | 47 - 54 |

| Item No | Ward/Equal Opportunities | Item Not Open |  | Page No |
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| 9       |                          |               | <p><b>TREASURY MANAGEMENT OUTTURN FOR 2017/18</b></p> <p>To receive a report from the Head of Governance and Scrutiny Support presenting details of the Council's Treasury Management Outturn position for 2017/18.</p>  | 55 - 68 |
| 10      |                          |               | <p><b>WORK SCHEDULE</b></p> <p>To consider the Scrutiny Board's work schedule for the 2018/19 municipal year.</p>  | 69 - 96 |
| 11      |                          |               | <p><b>DATE AND TIME OF NEXT MEETING</b></p> <p>Monday, 10<sup>th</sup> September 2018 at 10.30 am (pre-meeting for all Board Members at 10.00 am)</p> <p><b>THIRD PARTY RECORDING</b></p> <p>Recording of this meeting is allowed to enable those not present to see or hear the proceedings either as they take place (or later) and to enable the reporting of those proceedings. A copy of the recording protocol is available from the contacts on the front of this agenda.</p> <p>Use of Recordings by Third Parties – code of practice</p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul> |         |

## SCRUTINY BOARD (STRATEGY AND RESOURCES)

**MONDAY, 18TH JUNE, 2018**

**PRESENT:** Councillor P Grahame in the Chair

Councillors G Almas, A Blackburn, S Firth,  
D Jenkins, J McKenna, D Ragan,  
M Robinson, A Smart and P Wray

### **1 Chairs opening remarks**

The Chair welcomed all to the first meeting of the Scrutiny Board – Strategy and Resources.

The Chair welcomed both new and returning Board Members and also took the opportunity to thank former Board Members for their contribution to the work of the Scrutiny Board.

### **2 Appeals Against Refusal of Inspection of Documents**

There were no appeals against refusal of inspection of documents.

### **3 Exempt Information - Possible Exclusion of the Press and Public**

There were no exempt items.

### **4 Late Items**

There were no late items.

### **5 Declaration of Disclosable Pecuniary Interests**

No declarations of disclosable pecuniary interests were made.

### **6 Apologies for Absence and Notification of Substitutes**

An apology for absence was received from Councillor Goddard. Notification had been received that Councillor Ragan was to substitute for Councillor Goddard.

### **7 Minutes - 22nd March 2018**

**RESOLVED** – That the minutes of the meeting held on 22<sup>nd</sup> March 2018 be approved as a correct record.

### **8 Scrutiny Board Terms of Reference**

Draft minutes to be approved at the meeting  
to be held on Monday, 16th July, 2018

The report of the Head of Governance and Scrutiny Support presented the terms of reference for the Scrutiny Board (Strategy and Resources) for Members information.

**RESOLVED** – To note the Scrutiny Board’s terms of reference.

## **9 Co-opted Members**

The report of the Head of Governance and Scrutiny Support provided guidance to the Scrutiny Board when seeking to appoint co-opted members.

The Board was informed of the following options for the appointment of co-opted members:

- Up to five non-voting co-opted members for a term of office that does not go beyond the next Annual meeting of council; and/or
- Up to two non-voting co-opted members for a term of office that relates to the duration of a particular and specific scrutiny inquiry.

**RESOLVED** –

(a) To note the information presented and options available for the appointment of co-opted members.

(b) To consider the appointment of co-opted members on an ad-hoc basis for any inquiries where it was deemed appropriate.

## **10 Sources of work for the Scrutiny Board**

The Head of Governance and Scrutiny Support submitted a report which provided information and guidance on potential sources of work to assist the Board in determining its work schedule for 2018/19.

Appended to the report was a copy of the Vision for Scrutiny at Leeds, Best Council Plan update for 2018/19 – 2020/21 and Leeds City Council 2018/19 Budget Report – Resources and Housing, Strategic Central Accounts and Communities and Environment.

The following were in attendance for this item:

- Councillor James Lewis, Deputy Leader and Executive Member for Resources and Sustainability
- Councillor Jonathan Pryor, Executive Member for Learning, Skills and Employment
- Neil Evans, Director of Resources and Housing
- Doug Meeson, Chief Officer Financial Services
- Cluny MacPherson, Chief Officer Culture and Sport
- Tim Rollett, Senior Risk Management Officer

Those in attendance gave a summary of their areas of responsibility, including priority areas and some of the financial and organisational issues facing the Council. Members of the Scrutiny Board also shared their views on potential areas of Scrutiny work.

Draft minutes to be approved at the meeting  
to be held on Monday, 16th July, 2018

In summary, the following key areas were raised:

- Exploring how the Council can achieve efficiencies through the digitalisation of services used by the public and staff.
- Apprenticeships and how the Council is maximising the Apprenticeship Levy in terms of its own workforce development.
- Monitoring of the gender pay gap within the Council;
- Exploring greater opportunities for income generating trading services;
- Emergency planning and the Council's position in light of recent national reviews, such as the Kerslake Review following the Manchester Arena terrorist attack.
- Monitoring of Business Rates appeals and the Council's application to extend the term of the 100% Business Rates Retention scheme;
- Understanding and monitoring the Council's debt levels;
- Monitoring the Leeds Culture Strategy and specifically the Leeds 2023 developments following the decision last October by the European Commission to cancel the European Capital of Culture competition for UK cities.

**RESOLVED** – That the report and discussion be noted and used to inform the Board's work schedule for the forthcoming municipal year.

(Councillor Almas entered the meeting at 10:55 am during the consideration of this item)

(Councillor McKenna left the meeting at 11:40 am during consideration of this item).

## **11 Performance Update**

The report of the Director of Resources and Housing provided Members with information to help identify key areas for future scrutiny work to support improvement across council outcomes, priorities and values. The report was also used by Members to determine the level and frequency of performance information they wanted to receive during the year.

The following were in attendance for this item:

- Neil Evans, Director of Resources and Housing
- Doug Meeson, Chief Officer Financial Services
- Cluny MacPherson, Chief Officer Culture and Sport
- Tim Rollett, Senior Risk Management Officer

In consideration of the report, the following key issues were raised:

- Staff sickness levels – the Board requested that future performance reports separate out the data relating to school staff.

- Council tax – the Board requested more regular and detailed performance information relating to Council Tax that is both raised and collected and preferably on a Ward level too.
- Devolution – whilst acknowledging the difficulty of assigning performance indicators linked to the Council’s approach towards devolution, the Board agreed to maintain a watching brief of progress.
- Service area performance updates – the Board agreed to adopt a similar approach undertaken last year and schedule performance update reports during the year relating to specific service areas. Linked to this, particular reference was made to HR and receiving an update surrounding staff engagement results and appraisals.

**RESOLVED** – That the report be noted and the above requests for information be provided to the Board.

## **12 Work Schedule**

The report of the Head of Governance and Scrutiny Support requested Members give consideration to the Scrutiny Board’s work schedule for the forthcoming year.

A draft work schedule was attached to the submitted report. Included within the draft work schedule were traditional items of scrutiny work in relation to tracking of work previously undertaken by this Board; performance monitoring reports and any Budget and Policy Framework Plans.

In relation to the Board’s September meeting, it was noted that the Board would also be receiving details of the Council’s Medium Term Financial Plan and Annual Risk Management Report.

Reflecting on the Board’s discussion during the meeting, the Principal Scrutiny Adviser was requested to work with the Chair to incorporate the areas of work agreed by the Scrutiny Board into its work schedule for the forthcoming year.

### **RESOLVED –**

- (a) That the draft work schedule be noted.
- (b) That the Principal Scrutiny Adviser works with the Chair to incorporate the areas of work agreed by the Scrutiny Board into its work schedule for the forthcoming year.

## **13 Date and Time of Next Meeting**

The next meeting of the Scrutiny Board – Strategy and Resources to be on Monday 16<sup>th</sup> July 2018 at 10:30am (pre-meeting for all Board Members at 10:00am).

(The meeting concluded at 12.05 pm)





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## Report of Head of Governance and Scrutiny Support

### Report to Scrutiny Board (Strategy and Resources)

Date 16 July 2018

### Subject: Financial Performance – 2017/18 Outturn

|  |                              |  |
|--|------------------------------|--|
| Are specific electoral Wards affected?<br>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?<br>If relevant, Access to Information Procedure Rule number:<br>Appendix number: | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

### Summary of main issues

- The following Executive functions fall within the remit of the Strategy and Resources Scrutiny Board:
  - Setting, supporting and monitoring the Council's financial strategy;
  - Managing effective financial management and controls.
- In accordance with this, the Scrutiny Board is provided with details of the Council's financial outturn position for 2017/18 for both revenue and capital, as reported to the Executive Board on 27<sup>th</sup> June 2018.
- Appropriate senior officers have been invited to the meeting to discuss the attached report and address any issues raised by the Scrutiny Board.

### Recommendations

- That the Scrutiny Board considers the attached Executive Board report and agrees any specific scrutiny actions that may be appropriate.

### Background documents<sup>1</sup>

- None.

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

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**Report of the Chief Officer Financial Services**

**Report to Executive Board**

**Date: 27<sup>th</sup> June 2018**

**Subject: Financial Performance - Outturn Financial year ended 31<sup>st</sup> March 2018**

|   |   |  |
|---|---|--|
| Are specific electoral Wards affected?<br>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?<br>If relevant, Access to Information Procedure Rule number | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |

**Summary of main issues**

1. The purpose of this report is to inform members of the final outturn for the financial year 2017/18. The pre-audited accounts will be presented to the Corporate Governance and Audit Committee at its meeting on the 26th June 2018.
2. As set out below, the final position on the General Fund shows an underspend of £6.95m after the creation of a number of earmarked reserves. This is a reduction in the underspend of £0.9m when compared to the provisional outturn position received at Executive Board in April.
3. The Council received a payment of £7.3m from HMRC relating to overpaid output VAT in respect of admission charges at the Council's sporting facilities in 2017/18, of which £6m will transfer to the Council's general reserve, contributing significantly to this final underspend position. The 2017/18 budget assumed a contribution from the general reserve of £1.4m. However the final outturn underspend results in a net contribution to the general reserve of £5.6m, including this VAT refund.
4. The Housing Revenue Account outturn reflects a surplus of £1.4m.
5. As at April 2017 the level of General Reserve was £20.1m. As per table 3 at paragraph 5.1 the amount of General Reserve at 31<sup>st</sup> March 2018 is £25.6m.

## **Recommendations**

5. Members of the Executive Board are asked to;
  - a. Note the outturn position for 2017/18 and to agree the creation of earmarked reserves as detailed in paragraphs 3.16 and 5.3 and delegate their release to the Chief Officer Financial Services.
  - b. Note that the Chief Officer Financial Services will be responsible for the implementation of these actions following the 'call in' period.

### **1. Purpose of this report**

- 1.1 This report sets out for the Board the Council's financial outturn position for 2017/18 for both revenue and capital. It also includes the Housing Revenue Account and expenditure on schools.
- 1.2 The report also highlights the position regarding other key financial health indicators including Council Tax and Business Rates collection statistics, sundry income, reserves and the prompt payment of creditors.
- 1.3 It should be noted that, in accordance with proper accounting practice, any significant event which occurs prior to the audit sign-off of the accounts in September 2018 could impact on the Council's final published outturn position and hence the level of reserves. This is known as a post balance sheet event and, should such an event occur, it will be reported back to this Board at the earliest opportunity.

### **2. Main Issues**

- 2.1 The 2017/18 general fund revenue outturn position, after the creation and transfer of a number of earmarked reserves as detailed in paragraph 5.3, is an underspend of £6.95m. The Council received a payment of £7.3m from HMRC relating to overpaid output VAT in respect of admission charges at the Council's sporting facilities in 2017/18, of which £6m will transfer to the Council's general reserve, contributing significantly to this final underspend position.

Table 1 - summary outturn position

| Directorate               | Director          | Staffing       | Total Expenditure | Income          | Total (under /overspend) |
|---------------------------|-------------------|----------------|-------------------|-----------------|--------------------------|
|                           |                   | £000           | £000              | £000            | £000                     |
| Adults & Health           | Cath Roff         | (637)          | 1,106             | (1,106)         | 0                        |
| Children and Families     | Steve Walker      | (2)            | 1,793             | (1,812)         | (19)                     |
| City Development          | Martin Farrington | (604)          | 5,659             | (5,309)         | 351                      |
| Resources & Housing       | Neil Evans        | (4,278)        | 318               | (375)           | (57)                     |
| Communities & Environment | James Rogers      | 2,698          | 6,070             | (6,095)         | (25)                     |
| Strategic                 | Doug Meeson       | (20)           | (594)             | (6,609)         | (7,203)                  |
| <b>Total</b>              |                   | <b>(2,843)</b> | <b>14,353</b>     | <b>(21,306)</b> | <b>(6,953)</b>           |

2.2 Full details of the directorate variations, budget action plans and risk areas for the year can be found in the financial dashboards attached at Appendix 1. The main directorate issues contributing toward the outturn position are as follows:-

2.3 **Adults and Health** - The directorate has achieved a balanced position at the financial year-end.

Variations in staffing across the directorate have delivered a £0.6m saving. This is primarily related to slippage in appointing to vacant posts.

There is a net £0.5m underspend on demand led budgets. Higher than budgeted care home and home care fees, the effect of the increase in the use of supported accommodation and slippage on savings plans have been more than offset by a combination of one-off savings within Learning Disability and lower than expected uptake of Direct Payments.

Income is £1.1m higher than budgeted for. This is as the result of a combination of betterment of income in Learning Disability which relates to several Ordinary Residence cases, additional income for Public Health and the Leeds Plan team which contribute towards offsetting lower than anticipated service user contributions.

The extent of one-off savings has provided an appropriate source of funding for expenditure incurred that would otherwise have been met through prudential borrowing, including the refurbishment of the 3 Recovery Hubs commissioned by the CCG. This not only reduces pressure on the capital programme, but also has the added benefit of delivering recurrent revenue savings to the Adults & Health budget in future years.

The directorate received the first year of a three year funding stream, referenced as the Spring Budget monies. Of the £14.7m received £5.6m has been carried forward within reserves; this sum is committed to specific schemes approved by the

Health and Wellbeing Board. Slippage in CCG funded Public Health schemes (i.e. not the Public Health Grant) and underspends within safeguarding have been carried forward within earmarked reserves.

£0.3m of reserves, for commissioning services related to drugs and the prison service, have been transferred into the directorate from the Resources and Housing directorate. The Health and Social Care reserve was increased by £0.8m to address anticipated pressures in respect of residential placements and increased cost pressures on commissioned care contracts. Other variations across the net £204.2m budget show a saving of £0.3m.

- 2.4 **Children and Families** – The directorate faced another challenging year in keeping spend within the approved budget. The main budget pressures were on both demand-led budgets, particularly Children Looked After (CLA), and the achievement of some income targets. The number of CLA increased over the year as a result of continuing demographic pressures. In recognition of this an increase of £4.1m to the CLA budget was approved during the year, funded from a number of different sources including reserves. An additional £1.95m of DfE innovation grant was also used to support the budget in advance of its planned use. The determination of the Council's updated Medium Term Financial Strategy, which is timetabled to be received at July's Executive Board, will need to recognise that this sum has been used in 2017/18.

At outturn, as a result of these actions, the directorate spent within the approved budget. Without these actions the directorate would have faced an overspend of just over £6m. The outturn position is an improvement against provisional outturn which projected an overspend of £0.4m. The main reason for the improved position is a reduction in the overall spend on transport and staffing.

After taking account of the revisions to the approved budget, detailed above, there was an overspend of £1m against the revised CLA budget. At the year-end there were 66 children in External Residential (ER) placements and 190 in Independent Fostering Agency (IFA) placements against the revised budgeted position of 54 and 182 respectively. The number of children in IFA placements fell gradually during the year whilst the number in ER placements increased from 55 at the start of the year to 66 at the end of the year. This was the main reason for the overspend on the CLA budget together with an overspend of £0.4m on adoption, Special Guardianship Orders and Residence Orders placements.

Spend against the home to school and home to college transport budget, which overspent by £1.3m in 2016/17, was slightly below budget in 2017/18. Spend on staffing was also within budget.

Other major variations included a shortfall on income from children centres, net of savings on staffing, of £1.1m. There was a shortfall in traded income of £0.6m although this was partly offset by additional income from the partnership agreement with Kirklees MC and additional income from the Dedicated Schools Grant (DSG).

It has previously been reported that there are significant pressures on the High Needs Budget (HNB) of the DSG. The directorate led a review of this budget, and following extensive consultation with partners, have developed a five year plan to

bring spend in line with funding and to repay the accumulated deficit balance on the DSG. The overall outturn deficit on the DSG is £2.9m, a reduction of £0.7m from the deficit brought forward from 2016/17. The deficit balance will be carried forward to 2018/19. This deficit is included within the total schools reserves shown in Table 2 below.

**2.5. City Development** – In overall terms the Directorate overspent by £0.35m.

Severe weather episodes in December and January followed by the arrival of the 'Beast from the East' in February 2018, culminated in a £0.8m overspend on the Directorate's £1.3m Highways winter maintenance budget.

Income pressures of £1.2m within Asset Management largely reflected slower than anticipated growth within the Directorate's commercial asset portfolio and shortfalls against the stretch target for advertising income.

These income pressures within Asset Management were, however, more than offset by the successful recovery of £1.2m of VAT for sport admissions and continued buoyancy within Planning and Building Control services which generated surplus income of approximately £0.7m.

Primarily through careful vacancy management, the Employment and Skills service delivered an underspend of £0.1m to assist in offsetting other Directorate pressures.

The Directorate's outturn position was supported by bringing approximately £0.7m of S106 balances into account from the balance sheet, recognising that specific obligations pertaining to historic agreements have been satisfied.

**2.6 Communities and Environment** - The overall outturn position for 2017/18 is an underspend of £25k. The main variations across the individual service areas are as follows:

Within Customer Access there has been an overspend of £0.7m, which is mainly in respect of staffing resources required for the delivery of the Community Hub programme and the additional cost of providing security arrangements at a number of Hub sites and the Central Library. This has been partially offset by additional income from the Interpreting and Translation team.

The main pressure within Welfare & Benefits during the year has been the level of income receivable from Housing Benefit (HB) overpayments which has been impacted upon by a reduction in the number and average value of HB overpayments. After providing for an appropriate level of bad and doubtful debts, there was a £1.9m shortfall against the budget of £8.4m, although this has been partially offset by HB expenditure/subsidy variations of £0.8m and savings of £0.4m in other areas, resulting in an overall overspend of £0.7m.

Within the Refuse Service, the delay in implementing the collection route efficiency programme has resulted in a pressure of £1m. However, this has been offset by a saving of £0.5m in respect of business rates at the Recycling and Energy Recovery Facility (RERF), savings of £0.6m in respect of disposal costs and recycling income

and further one-off savings of £0.5m identified within the service. Overall the Waste Management Service has underspent by £0.6m.

There has been an overall underspend of £0.5m within Car Parking Services, mainly reflecting staffing and expenditure savings. Overall, income was £0.1m higher than budgeted with shortfalls in on-street income of £0.4m and Bus Lane enforcement income of £0.1m being offset by additional income from off-street car parks (£0.1m), PCNs (£0.4m) and all other types of income (£0.1m).

There have been other net savings of £0.3m across the directorate including Community Safety and Environmental Health, which mainly reflects staffing savings in those areas.

## 2.7 **Resources and Housing** – The Directorate had a small underspend of £57k on a £73m net budget. (<1%)

Resources underspent by £1m, primarily arising from savings in Shared Services (£1.6m), Strategy and Improvement (£0.35m) and Legal and Democratic services of (£0.25m). These were offset by shortfalls in income in finance court fees of £0.4m, an overspend of £0.5m in Human Resources due to a combination of the non-achievement of the £0.3m savings assumed in the budget strategy relating to training budgets and the loss of school income. An additional £0.2m had to be incurred in the Digital Information Service relating to remedial work on the Council's network to ensure it qualifies for the Public Services network certificate. However, overall the Council's Support Services functions successfully delivered its budgeted saving target of £5m.

The Housing and Property division overspent by £0.2m. Spend on Corporate Property Maintenance was £0.5m in excess of the budget. The pressures in this service have been recognised in the 2018/19 revenue budget where an additional £0.5m has been provided for. Within the Sustainable Energy team £0.2m has been transferred to an earmarked reserve for use in 2018/19 to deliver work on air quality. There was an underspend of £0.5m in Strategic Housing Partnerships mainly arising from vacant posts and turnover.

Leeds Building Services had a budget surplus of £8.4m to deliver; an increase of £1.8m compared to the previous year's budget. In total a surplus of £7.8m has been achieved. Delays in the implementation of the Total Mobile system meant that not all of the efficiencies were delivered in year.

Civic Enterprise Leeds (CEL) had a small overspend of £0.1m. Pressures in catering, particularly around schools income and rising food costs, totalled £0.5m and were managed down by savings and additional income of £0.4m across other parts of CEL, namely Fleet Services, Cleaning and Security.

## 2.8 **Strategic and Central Accounts** - overall, the strategic & central budgets underspent by £7.2m. There are a number of key variations within this figure.

The Council has received a payment of £7.3m from HMRC relating to overpaid output VAT in respect of admission charges at the Council's sporting facilities. Of this sum £0.6m relates to the period April 2017 to September 2017 and this sum



has been incorporated into City Development's outturn position. It is proposed that a further £0.7m be transferred to a new earmarked 'Sport Maintenance Backlog Reserve' to contribute towards addressing backlog maintenance requirements at the Council's sports facilities. The balance of the HMRC repayment, £6m, will transfer to the Council's general reserve.

An underspend of £1.7m on costs associated with the Council's debt portfolio is largely due to accrued income on a deferred developer contribution and to capitalisation of interest costs relating to assets which were under construction at the year end.

There are income pressures of £2.1m on S278 (income from developers) due to lower levels of development activity and New Homes Bonus grant received is £1.8m below budget due to the impact of changes announced in the Budget. However, these are largely offset by additional S31 grant (business rates) of around £3.6m, of which £3.2m recompenses the Council for the reduction in business rate income resulting from reliefs announced after the Council's budget was set. In addition the levy payment to the Business Rates Pool is £0.6m below budget.

A small surplus of £0.3m, largely as a result of a review of the level of insurance provision required, has been taken to the General Insurance reserve.

Other variations include pressures of £0.3m on Prudential Borrowing recharges and a £0.4m shortfall in regard to PPPU income.

## **2.9 Early Leaver's Initiative**

The Council has operated a voluntary retirement and severance scheme since 2010/11 which has contributed to a reduction in the workforce and subsequent savings which have contributed towards the Council being able to deliver balanced budget positions. In 2017/18 approval has been given for 117.53 FTE's to leave the Authority through the Early Leaver's Initiative and this will generate savings of £12.2m over the five year period up to and including 2022/23.

The council set aside a reserve to fund the future up-front costs of the Early Leavers Initiative. However, due to new flexibility in the use of capital receipts subsequently introduced by the government, the council has been able to fund some of its in-year early leavers costs with capital receipts, enabling it to continue to carry forward this reserve for use in future years. Capital receipts totalling £1.8m have been utilised in 2017/18.

## **3. Housing Revenue Account (HRA)**

- 3.1 Following finalisation of the HRA, the outturn for the year is a surplus of £1.4m when compared against the 2017/18 budget.
- 3.2 Total income received was in line with budgeted expectations, although there are a number of variations to report. An increased level of Right to Buy sales (508 sales compared to the budget of 350 sales) resulted in lower rental income of £0.4m, but

this is partially offset by the additional sales generating one off fee income of £0.2m

- 3.3 Service charge income was £0.1m less than budgeted.
- 3.4 Additional income of £0.3m was received through arrangements with the Council's external maintenance contractors whereby the Council shares in the benefit of external contract costs being less than the initial target cost.
- 3.5 External funding contributions from activities such as catering, and charges for sundry items such as lost key fobs generated £0.1m more than budgeted. This additional income has offset reduced income on capitalised salaries due to vacant posts of £0.1m
- 3.6 The budget for disrepair was overspent by just under £1m. This was largely as a result of a combination of resolving an increased number of disrepair cases. The potential for a further overspend was mitigated by taking a more pro-active approach to avoid expensive claims in the future.
- 3.7 Against a budget of £43.5m, expenditure on maintaining and repairing the Council's housing stock was £1m underspent. £0.5m of this was due to successful renegotiation of contracts with external suppliers.
- 3.8 Savings of £1.2m on employees costs arose due to a combination of posts being held vacant awaiting the implementation of new structures and staff secondments to the Housing ICT project.
- 3.9 Premises costs were approximately £0.1m higher than budgeted for. This was principally due to an overspend on utility costs of £0.3m. However £0.2m of this has been offset by savings on Commercial Asset Management, solar panel maintenance and office running costs.
- 3.10 Net savings of £0.4m have been realised in relation to Supplies and Services. This is due to reduced bank transaction charges (£0.2m), a review of Printing requirements (£0.1m) and a range of other minor variations totalling (£0.1m).
- 3.11 An increase in Fire Prevention work has resulted in an overspend of £0.4m for charges for services commissioned from the Council. Increased internal legal costs, as a result of higher levels of Disrepair, have been offset by savings on other internal services from the Council
- 3.12 Following a review in the level of tenant arrears there was a reduction in the provision for doubtful debts of £0.6m, along with minor variations on remaining budget headings totalling £0.2m.
- 3.13 The Enhanced Income Team was budgeted to be funded through a contribution from an earmarked reserve. This has not been utilised in 2017/18 allowing the work of the team in helping tenants to maximise their income to extend into 2020/21 when the effect of Universal Credit may be more fully known. The impact of this is a £0.5m variation on the 17/18 appropriation account.
- 3.14 Additional capital spend of £1.7m expenditure on the Environmental Improvement Programme has been funded through the use of the balance on of the earmarked

reserve.

- 3.15 The Capital charges underspend of £0.6m is largely due to a revision to the timetable for the capital contribution from the Council to the contractor delivering the PFI contracts in Little London, Beeston Hill and Holbeck. This £0.6m is offset by adjustments within the PFI Unitary Charge of £0.2m.
- 3.16 The surplus on the Housing Revenue Account is £1.4m. It is recommended that earmarked reserves are created for;
- a) £0.4m to fund the extension of the Concierge service in Multi-Storey flats in order to reduce the impact that Anti-Social behaviour has on both the building, the residents and their visitors and improve levels of customer satisfaction.
  - b) £0.29m to replace furniture and carpets in sheltered housing schemes.
- 3.17 The balance of the in year surplus of £0.7m will be transferred to the HRA Capital Reserve to offset some of the pressure that the Sprinkler programme has imposed on the capital programme. This allows some of the projects which have been deferred because of it to proceed.

#### 4. Schools

- 4.1 The 2017/18 outturn position for schools is shown in table 2 below;

Table 2

| <b>Outturn</b>                              | <b>£m</b> |
|---|-----------|
| <b>Schools Reserves</b>                     |           |
| Balance Brought Forward                     | 20.6      |
| Net Contribution From Reserves              | -2.6      |
| Balance Carried Forward                     | 18.0      |
| <b>Extended Services &amp; Partnerships</b> |           |
| Balance Brought Forward                     | 9.0       |
| Net Contribution From Reserves              | -1.6      |
| Balance Carried Forward                     | 7.4       |
| <b>Dedicated Schools Grant</b>              |           |
| Balance Brought Forward                     | -3.6      |
| Net Contribution To Reserves                | 0.7       |
| Balance Carried Forward                     | -2.9      |

- 4.2 As schools are funded from the Dedicated Schools Grant (DSG) their reserves are ring fenced and must be carried forward. At 31<sup>st</sup> March 2018, mainstream school reserves stand at £18.0m.

In accordance with previous decisions, the development costs of School PFI and BSF funded schemes are initially met by borrowing from the overall level of school reserves which is then repaid over a period of time and at the close of the year

£0.3m was still outstanding. In addition, there is outstanding borrowing against school reserves for school VER costs totalling £0.7m together with a further £4.0m to support early intervention and preventative services in Children's Services in 2013/14.

After netting the above items from the £18.0m, the net mainstream schools reserves position totalled £13.0m as at 31<sup>st</sup> March 2018. There is also a further ring-fenced school reserve of £2.3m specifically relating to the carry forward of in year PFI scheme balances, giving overall school reserves of £15.3m as at 31<sup>st</sup> March 2018.

- 4.3 Extended Services & Partnerships reserves amount to £7.4m as at 31<sup>st</sup> March 2018. These include balances held by Area Inclusion Partnerships and Clusters.
- 4.4 At the start of 2017/18 the ring fenced DSG reserve was a deficit of £3.6m. During 2017/18 there has been an overall underspend on DSG services of £0.7m, which is as a result of an underspend on the Schools Block (£0.7m) and the Early Years Block (£2.4m) partly offset by an overspend on the high needs block (£2.4m) In total a deficit balance of £2.9m will be carried forward to 2018/19. This position will be reported to Schools Forum in June. The Children and Families Directorate completed a review of the High Needs Block during 2017/18 to address the pressures and the deficit DSG balance. The deficit balance on general DSG is £3.4m, this is partly offset by a surplus balance of £0.4m on the de-delegated DSG.

## 5. Reserves

- 5.1 A full statement of all Council reserves can be found at Appendix 2. A summary of the reserves is shown in table 3 below;

Table 3

| Reserves                        | Balance at 31.3.16<br>£m | Transfer to/(from)<br>£m | Balance at 31.3.17<br>£m |
|---------------------------------|--------------------------|--------------------------|--------------------------|
| <b>General Fund:</b>            |                          |                          |                          |
| General reserve                 | 20.1                     | 5.6                      | 25.6                     |
| Earmarked reserves              | 18.0                     | 7.9                      | 25.9                     |
| Ring-fenced & grant reserves    | 11.0                     | (5.9)                    | 5.1                      |
| <b>Total</b>                    | <b>49.1</b>              | <b>7.5</b>               | <b>56.6</b>              |
| <b>Schools:</b>                 |                          |                          |                          |
| Ring-fenced reserves            | 22.5                     | (2.9)                    | 19.6                     |
| <b>Housing Revenue Account:</b> |                          |                          |                          |
| General reserve                 | 6.6                      | (0.1)                    | 6.5                      |
| Earmarked reserves              | 52.0                     | (2.9)                    | 49.0                     |
| <b>Total</b>                    | <b>58.6</b>              | <b>(3.1)</b>             | <b>55.5</b>              |
| <b>Total Reserves</b>           | <b>130.2</b>             | <b>1.6</b>               | <b>131.8</b>             |

## General Reserve

5.2 Table 4 below provides an explanation of the movement in the General Reserve;

Table 4

| General Fund Reserve                              | £m          |
|---|-------------|
| <b>Opening Balance 1<sup>st</sup> April 2017</b>  | <b>20.1</b> |
| Budgeted usage                                    | (1.4)       |
| In-year underspend                                | 6.9         |
| <b>Closing Balance 31<sup>st</sup> March 2018</b> | <b>25.6</b> |

## 5.3 Creation of New Earmarked Reserves

It is recommended that the following are created;

- A Prisons Reserve **£0.2m** to carry forward CCG funding for social work in prisons
- A Drugs Reserve **£0.13m** to carry forward external income earmarked for drug and alcohol priorities
- A Transforming Care Reserve **£1.7m** to mitigate against costs associated with the NHS England led transfer of care packages to a community setting, in accordance with the 2017/18 budget report
- A Social Care Development Reserve **£0.6m** to meet costs associated with development of social care models, for example the Recovery Model, in accordance with the 2017/18 budget report
- A Resilience Reserve **£1m** to mitigate against unforeseen demand pressures in Adult Social Care such as the impact of cold winters or flu outbreaks, in accordance with the 2017/18 budget report
- A Spring Budget Reserve **£5.6m** to carry forward Spring Budget monies from MHCLG
- A Skills for Care Reserve **£0.2m** to provide funding for training of Care Workers
- A Winter Monies Reserve **£0.6m** funding received from the Leeds CCG to reduce delays in transferring people out of hospitals into community based care

- A Sport Maintenance Backlog Reserve **£0.7m** to contribute towards addressing backlog maintenance requirements at the Council's sports facilities
- A Sustainable Energy & Air Quality Reserve **£0.2m** to deliver work on air quality.

## 6. Capital Programme

- 6.1 The actual capital expenditure for General Fund and HRA in 2017/18 is £318.0m, an underspend of £25.3m or a 7.4% variation against the February 2018 Capital Programme projected outturn.

### General Fund

- 6.2 The following table shows the in-year actual General Fund capital expenditure against the estimated level of capital expenditure:

| General Fund                                   | Feb 18       | Apr 18       | Variation     |                |
|--|--------------|--------------|---------------|----------------|
|  | Estimate     | Outturn      | £m            | %              |
|  | £m           | £m           | £m            | %              |
| Adults & Health                                | 4.3          | 1.6          | (2.7)         | (62.8%)        |
| Strategic and Central                          | 36.7         | 31.3         | (5.4)         | (14.7%)        |
| City Development                               | 82.6         | 80.1         | (2.5)         | (3.1%)         |
| Children & Families                            | 89.6         | 80.7         | (8.9)         | (9.9%)         |
| Resources & Housing                            | 32.5         | 26.1         | (6.4)         | (19.7%)        |
| Communities & Environment                      | 13.3         | 12.4         | (0.9)         | (6.8%)         |
| <b>Total Spend</b>                             | <b>259.0</b> | <b>232.2</b> | <b>(26.8)</b> | <b>(10.4%)</b> |
| <b>Financed by</b>                             |              |              |               |                |
| General Fund Borrowing                         | 132.5        | 121.0        | (11.5)        | (8.7%)         |
| General Fund Capital Receipts                  | 3.1          | 1.7          | (1.4)         | (45.2%)        |
| General Fund Specific Grants and Contributions | 123.4        | 109.5        | (13.9)        | (11.3%)        |
| <b>Total Funding</b>                           | <b>259.0</b> | <b>232.2</b> | <b>(26.8)</b> | <b>(10.4%)</b> |

- 6.3 A full breakdown of the net variations is detailed in Appendix 3. Comments are also provided for schemes that have a material variation of greater than +/-£250k.
- 6.4 The general fund borrowing variation is £11.5m or 8.7% of the expected spend on borrowing. The treasury outturn position is presented as a separate report to this Executive Board.
- 6.5 The General Fund capital programme delivered £232.2m of expenditure including major works on our Annual maintenance programmes, Highways planned maintenance to our roads and streets network, Flood Alleviation, City Cycle Connect, East Leeds Orbital Road, Leeds Public Transport Investment Programme, Strategic Investment Fund, Change in the Workplace, Learning Places programme, the Social Emotional Mental Health programme, Schools

Capital maintenance, provision of Adaptations grants, District Heating Network and vehicle replacement programme underpinning the council's emissions reduction programme and the essential services technology and customer access programmes.

### Housing Revenue Account

6.6 The following table shows the in-year actual Housing Revenue expenditure against estimate:

| HRA                                   | Feb 18      | Apr 18      | Variation  |             |
|---------------------------------------|-------------|-------------|------------|-------------|
|                                       | Estimate    | Outturn     | £m         | %           |
|                                       | £m          | £m          | £m         | %           |
| Council Housing Growth Programme      | 13.4        | 14.6        | 1.2        | 9.1%        |
| Housing Leeds Council House Programme | 69.0        | 69.3        | 0.3        | 0.4%        |
| BITMO Council House Programme         | 1.9         | 1.9         | 0.0        | 0%          |
| <b>Total Spend</b>                    | <b>84.3</b> | <b>85.8</b> | <b>1.5</b> | <b>1.8%</b> |
| <b>Financed by</b>                    |             |             |            |             |
| HRA Self-Financing                    | 70.4        | 70.7        | 0.3        | 0%          |
| HRA Capital Receipts RTBs             | 11.2        | 11.4        | 0.2        | 2%          |
| HRA Specific Grants and Contributions | 2.7         | 3.7         | 1.0        | 35%         |
| <b>Total Funding</b>                  | <b>84.3</b> | <b>85.8</b> | <b>1.5</b> | <b>1.7%</b> |

6.7 The HRA capital programme delivered £85.8m of expenditure including £14.6m on our Council Housing Growth Programme and £71.2m on the refurbishment of our council house properties.

### Capital Programme Resources

6.8 The following table details the overall capital financing position for the Council:

|  | Feb 18       | Apr 18       | Variation     |               |
|--|--------------|--------------|---------------|---------------|
|  | Estimate     | Outturn      | £m            |               |
|  | £m           | £m           |               |               |
| <b>Net Capital Spend</b>                       | <b>343.3</b> | <b>318</b>   | <b>(25.3)</b> | <b>(7.4%)</b> |
| <b>Financed by</b>                             |              |              |               |               |
| General Fund Borrowing                         | 132.5        | 121.0        | (11.5)        | (8.7%)        |
| General Fund Specific Grants and Contributions | 123.4        | 109.5        | (13.9)        | (11.3%)       |
| General Fund Capital Receipts                  | 3.1          | 1.7          | (1.4)         | 0%            |
| HRA Self-Financing                             | 70.4         | 70.7         | 0.3           | 0%            |
| HRA Capital Receipts RTBs                      | 11.2         | 11.4         | 0.2           | 2%            |
| HRA Specific Grants and Contributions          | 2.7          | 3.7          | 1.0           | 37%           |
| <b>Total Funding</b>                           | <b>343.3</b> | <b>318.0</b> | <b>(25.3)</b> | <b>(7.4%)</b> |

6.9 Capital receipts of £1.75m have been utilised in 2017/18 to fund expenditure capitalised under the government's temporary flexibility for funding transformational change via capital receipts. In line with existing accounting policy £3.6m of receipts have been utilised to fund PFI liabilities and £8.2m have been used to repay debt,

and borrowing of £2.9m has been undertaken in lieu of section 278 contributions.

- 6.10 HRA Council Housing Growth Programme, Housing Leeds and BITMO have utilised £70.7m of self-financing funding, £3.7m of external contributions and have utilised £11.4m of Right to Buy receipts.
- 6.11 The net borrowing of the Council as at 31<sup>st</sup> March 2018 is £1954.0m. Further details of this and the debt financing costs will be presented in the 2017/18 Outturn Treasury Management report to this Executive Board.

## 7. Other Financial Performance.

- 7.1 The performance statistics for the year in respect of the collection of local taxation are as follows:-

|                | 2010/11<br>Leeds<br>Actual | 2011/12<br>Leeds<br>Actual | 2012/13<br>Leeds<br>Actual | 2013/14<br>Leeds<br>Actual | 2014/15<br>Leeds<br>Actual | 2015/16<br>Leeds<br>Actual | 2016/17<br>Leeds<br>Actual | 2017/18<br>Leeds<br>Actual |
|----------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Council tax    | 96.7%                      | 96.6%                      | 96.6%                      | 95.7%                      | 95.7%                      | 95.9%                      | 96.1%                      | 96.1%                      |
| Business Rates | 97.9%                      | 97.5%                      | 97.6%                      | 97.1%                      | 97.3%                      | 97.8%                      | 97.5%                      | 98.0%                      |

- 7.2 Following the introduction of the Council Tax support scheme in 2013/14 a 19% contribution scheme was implemented for working age claimants and this was increased to 26% for 2014/15 but has then been set at 25% for the years between 2015/16 and 2017/18. The collection position at the end of March was as follows:

- Council tax in-year collection rate – 96.1% (also 96.1% last year). The in-year collection rate target for 2017/18 year was 96.1%. £32.7m has been collected in respect of 2017/18 bills, an increase of £18.9m compared to the previous year.
- Collection rate for those affected by Council Tax Support scheme – 74.4% (73.9% last year)
- Collection rate for those previously getting 100% Council Tax benefit – 64.7% (64.3% last year)
- The collection of non-domestic rates for the year is 97.99% of the current net debit of £380.0m. This represents an increase of 0.45% in comparison to 2016/17.
- Discretionary Business Rate Relief Scheme – against a budget of £350k in 2017/18 some £586k of local discounts were approved under the scheme to support the creation of employment and economic growth and to increase the business rates base.



## **Prompt Payment of Creditors**

- 7.3 The prompt payment result at the year-end was 87.96% of undisputed invoices processed within 30 days. This was against a target of 92%. The prompt payment performance for this year has been adversely affected by a significantly large number of late invoices being received from directorates, coupled with staff turnover within the Accounts Payable team. Both issues have now been addressed and current performance is running at 95.45%.

## **8. Corporate Considerations**

- 8.1 Consultation and Engagement - This is a factual report and is not subject to consultation.

- 8.2 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.

- 8.3 Council Policies and Best Council Plan - The 2017/18 budget targeted resources towards the Council's policies and priorities. This report comments on the financial performance against this budget in support of our Best Council ambition to be an efficient and enterprising organisation.

- 8.4 Resources and Value for Money- This is a financial report and all financial implications are detailed in the main body of the report.

### **8.5 Legal Implications, Access to Information and Call In**

There are no legal implications arising from this report.

### **8.6 Risk Management**

Budget management and monitoring is 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 and key income budgets. To reinforce this risk-based approach, specific project management based support and reporting around the achievement of the key budget actions plans was put in place for 2017/18.

## **9. Recommendations**

- 9.1 Members of the Executive Board are asked to;

- a. Note the outturn position for 2017/18 and to agree the creation of earmarked reserves as detailed in paragraphs 3.16 and 5.3 and delegate their release to the Chief Officer Financial Services.

- b. Note that the Chief Officer Financial Services will be responsible for the implementation of these actions following the 'call in' period.

## **10. Background Documents<sup>1</sup>**

10.1 There are no background documents relating to this report.

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<sup>1</sup> 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

#### Outturn

The Directorate delivered a balanced position for the year. There was significant activity within reserves reflecting carry forward of unspent grant income, reserves transferred into the directorate, ring-fenced accounts and general underspends.

The main outturn variations across the key expenditure types are as follows:

#### Staffing (-£0.6m)

Savings are reported in Public Health, Resources and Strategic Commissioning, the underspend reported is net of £0.5m severance costs.

#### Demand led budgets (-£0.5m)

There is a £0.4m net underspend on demand led budgets. This is primarily related to significant one-off/fortuitous savings within Learning Disability and lower than expected uptake of Direct Payments. These have soaked up the higher than budgeted care home and home care fees and the effect of the increase in the use of supported accommodation and slippage on savings plans.

#### Premises costs: (+£1.4m)

Taking advantage of savings within other areas of spend, expenditure originally to be funded by prudential borrowing will now be met from revenue. This has the added benefit of saving in excess of £0.2m from the annual budget of the next 5-10 years.

#### Income (-£1.1m)

Service user contributions, related to Community Support services, are projected to be lower than budgeted. This pressure has largely been offset by betterment of income in Learning Disability related to several Ordinary Residence cases. Additional income for Public Health of £0.6m has either been received in year or been brought forward from the previous year.

#### Spring Budget spend

£5.6m of the £14.7m Spring Budget monies has been carried forward. This is £3.8m greater than assumed when the plans were finalised. The additional amount carried forward is caused by slippage.

#### Budget Management - net variations against the approved budget

|                              |                    |                  |                 | PROJECTED VARIANCES |              |                     |             |                  |                    |                   |           |               |                   |                | Total (under) / overspend<br>£'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             | 39                  | 0            | 189                 | (3)         | 1                | 0                  | 0                 | 0         | 0             | 226               | (273)          | (47)                               |
| Access & Care Delivery       | 251,220            | (43,765)         | 207,455         | 442                 | 1,394        | (290)               | (53)        | (525)            | 1,366              | (1,901)           | 14        | (0)           | 445               | (122)          | 323                                |
| Commissioning Services       | 46,248             | (53,093)         | (6,845)         | (912)               | 27           | 105                 | (11)        | 254              | (1,313)            | 0                 | 0         | 1,005         | (845)             | (101)          | (946)                              |
| Resources and Strategy       | 5,699              | (2,417)          | 3,282           | (155)               | 2            | (136)               | 15          | 427              | 102                | (2)               | 0         | (0)           | 254               | 27             | 281                                |
| Public Health (Grant Funded) | 46,041             | (46,014)         | 27              | (51)                | 2            | 36                  | (9)         | (315)            | 476                | 0                 | 0         | 498           | 638               | (638)          | 0                                  |
| Appropriation Account        | 0                  | 0                | 0               | 0                   | 0            | 0                   | 0           | 0                | 0                  | 0                 | 0         | 389           | 389               | 0              | 389                                |
| <b>Total</b>                 | <b>349,693</b>     | <b>(145,509)</b> | <b>204,184</b>  | <b>(637)</b>        | <b>1,425</b> | <b>(96)</b>         | <b>(61)</b> | <b>(158)</b>     | <b>632</b>         | <b>(1,903)</b>    | <b>14</b> | <b>1,892</b>  | <b>1,106</b>      | <b>(1,106)</b> | <b>(0)</b>                         |

## Appendix 1

### Key Budget Action Plans and Budget Variations:

|  |  | Lead Officer          | Additional Comments  | RAG | Action Plan Value   | Forecast Variation against Plan/Budget |
|--|--|-----------------------|--|-----|---|--|
|  |  |                       |  |     | £m  | £m                                     |
| <b>A. Key Budget Action Plans</b>      |  |                       |  |     |   |  |
| 1.                                     | Older people's residential and day support                                     | D Ramskill            | Ongoing Better Lives programme   | B   | 0.4   | 0.0                                    |
| 2.                                     | Assessment and care management practice  | S McFarlane           | Delivering the most cost effective service for new customers based on the strengths based approach                                       | G   | 0.5   | 0.0                                    |
| 3.                                     | Review of care packages - mental health  | M Naismith            | Reviewing care packages for existing customers based on the strengths based approach and securing improved value for money commissioning | B   | 0.8   | (0.1)                                  |
| 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 | B   | 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 | A   | 2.5   | 0.7                                    |
| 6.                                     | Older people: reduction in the number of customers going into residential care | S McFarlane           | Increased use of telecare, reablement and recovery service   | A   | 1.3   | 0.6                                    |
| 7.                                     | Legal Fees   | S Hume                | Reduction in in-house legal fees   | G   | 0.3   | 0.0                                    |
| 8.                                     | Vacancy management   | Various               | Mainly non-frontline services  | G   | 0.6   | 0.0                                    |
| 9.                                     | Fees and charges   | S Hume                | Improved income collection and income recovery from direct payment audit   | A   | 0.7   | 0.2                                    |
| 10.                                    | Review non-essential spend   | Various               | Review and top-slicing of non-essential spend  | G   | 0.3   | 0.0                                    |
| 11.                                    | Public Health  | I Cameron             | Review of commissioned services  | B   | 2.9   | 0.0                                    |
| 12.                                    | Community Support  | D Ramskill            | In-house community support service closure   | B   | 0.9   | 0.0                                    |
| <b>B. Other Significant Variations</b> |  |                       |  |     |   |  |
| 1.                                     | Staffing   | All                   | Relating to staffing turnover and slippage in employing new staff  |     |   | (0.6)                                  |
| 2.                                     | Community care packages  | Various               | includes savings re SLIC closure and lower payments regarding drug and alcohol and carers  |     |   | (2.3)                                  |
| 3.                                     | General running costs  | All                   |  |     |   | 1.1                                    |
| 4.                                     | Use of reserves  | All                   | contribution to reserves   |     |   | 1.9                                    |
| 5.                                     | Income   | S Hume                |  |     |   | (1.3)                                  |
|  |  |                       |  |     | <b>Adults and Health Directorate - Forecast Variation</b> |  |
|  |  |                       |  |     | <b>0.0</b>  |  |

## CHILDREN & FAMILIES 2017/18 FINANCIAL YEAR FINANCIAL DASHBOARD - Outturn

**Overall Summary** - At Outturn the Directorate has underspent by £20k This is an improvement from the projected outturn position of an £0.42m overspend. The main explanation for this improved position is further staffing savings of £0.175m, £0.2m Passenger Transport savings, and £0.16m savings around Direct Payments and Independent Support Worker payments. During the year the Children and Families budget was increased by £4.1m in recognition of the significant pressure on the Children Looked After budget and an additional £1.95m of the DfE Partners in Practice grant funding was utilised in year as part of an action plan to bring spend in line with the budget. Without the increase in the in-year budget and use of additional DfE grant the directorate would have overspent by £6m.

**Children Looked After** - This budget was increased by £4.1m following a release from reserves during the year. The outturn position was a £1m overspend, a small increase from P12. The outturn position also reflects £0.5m additional Dedicated Schools Grant funding for the education element of ER placements. This was offset by additional costs due to increasing CLA numbers over the February & March period.

**Staffing** - Staffing balanced to budget; a £0.175m improvement from P12 which relates to staffing & agency pay savings across all areas of the directorate.

**Transport** - At outturn passenger transport came in £200k under budget; previously been reporting a balanced position. This was due to £0.1m lower payments to West Yorkshire Metro and further £0.1m for Independent Travel Training costs and Passenger Transport charges.

**Trading and Commissioning** - At outturn there was £0.63m shortfall against the £1.2m additional trading target; a small adverse movement from P12 of £0.05m in 0-19 Learning Improvement and Music Services. This has been offset by additional income from other sources including additional income from the partnership work with Kirklees MC.

**Other Income** - The Outturn position reflects £1.95m additional usage of the new Innovations & Partners in Practice grant. The use of this grant in 17/18 will not impact on the future delivery of the programme but the earlier than originally planned use of the grant will need reflecting in the financial strategy in 2019/20. There is additional School Improvement Monitoring & Brokering Grant of £0.5m. There was a shortfall in income in children's centres of £1.85m; partially offset by savings within Family Services. The Outturn position reflects additional income from; UASC grant income £0.755m (Unaccompanied Asylum Seeking Children grant) ; additional Dedicated Schools Grant contribution to out of area External Residential placements of £0.8m.

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

### Budget Management - net variations against the approved budget

|  |                    |                  |                 | PROJECTED VARIANCES |            |                     |            |                  |                    |                   |          |                |                   |                | Total (under) /<br>overspend<br>£'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          |                                       |  |                |
| <b>Demand Led Budgets:</b>                           |                    |                  |                 |                     |            |                     |            |                  |                    |                   |          |                |                   |                |                                       |  |                |
| In House Fostering                                   | 12,510             | (2,810)          | 9,700           | 0                   | 0          | 0                   | 0          | 0                | (910)              | 0                 | 0        | 0              | (910)             | 0              |                                       |  | (910)          |
| Internal Residential                                 | 3,805              | 0                | 3,805           | 135                 | 52         | 33                  | 23         | 0                | 0                  | (12)              | 0        | 0              | 230               | (1)            |                                       |  | 230            |
| Kinship Care   | 2,383              | 0                | 2,383           | 0                   | 0          | 1                   | 0          | 0                | 255                | (1)               | 0        | 0              | 254               | 2              |                                       |  | 256            |
| Family Placement & Place for Adoption                | 1,828              | 0                | 1,828           | 0                   | 0          | 0                   | 0          | 0                | (150)              | (3)               | 0        | 0              | (152)             | (1)            |                                       |  | (153)          |
| IFA  | 7,789              | 0                | 7,789           | 0                   | 0          | 0                   | 0          | 0                | 171                | 0                 | 0        | 0              | 171               | 0              |                                       |  | 171            |
| External Residential                                 | 11,016             | 0                | 11,016          | 0                   | 0          | 0                   | 0          | 0                | 1,288              | 0                 | 0        | 0              | 1,288             | (800)          |                                       |  | 468            |
| Semi Independent Living <18 & Secure Justice/Welfare | 2,575              | 0                | 2,575           | 0                   | 0          | 0                   | 0          | 0                | 322                | 0                 | 0        | 0              | 322               | 0              |                                       |  | 322            |
| Adoption, SGO and RO                                 | 6,588              | 0                | 6,588           | 0                   | 0          | 14                  | 0          | 0                | 890                | 24                | 0        | 0              | 727               | (283)          |                                       |  | 445            |
| Leaving Care   | 4,859              | (1,489)          | 3,190           | 0                   | 0          | 35                  | 3          | 0                | 888                | (348)             | 0        | 0              | 578               | (755)          |                                       |  | (177)          |
| Section 17   | 444                | 0                | 444             | 0                   | 0          | 0                   | 0          | 0                | 389                | 0                 | 0        | 0              | 389               | 0              |                                       |  | 389            |
| SEN Outside Placements                               | 4,857              | (4,857)          | 0               | 0                   | 0          | 0                   | 0          | 0                | 0                  | 0                 | 0        | 0              | 0                 | 0              |                                       |  | 0              |
| Transport  | 14,894             | (453)            | 14,241          | 0                   | 0          | 0                   | 0          | 0                | 0                  | 0                 | 0        | 0              | 0                 | 0              |                                       |  | 0              |
| <b>Sub total Demand Led Budgets</b>                  | <b>72,688</b>      | <b>(9,589)</b>   | <b>63,099</b>   | <b>135</b>          | <b>52</b>  | <b>82</b>           | <b>26</b>  | <b>0</b>         | <b>2,903</b>       | <b>(340)</b>      | <b>0</b> | <b>0</b>       | <b>2,858</b>      | <b>(1,837)</b> |                                       |  | <b>1,021</b>   |
| <b>Other Budgets</b>                                 |                    |                  |                 |                     |            |                     |            |                  |                    |                   |          |                |                   |                |                                       |  |                |
| Partnerships   | 21,952             | (9,450)          | 12,502          | (87)                | 76         | 258                 | (200)      | (90)             | (60)               | (126)             | 0        | (200)          | (409)             | (434)          |                                       |  | (843)          |
| Learning, Skills & Universal Services                | 71,006             | (88,482)         | 2,544           | 104                 | (83)       | (183)               | (8)        | 498              | (21)               | (12)              | 0        | 0              | 337               | (119)          |                                       |  | 218            |
| Safeguarding, Targeted & Specialist Services         | 99,850             | (80,648)         | 39,002          | 276                 | 94         | 167                 | 205        | (145)            | 29                 | 56                | 0        | (1,484)        | (802)             | 1,078          |                                       |  | 276            |
| Central Overheads                                    | 9,554              | (7,735)          | 1,819           | (450)               | 0          | 0                   | 0          | 0                | 0                  | 0                 | 0        | 259            | (191)             | (500)          |                                       |  | (691)          |
| <b>Sub total Other Budgets</b>                       | <b>202,162</b>     | <b>(146,295)</b> | <b>55,867</b>   | <b>(137)</b>        | <b>107</b> | <b>262</b>          | <b>(1)</b> | <b>263</b>       | <b>(52)</b>        | <b>(82)</b>       | <b>0</b> | <b>(1,425)</b> | <b>(1,065)</b>    | <b>25</b>      |                                       |  | <b>(1,040)</b> |
| <b>Total</b>   | <b>274,850</b>     | <b>(155,884)</b> | <b>118,966</b>  | <b>(2)</b>          | <b>159</b> | <b>344</b>          | <b>25</b>  | <b>263</b>       | <b>2,851</b>       | <b>(422)</b>      | <b>0</b> | <b>(1,425)</b> | <b>1,793</b>      | <b>(1,812)</b> |                                       |  | <b>(19)</b>    |

## Appendix 1

| Key Budget Action Plans and Budget Variations:                |  | Lead Officer                 | Additional Comments  | RAG | Action Plan Value<br>£m | Forecast Variation<br>£m |
|---|--|------------------------------|--|-----|-------------------------|--------------------------|
| <b>A. Significant Variations</b>                              |  |                              |  |     |                         |                          |
|   | Children Looked After  | Steve Walker                 | Pressure on CLA demand led budgets (External Residential placements and Independent Fostering Agencies). The current number of IFAs is 190 and ER is 86. Reflects additional £0.5m DSG income for education costs of ER placements.  | R   |                         | 1.02                     |
|   | Staffing related costs   | CSLT                         | Capitalised pension costs relating to former employees early retirement costs  | R   |                         | 0.05                     |
|   | 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   |                         | 0.17                     |
| <b>B. Key Budget Action plans (BAP's)</b>                     |  |                              |  |     |                         |                          |
| 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. The outturn position is a shortfall of £0.53m against the saving target, primarily due to a reduced saving against the Initial Budget Action Plan around Social Work staffing.  | R   | (0.93)                  | 0.53                     |
| E2  | Other staffing savings   | CSLT                         | Net other staff savings from ELI and through the management of vacant posts.   | A   | (0.98)                  | (0.60)                   |
| 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. New contract awarded for Family Drugs Alcohol Court service £0.1m.   | A   | (0.65)                  | 0.30                     |
| 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. Since P11 the traded position for 0-19 Learning Improvement and Music has worsened by £290k. | A   | (1.25)                  | 0.63                     |
| 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 £1.85m against the overall income target is projected. Planned changes to the Catering Service have been delayed resulting in a pressure of £0.1m. These pressures are partially offset by Family Services staffing savings of £0.75m.              | R   | (0.30)                  | 1.20                     |
| 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   | CSLT                         | Including short breaks contract savings, additional public health and CCG funding, additional DCLG funding for troubled families, passenger transport savings (WYCA and Independent Travel Trainer)  | A   | (2.86)                  | (0.48)                   |
| <b>C. Contingency Plans</b>                                   |  |                              |  |     |                         |                          |
|   | Utilisation of External Income   |                              | Utilisation of additional Kirklees Improvement Partner grant income £0.1m : anticipated additional schools funding contribution to area External Residential placements £0.3m.   | A   |                         | (0.40)                   |
| <b>Children and Families Directorate - Forecast Variation</b> |  |                              |  |     |                         | <b>(0.019)</b>           |

**CITY DEVELOPMENT 2017/18 BUDGET  
FINANCIAL DASHBOARD - OUTTURN**

The Outturn Financial Dashboard contains a number of significant budget pressures and mitigating actions. Overall the Directorate is projecting a £351k overspend mainly due to increased costs of £747k from due to the pressure on the Highways winter maintenance budget. This was recognised as a key risk within the Council's risk-based reserves strategy which includes £300k provision against a potential worst case budget pressure of £600k.

Planning and Sustainable Development are projecting a £343k pressure on expenditure due to Inspection and Planning Appeals legal costs. This is offset by the £692k additional projected income from Planning Fees and Building Control Fees and Charges, resulting in a £349k saving to support the overall Directorate position.

In Economic Development the overspend of £688k is due to income and expenditure pressures of £734k at Kirkgate Market. In addition to a £276k pressure from granting a 7 month (01/07/17) - 01/01/18) 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 £163k, £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 need to be revised down to reflect current trading and operating conditions. The 2018/19 budget strategy therefore includes proposals to address this. These pressures are partially offset by a £178k saving on borrowing costs.

In the last 18 months Asset Management have acquired a number of significant 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 has crystallised. 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. The £386k 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.

Predominantly via careful vacancy management, Employment and Skills are projecting an underspend of £101k to assist in offsetting other Directorate pressures.

The winter maintenance pressure of £747k Highways and Transportation resulted in an overspend of £572k however the £676k of Section 106 balances brought in at year end and the £200k income for Bridgewater Place reduces this to an underspend of £304k.

Sport and Active Lifestyles have 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 £199k 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 £118k have been identified at from across the service to mitigate this budget pressure. The EU ruling on VAT for sports admissions has not been challenged by HMRC which means that £1.2m of VAT is estimated to be recovered in this financial year which will assist in mitigating Directorate pressures.

In Arts and Heritage the £445k overspend reflects the shortfall in income in respect of the Town Hall and Lotherton Hall Estate and the £160k Carnival and Reggae overspend.

**Budget Management - net variations against the approved budget**

|                                    | PROJECTED VARIANCES |                 |                 |              |              |                     |              |                  |                    |                   |           |               |                   |                | Total (under) / overspend<br>£'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 | 8,698               | (6,322)         | 2,376           | (16)         | (89)         | (137)               | (11)         | 394              | 0                  | 0                 | 0         | 0             | 141               | (560)          | (419)                              |
| Economic Development               | 5,319               | (4,666)         | 653             | 1            | 189          | 1,089               | (10)         | (255)            | 0                  | (142)             | 0         | 0             | 872               | (184)          | 688                                |
| Asset Management & Regeneration    | 13,506              | (15,441)        | (1,935)         | (42)         | 265          | (155)               | (4)          | (288)            | 0                  | 4                 | 0         | 0             | (219)             | 1,239          | 1,020                              |
| Employment & Skills                | 4,127               | (2,378)         | 1,749           | (103)        | 0            | 250                 | (2)          | 105              | 0                  | 0                 | 0         | 0             | 250               | (351)          | (101)                              |
| Highways & Transportation          | 58,836              | (41,779)        | 17,057          | (398)        | 1,334        | 1,304               | 1,153        | 144              | 0                  | 0                 | 0         | 0             | 3,537             | (3,841)        | (304)                              |
| Arts & Heritage                    | 18,600              | (9,050)         | 9,550           | 48           | (77)         | 1,132               | 60           | 93               | 22                 | (115)             | 49        | 0             | 1,212             | (767)          | 445                                |
| Sport & Active Lifestyles          | 24,506              | (19,132)        | 5,374           | (33)         | (6)          | (148)               | 7            | 70               | (34)               | 45                | 0         | 39            | (60)              | (842)          | (902)                              |
| Resources & Strategy               | 1,022               | (628)           | 394             | (61)         | 1            | 16                  | (1)          | (28)             | 0                  | 0                 | 0         | 0             | (73)              | (2)            | (75)                               |
| <b>Total</b>                       | <b>134,614</b>      | <b>(99,396)</b> | <b>35,218</b>   | <b>(604)</b> | <b>1,617</b> | <b>3,350</b>        | <b>1,192</b> | <b>236</b>       | <b>(13)</b>        | <b>(207)</b>      | <b>49</b> | <b>39</b>     | <b>5,659</b>      | <b>(5,309)</b> | <b>351</b>                         |

## Appendix 1

| Key Budget Action Plans and Budget Variations:          |                                      |                  |   |     |                            |   |
|---|--------------------------------------|------------------|---|-----|----------------------------|---|
|   |                                      | Lead Officer     | Additional Comments   | RAG | Action Plan Value<br>£'000 | Forecast Variation against Plan/Budget<br>£'000 |
| <b>A. Budget Action Plans</b>                           |                                      |                  |   |     |                            |   |
| 1.  | Planning and Sustainable Development | Tim Hill         | Reduction in the net cost of service via increased income generation.   | G   | 562                        | (419)   |
| 2.  | Economic Development                 |                  | Increased income and running cost savings   | G   | 295                        | (46)  |
| 3.  | Asset Management and Regeneration    | Angela Barnicle  | Strategic Investment Income and additional fee income.  | R   | 2,827                      | 436   |
| 4.  | Highways and Transportation          | Gary Bartlett    | Additional income from fees and developers.   | G   | 1,396                      | (233)   |
| 5.  | Arts and Heritage                    | Cluny MacPherson | Savings via increased income opportunities, not hosting the Tour de Yorkshire in 2017, and minor restructure.   | R   | 810                        | 285   |
| 6.  | Employment and Skills                | Sue Wynne        | Staffing and commissioning savings.   | G   | 240                        | (101)   |
| 7.  | Sport and Active Lifestyles          | Cluny MacPherson | Reduction in the net cost of service via efficiency savings, staffing savings and increased income generation.  | A   | 652                        | 81  |
| 8.  | Resources and Strategy               | Ed Mylan         | Directorate wide additional savings requirement.  | G   | 158                        | 0   |
| <b>Total Budget Action Plan Savings</b>                 |                                      |                  |   |     | <b>6,940</b>               |   |
| <b>B. Other Significant Variations</b>                  |                                      |                  |   |     |                            |   |
| 1.  | Asset Management                     | Angela Barnicle  | Shortfall in Advertising income.  |     |                            | 386   |
| 2.  | Economic Development                 |                  | Kirkgate Market income pressures - 7 month 20% rent discount for all traders and then phasing out over 3 months (£276k), vacant units in the Indoor Market (£163k), Covered Daily Market (£146k), George Street shops (£59k), and Event Space (£56k), Open/Outdoor Market (£93k), partially offset by a saving of £178k on borrowing costs. |     |                            | 734   |
| 3.  | Sport and Active Lifestyles          | Cluny Macpherson | Income pressures from reduced Public Health funding, JCCS pool floor failure, and Aireborough refurbishment.  |     |                            | 217   |
| 4.  | Arts and Venues                      | Cluny Macpherson | Carnival and Reggae overspend   |     |                            | 160   |
| 5.  | Sport and Active Lifestyles          | Cluny Macpherson | Sport VAT ruling  |     |                            | (1,200)   |
| 6.  | City Development                     | All              | Use of Section 106 balances to mitigate pressures   |     |                            | (676)   |
| 7.  | Asset Management                     | Angela Barnicle  | Changing the Workplace/Merrion House  |     |                            | 198   |
| 8.  | Highways and Transportation          | Gary Bartlett    | Winter Maintenance - impact of the Beast from the East and the Pest from the West   |     |                            | 747   |
| 9.  | Highways and Transportation          | Gary Bartlett    | Bridgewater Place - increase in income accrual to reflect number of road closures   |     |                            | (200)   |
| 10.   | Resources and Strategy               | Ed Mylan         | General savings across the Service.   |     |                            | (18)  |
| <b>City Development Directorate - Outturn Variation</b> |                                      |                  |   |     |                            | <b>351</b>                                      |



## COMMUNITIES &amp; ENVIRONMENT DIRECTORATE SUMMARY

## FINANCIAL DASHBOARD - 2017/18 FINANCIAL YEAR

## Outturn position

## Overall Position (-£25k below budget)

## Communities (+£167k over budget)

The variation mainly reflects an in-year wellbeing expenditure variation of +£125k which would normally be funded from the earmarked reserve generated from previous years' underspends. However, as the directorate overall has budget savings, the variation has been contained within the directorate's annual revenue budget.

## Customer Access (+£717k over budget)

The main area of overspend is staffing in Community Hubs where staff in post exceeded the budget by £690k. This is largely due to delivery of the Community Hub programme which has required additional resource and management/supervision to be put in place. The cost of providing static guards at a number of sites, including the Central Library, due to safety concerns, was an additional £271k. These pressures have been largely offset by additional income (net £279k) in the Interpreting and Translation Team from the provision of translation services to the NHS.

## Elections, Licensing and Registration (+£46k over budget)

The service has an overall overspend of +£46k, mainly due to costs of £229k incurred in preparation of the 18/19 local elections and a minor net shortfall within births, deaths and marriages of £7k. These have been partially offset by the improved net position of Entertainment Licensing which achieved a surplus of (£120k) and Local Land Charges (£35k).

## Welfare &amp; Benefits (+£669k over budget)

The main pressure during the year was the level of income from Housing Benefit overpayments. HB overpayment income, before providing for a level of bad debts, was £9.3m, compared to the budget of £8.4m. However, after providing a bad debts provision of £2.8m, there was a net £1.9m shortfall. This has been offset by HB expenditure/subsidy variations of £0.8m and savings of £0.4m in other areas including additional grant income and staffing/expenditure variations.

## Parks &amp; Countryside (-£11k below budget)

There was an overall variance at Cafe/Retail and Attractions of +£288k, which includes a significant shortfall in income at both Lotherton Hall and Tropical World. In addition there has been a reduction in income from Golf of £39k. Other savings, mainly within bereavement services and income from Public Rights Of Way, have offset these variations.

## Environmental Action:

## Car Parking (-£504k below budget)

Staffing was under budget by (£167k) due to delays in recruitment. Overall income was £75k higher than budgeted. Significant shortfalls in both on-street income +£414k and Bus Lane offences throughout the city +£91k were offset by additional off-street (£77k), PCN income (£433k) and all other income types (£70k). Other savings across all expenditure headings totalled (£259k).

## Cleaner Neighbourhoods Teams (-£59k below budget)

The outturn underspend reflects staffing savings from delayed recruitment to the new structure, partially offset by additional costs of overtime and hired sweepers.

## City Centre (£1k below budget)

The minor variance at outturn is due to in-year staffing savings whilst recruitment was ongoing to fill the new structure, offset by the ongoing usage of overtime and costs of covering City Centre events.

## Environmental Health (-£216k below budget)

The outturn variance is mainly due to savings from delayed recruitment (£143k). Variations in Pest control expenditure and income were +£54k, offset by other expenditure/income variations across the service of (£127k).

## Waste Management:

## Refuse (+£1,076k over budget)

Within the Refuse Service, the delay in implementing the collection route efficiency programme resulted in a pressure of +£1,033k. Additional staffing expenditure in relation to backup, sickness cover and union support to the route collection programme was largely offset by other staffing and one-off savings within the service.

## HWSS &amp; Infrastructure (+£9k over budget)

Additional net expenditure of £18k was incurred in respect of HWSS overtime/sickness cover and HWSS Plant Operator training, partially offset by savings in respect of transport and prudential borrowing. A shortfall in budgeted income of £115k due to the delayed introduction of inert building waste charges at Household Waste sites was offset by additional weighbridge income of £124k.

## Waste Strategy &amp; Disposal (-£1,670k below budget)

The year end underspend reflects a saving of £470k in respect of business rates at the Recycling and Energy Recovery Facility (RERF), net disposal savings of £526k (mainly Household Waste Sites), £203k additional income (mainly scrap metal, textiles) and other one-off savings of £471k identified within the service.

## Community Safety (-£249k below budget)

The underspend mainly reflects staffing savings of £279k due to vacant posts within CCTV, LABST and delays in recruiting to the new Domestic Violence structure, partially offset by a shortfall in CCTV income of £39k and additional expenditure/income variations of (£9k).

## Budget Management - net variations against the approved budget:

## Summary By Service

|                                       |                    |                  |                 | Outturn variances |            |                     |           |                  |                    |                   |           |               |                   |                | Total (under) / overspend<br>£'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                           | 16,758             | (11,413)         | 5,345           | 25                | (16)       | (636)               | 15        | 342              | 416                |                   |           | 117           | 263               | (96)           | 167                                |
| Customer Access                       | 22,751             | (3,672)          | 19,079          | 1,476             | 169        | 440                 | 19        | 100              |                    | (17)              |           |               | 2,187             | (1,470)        | 717                                |
| Elections, Licensing And Registration | 4,700              | (5,004)          | (304)           | 459               | 327        | 794                 | (2)       | 4                |                    |                   |           | (23)          | 1,559             | (1,513)        | 46                                 |
| Welfare And Benefits                  | 268,094            | (266,616)        | 1,478           | 80                | 3          | 608                 | 1         | 28               |                    | 1,304             |           | (317)         | 1,707             | (1,038)        | 669                                |
| Car Parking Services                  | 4,895              | (13,392)         | (8,497)         | (190)             | (22)       | (226)               | (12)      | 22               |                    |                   |           |               | (428)             | (76)           | (504)                              |
| Community Safety                      | 7,645              | (6,251)          | 1,394           | (320)             | 12         | (173)               | (8)       | (56)             | 157                | 100               |           |               | (288)             | 39             | (249)                              |
| Waste Management                      | 40,576             | (7,388)          | 33,188          | 1,436             | (54)       | (1,178)             | (33)      | (124)            |                    |                   |           |               | 47                | (631)          | (584)                              |
| Parks And Countryside                 | 29,552             | (23,728)         | 5,824           | 253               | (139)      | 1,010               | (69)      | 261              |                    |                   | 66        | (58)          | 1,325             | (1,338)        | (11)                               |
| Environmental Action (City Centre)    | 1,999              | (483)            | 1,536           | (37)              | (4)        | 88                  | (13)      | 18               |                    |                   |           |               | 52                | (53)           | (1)                                |
| Environmental Health                  | 2,107              | (566)            | 1,541           | (152)             | (5)        | (29)                | (11)      | (4)              |                    |                   |           |               | (201)             | (15)           | (216)                              |
| Cleaner Neighbourhood Teams           | 12,282             | (4,253)          | 8,029           | (332)             | 12         | (30)                | 201       | (4)              |                    |                   |           |               | (153)             | 94             | (59)                               |
| Other variations                      |                    |                  |                 |                   |            |                     |           |                  |                    |                   |           |               | 0                 |                | 0                                  |
| <b>Total</b>                          | <b>411,359</b>     | <b>(342,746)</b> | <b>68,613</b>   | <b>2,698</b>      | <b>284</b> | <b>668</b>          | <b>88</b> | <b>587</b>       | <b>573</b>         | <b>1,387</b>      | <b>66</b> | <b>(281)</b>  | <b>6,070</b>      | <b>(6,095)</b> | <b>(25)</b>                        |

## Appendix 1

| <b>Key Budget Action Plans and Budget Variations:</b> |  |                |   |     |                         |                                     |
|---|--|----------------|---|-----|-------------------------|-------------------------------------|
|   |  | Lead Officer   | Additional Comments   | RAG | Action Plan Value<br>£m | Variation against Plan/Budget<br>£m |
| <b>A. Key Budget Action Plans</b>                     |  |                |   |     |                         |                                     |
| 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)   | R   | (1.38)                  | 1.03                                |
| 2.  | Implement charging for replacement wheeled bins                              | Andrew Lingham | Implemented May 2017  | G   | (0.24)                  | 0.05                                |
| 3.  | Implement charging for inert building waste                                  | Andrew Lingham | Implemented February 2018   | A   | (0.14)                  | 0.12                                |
| 4.  | Environmental Action staffing savings  | Helen Freeman  | Restructure now agreed  | G   | (0.71)                  | 0.00                                |
| 5.  | Implement charging for Bulky Waste   | Helen Freeman  | Implemented 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)                  | 0.04                                |
| 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 | A   | (0.53)                  | 0.13                                |
| 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   | A   | (0.12)                  | 0.09                                |
| 22.   | Welfare and Benefits - reduction in off-site processing                      | Andy Cameron   | Introduction of e-claims  | G   | (0.20)                  | 0.00                                |
| 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)                  | (0.12)                              |
| 25.   | Registrars   | Steve Coupe    | Charging /income proposals  | G   | (0.08)                  | 0.00                                |
| <b>B. Other Significant Variations</b>                |  |                |   |     |                         |                                     |
| 1.  | Waste Disposal Costs   | Andrew Lingham | Saving includes Business Rates saving at RERF, disposal savings and one off income          | G   |                         | (1.67)                              |
| 2.  | Community Hubs   | Lee Hemsworth  | Staffing overspend projected - see comments above   | A   |                         | 0.69                                |
| 3.  | Housing Benefits   | Lee Hemsworth  | Shortfall in overpayments income, net of HB expenditure/subsidy variations                  | R   |                         | 1.10                                |
| 4.  | All other services   |                | All other variations  | G   |                         | (1.48)                              |
| <b>Communities &amp; Environment - Variation</b>      |  |                |   |     | <b>(0.03)</b>           |                                     |

## RESOURCES AND HOUSING FINANCIAL DASHBOARD - 2017/18 FINANCIAL YEAR OUTTURN

### Overall

The directorate achieved a small underspend of £57k at the year end. There were a number of pressures within CEL, Leeds Building Services being offset in by savings in Resources (Support Services) and parts of Housing services to deliver this position.

### Resources

The budget had assumed Support Services savings of £5m and by underspending at £1m, a total of £6m has been achieved. Shared Services underspent by £1,641k primarily as a result of savings against the staffing budget due to vacant posts. Strategy and Improvement and Legal and Democratic both achieved savings against of £350k and £252k respectively. The HR budget overspent by £446k due to a combination of the non achievement of the £300k savings assumed in the budget strategy through the authority wide consolidation of training budgets and the loss of school income partially offset by savings against the staffing budget. There was an overspend of £138k against the PPPU budget (savings against staffing more than offset by a shortfall in income) and a £466k overspend in Finance mainly due to a £365k shortfall against court fees income. DIS were £212k overspent mainly due to the £205k expenditure 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

LBS realised a surplus of £7.8m compared to the budgeted assumption of £8.4m. Delays in the full implementation of the new Total Mobile system meant that not all of the efficiencies this would realise were delivered in year (£1.2m). These pressures were partially offset by savings in overhead costs, over provision of 16/17 accruals and also due to the return additional in year turnover (£1.9m turnover above budget).

### Housing and Property Services

Housing and Property Services had an overspend of £150k mainly explained by a £541k overspend in Corporate Property Maintenance predominantly due to overspend against the responsive repairs budget partially offset by a £97k income surplus for a Refit scheme and £51k savings against staffing. Within the Sustainable Energy team, £200k has been transferred to an earmarked reserve for low carbon/ air quality work in which is a key priority for the Council in 2018/19.

The Supporting People contracts budgeted savings target of £350k was achieved through the renegotiation and reprocurement of 3 sets of contracts. In addition to this, the revision of smaller contracts achieved a further saving of £91k. There was an underspend of £0.5m in Strategic Housing Partnerships mainly arising from vacant posts and turnover.

### Civic Enterprise Leeds

Civic Enterprise Leeds were £142k overspent for the year mainly due to Primary School catering achieving £1.6m of the £2.1m budgeted surplus. This shortfall in the surplus is as a result of the marginal financial impact of the reduced number of school feeding days in the 2017/18 calendar, the effect of snow days experienced in March 2018 and inflationary pressure on food costs. The shortfall in Catering was partially offset by savings in Cleaning and Security of £0.2m mainly as a result of over achievement against the income budget, Fleet Services were £157k underspent and Facilities Management achieved a £118k underspend.

### Budget Management - net variations against the approved budget

|                    |                    |                  |                 | PROJECTED VARIANCES |              |                     |              |                  |                    |                   |          |               |                   |              | Total (under) /<br>overspend<br>£'000 |
|--------------------|--------------------|------------------|-----------------|---------------------|--------------|---------------------|--------------|------------------|--------------------|-------------------|----------|---------------|-------------------|--------------|---------------------------------------|
|                    | Expenditure Budget | Income Budget    | Latest Estimate | Staffing            | Premises     | Supplies & Services | Transport    | Internal Charges | External Providers | Transfer Payments | Capital  | Appropriation | Total Expenditure | Income       |                                       |
|                    | £'000              | £'000            | £'000           | £'000               | £'000        | £'000               | £'000        | £'000            | £'000              | £'000             | £'000    | £'000         | £'000             | £'000        |                                       |
| Resources          | 99,138             | (39,289)         | 59,849          | (3,418)             | (22)         | 412                 | (27)         | (235)            | 0                  | 0                 | 0        | (391)         | (3,681)           | 2,699        | (982)                                 |
| LBS                | 46,989             | (55,369)         | (8,380)         | (593)               | (15)         | 3,407               | (137)        | (97)             | 0                  | 0                 | 0        | 0             | 2,565             | (1,932)      | 633                                   |
| Housing & Property | 26,230             | (12,428)         | 13,802          | (752)               | 768          | (507)               | 48           | (883)            | 21                 | 0                 | 0        | 1,028         | (277)             | 427          | 150                                   |
| CEL                | 71,505             | (63,811)         | 7,694           | 485                 | 407          | 853                 | (103)        | 65               | 0                  | 0                 | 4        | 0             | 1,711             | (1,569)      | 142                                   |
| <b>Total</b>       | <b>243,862</b>     | <b>(170,897)</b> | <b>72,965</b>   | <b>(4,278)</b>      | <b>1,138</b> | <b>4,165</b>        | <b>(219)</b> | <b>(1,150)</b>   | <b>21</b>          | <b>0</b>          | <b>4</b> | <b>637</b>    | <b>318</b>        | <b>(375)</b> | <b>(57)</b>                           |

## Appendix 1

| Key Budget Action Plans and Budget Variations: |  |                  |  |     |   |  |               |
|--|--|------------------|--|-----|---|--|---------------|
|  |  | Lead Officer     | Additional Comments  | RAG | Action Plan Value<br>£m                                       | Forecast Variation against Plan/Budget<br>£m |               |
| <b>A. Key Budget Action Plans</b>              |  |                  |  |     |   |  |               |
| <b>Efficiencies</b>                            |  |                  |  |     |   |  |               |
| 1  | Specialist Admin   | Helena Phillips  | Further efficiencies by consolidating "specialist" admin staff under one professional lead   | G   | (1.00)  | (1.64)                                       |               |
| 2  | ICT, IM & T & Intelligence                               | Dylan Roberts    | Introduce a new operating model to deliver staffing efficiencies.  | G   | (0.90)  | 0.00   |               |
| 3  | ICT, IM & T & Intelligence                               | Mariana Pexton   | Introduce a new operating model to deliver staffing efficiencies.  | G   | (0.20)  | 0.00   |               |
| 4  | Workforce Development                                    | Lorraine Hallam  | Consolidation of training budgets.   | A   | (0.30)  | 0.30   |               |
| 5  | PPPU   | David Outram     | Identify savings through a portfolio approach including development of prioritisation model  | A   | (0.30)  | 0.14   |               |
| 6  | Financial Services                                       | Doug Messon      | Savings to be delivered through staffing efficiencies.   | G   | (0.90)  | 0.10   |               |
| 7  | Human Resources  | Lorraine Hallam  | Staff savings through continuing to implement new ways of working.   | G   | (0.30)  | 0.47   |               |
| 8  | Strategy & Improvement                                   | Marianna Pexton  | Further staff savings and efficiencies within Communications, Marketing and Emergency Planning.  | G   | (0.10)  | (0.35)                                       |               |
| 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)  | (0.25)                                       |               |
| 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)  | (0.09)                                       |               |
| 14   | Strategic Housing - review of charging arrangements      | Jill Wildman     | Adpatations 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)  | (0.19)                                       |               |
| 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)  | (0.12)                                       |               |
| 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)  | (0.16)                                       |               |
| 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>B. Other Significant Va</b>                 |  |                  |  |     |   |  |               |
| 1  | Financial Services                                       | Doug Meeson      | Shortfall against court fees income.   | A   |   | 0.37   |               |
| 2  | CEL  | Sarah Martin     | Net shortfall against Catering income, offset by savings in FM & Cleaning  | A   |   | 0.56   |               |
| 3  | DIS  | Dylan Roberts    | DIS pressure to secure Public Service Network certificate  | A   |   | 0.21   |               |
| 4  | CPM  | Simon Costigan   | Pressure against repairs budget  | A   |   | 0.54   |               |
| 5  | Strategic Housing  | Jill Wildman     | Savings in staffing and other costs; net of c/f grant  | A   |   | (0.50)                                       |               |
| 6  | Human Resources  | Lorraine Hallam  | Schools income   | A   |   | 0.14   |               |
| 7  | All other variations                                     | Dir Wide         | Review of other spend / income not covered in items above.   | G   |   | (0.19)                                       |               |
|  |  |                  |  |     | <b>Resources and Housing Directorate - Forecast Variation</b> |  | <b>(0.06)</b> |

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

**Overall :**

For 2017/18 the strategic & central budgets are underspent by £7.2m

The key variations are;

- £6.0m reimbursement of VAT relating to Sport income (£7.3m was received of which £6.7m for previous years & £0.6m to City Dev't for the period Apr-Sept 2017, and £0.7m to create a Sport Maintenance Backlog reserve)
- An underspend on debt costs of £1.7m largely due to accrued income on a deferred developer contribution, and to the capitalisation of interest costs relating to assets which were under construction at the year end
- Reduction in New Homes Bonus grant received of £1.8m
- Additional £3.6m of S31 grant income for business rates reliefs and other business rates retained income, primarily £3.2m of reliefs announced after the budget was set. (This is to offset the loss of business rates income)
- Section 278 income - £2.1m less due to lower levels of development activity
- Savings of £0.6m on the levy contribution to the business rates pool
- A surplus on the Insurance Fund of £0.3m has been taken to the general insurance reserve, therefore no variation to budget

**Budget Management - net variations against the approved budget**

|                    | Expenditure Budget<br>£'000 | Income Budget<br>£'000 | Latest Estimate<br>£'000 | PROJECTED VARIANCES |                   |                                 |                    |                              |                                |                               |                  |                        |                               | Total (under) /<br>overspend<br>£'000 |                 |
|--------------------|-----------------------------|------------------------|--------------------------|---------------------|-------------------|---------------------------------|--------------------|------------------------------|--------------------------------|-------------------------------|------------------|------------------------|-------------------------------|---------------------------------------|-----------------|
|                    |                             |                        |                          | Staffing<br>£'000   | Premises<br>£'000 | Supplies &<br>Services<br>£'000 | Transport<br>£'000 | Internal<br>Charges<br>£'000 | External<br>Providers<br>£'000 | Transfer<br>Payments<br>£'000 | Capital<br>£'000 | Appropriation<br>£'000 | Total<br>Expenditure<br>£'000 |                                       | Income<br>£'000 |
| Strategic Accounts | (9,295)                     | (37,774)               | (47,069)                 | 269                 | 260               | 225                             |                    |                              |                                |                               |                  | (410)                  | 344                           | (4,521)                               | (4,177)         |
| Debt               | 20,408                      | (982)                  | 19,426                   |                     |                   | 271                             |                    |                              |                                |                               |                  | (1,072)                | (801)                         | (858)                                 | (1,659)         |
| Govt Grants        | 1,739                       | (22,399)               | (20,660)                 |                     |                   |                                 |                    |                              |                                | (567)                         |                  |                        | (567)                         | (749)                                 | (1,316)         |
| Joint Committees   | 37,100                      | 0                      | 37,100                   |                     |                   |                                 |                    |                              | (8)                            |                               |                  |                        | (8)                           | (18)                                  | (24)            |
| Miscellaneous      | 6,243                       | (1,088)                | 5,155                    | (289)               |                   | 33                              |                    |                              | (51)                           |                               |                  |                        | (307)                         | 280                                   | (27)            |
| Insurance          | 10,280                      | (11,308)               | (1,028)                  |                     |                   | 708                             |                    | (233)                        |                                |                               |                  | 272                    | 745                           | (745)                                 | 0               |
| <b>Total</b>       | <b>66,475</b>               | <b>(73,551)</b>        | <b>(7,076)</b>           | <b>(20)</b>         | <b>260</b>        | <b>1,235</b>                    | <b>0</b>           | <b>(233)</b>                 | <b>(59)</b>                    | <b>(567)</b>                  | <b>(1,072)</b>   | <b>(138)</b>           | <b>(594)</b>                  | <b>(6,609)</b>                        | <b>(7,203)</b>  |

## STRATEGIC &amp; CENTRAL ACCOUNTS - 2017/18 FINANCIAL YEAR

| Key Budget Action Plans and Budget Variations:               |   |   | RAG | Budget | Forecast<br>Variation against<br>Budget |
|--|---|---|-----|--------|---|
|  | Lead Officer  | Additional Comments   |     | £m     | £m                                      |
| <b>A. Major Budget Issues</b>                                |   |   |     |        |   |
| 1.   | Debt Costs and External Income                      | Doug Meeson Interest income to accrue on deferred developer contribution to capital expenditure, capitalisation of interest on AUCs | G   | 18.2   | (1.7)                                   |
| 2.   | Minimum Revenue Provision                           | Doug Meeson No variation 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) | 1.8                                     |
| 4.   | Business Rates (S31 Grants, Tariff adjustment & EZ) | Doug Meeson New S31 grants announced and £2.1m in Small Business Rates Relief after budget was set                                  | G   | (9.6)  | (3.6)                                   |
| 5.   | S278 Contributions                                  | Doug Meeson £2.1m shortfall due to capital spend on the relevant schemes during the year.   | R   | (4.9)  | 2.1                                     |
| 6.   | General capitalisation target                       | Doug Meeson Capitalisation of eligible spend in directorate/service revenue budgets.  | G   | (3.5)  | 0.0                                     |
| 7.   | Schools capitalisation target                       | Doug Meeson Capitalisation of eligible spend in school revenue budgets.   | G   | (3.5)  | 0.0                                     |
| 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 Committees                                    | Doug Meeson No significant variation now anticipated.   | G   | 1.3    | 0.0                                     |
| 10.  | VAT   | Doug Meeson Reimbursement of VAT (backdated) for Sport income   | G   | 0.0    | (6.7)                                   |
| <b>B. Other Significant Budgets</b>                          |   |   |     |        |   |
| 1.   | Insurance   | Doug Meeson Saving of £272k transferred to Insurance reserve  | G   | (1.0)  | 0.0                                     |
| 2.   | Business Rates Levy                                 | Doug Meeson £0.567m reduction in the levy due.  | G   | 1.7    | (0.6)                                   |
| 3.   | Prudential Borrowing Recharges                      | Doug Meeson Prudential borrowing recharges are £0.326m less than budget   | G   | (14.7) | 0.3                                     |
| 4.   | Earmarked Reserves                                  | Doug Meeson Use of capital and other earmarked reserves.  | G   | (3.9)  | 0.0                                     |
| 5.   | Miscellaneous                                       | Doug Meeson No significant variation anticipated at this stage.   | G   | 5.2    | 0.0                                     |
| 6.   | CRCs  | Doug Meeson £260k additional cost above budget  | A   | 0.0    | 0.3                                     |
| 7.   | PPPU income   | Doug Meeson £440k shortfall against PPPU HRA income   | A   | 0.0    | 0.4                                     |
| 8.   | Other income  | Doug Meeson £200k recouped from dismissed employee and £100k recovered from debtor where bad debt provision previously raised       | G   | 0.0    | (0.3)                                   |
| 9.   | Strategic Accounts                                  | Doug Meeson £700k of reimbursed VAT income transferred to create a new 'Sport backlog maintenance' reserve and £53k of leakage      | G   | 0.0    | 0.8                                     |
| <b>Strategic &amp; Central Accounts - Forecast Variation</b> |   |   |     |        | <b>(7.2)</b>                            |

## Housing Revenue Account - Outturn Financial Dashboard - 2017/18 Financial Year

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

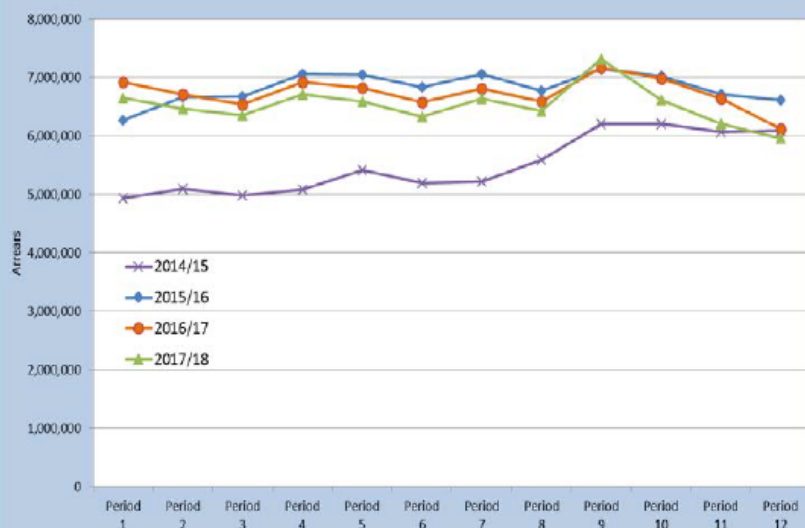
| Directorate              | Current Budget   | Actual Spend     | Variance to budget | Comments  | Period 11 variance |
|--------------------------|------------------|------------------|--------------------|---|--------------------|
|                          | £000             | £000             | £000               |   | £000               |
| <b>Income</b>            |                  |                  |                    |   |                    |
| Rents                    | (215,352)        | (214,907)        | 445                | Rent lower than budget due to lower stock numbers from increased RTB sales. The void level is at 0.98% which is above the 2017/18 target  | 400                |
| Service Charges          | (6,968)          | (6,898)          | 70                 | Community Links furniture offset by saving in supplies and services.  | 134                |
| Other Income             | (30,409)         | (30,922)         | (513)              | Increased fee income from projected RTB sales (£205k), KPI income (£88k), Wharfedale View catering income (£34k) (offset by an increase in internal charges), PFI income streams: interest, PTC, key job contribution (£88k). Court income (£37k), Capitalised salary costs £87k, Tenant insurance £37k (offset by savings in Supplies and Services), Mears and insurance refunds (£174k), Other various (£11k).  | (176)              |
| <b>Total Income</b>      | <b>(252,728)</b> | <b>(252,726)</b> | <b>2</b>           |   | <b>358</b>         |
| <b>Expenditure</b>       |                  |                  |                    |   |                    |
| Disrepair Provision      | 1,000            | 1,996            | 996                | Disrepair compensation and fees   | 896                |
| Repairs to Dwellings     | 43,548           | 42,509           | (1,039)            | Savings on external contracts and internal supplier   | (123)              |
| Council Tax on Voids     | 754              | 713              | (41)               | Reflects spend in year  | (40)               |
| Employees                | 26,314           | 25,085           | (1,229)            | Savings due to vacant posts and temporary staff secondments (£1,498k). This saving is offset by Disrepair agency staff £247k, Severance and pension costs to date £50k. Other smaller savings identified following a review of budgets (£27k).  | (1,204)            |
| Premises                 | 7,362            | 7,432            | 70                 | Utilities following resolution of billing issues £262k, Commercial Asset Management repairs savings (£121k), Saving on solar panel maintenance (£17k), Office savings (£42k), Other various savings (£12k)  | (120)              |
| Supplies & Services      | 4,377            | 3,993            | (384)              | Community Links furniture savings balanced by reduction in service charge income (£91k), Savings following a review of printing/leaflet requirements (£93k), Bank Charges (£178k), Tenant incentive mobility scheme (£63k), Tenant insurance (£38k), Other savings following review of budgets (including housing office project budgets) (£166k), Savings used to offset Sheltered furniture £160k, Tenancy Agreement review £57k and other small variances £8k. Changing the Workplace £20k funded through appropriations | (387)              |
| Internal Services        | 40,604           | 40,893           | 290                | Additional Fire Safety work £323k, Additional out of hours and concierge service £61k, Disrepair legal costs £294k and increased costs of RTB due to higher number of sales £69k. Underspend on PFI project management (£27k), PPPU reduction in charge following structure changes (£315k), and savings on other internal charges (£115k).   | 12                 |
| Capital Programme        | 72,001           | 73,709           | 1,708              | Transfer from reserves to fund Environmental Programme £1,707k (balanced by appropriation entry)  | -                  |
| Unitary Charge PFI       | 8,860            | 9,065            | 205                | PFI Scheme Adjustments: Unitary Charge (£210k), Insurance refund (£247k), Pass Through Costs £150k, PFI year-end accounting adjustment £484k, Other adjustments £28k.   | (284)              |
| Capital Charges          | 45,106           | 44,548           | (558)              | PFI accounting adjustment (£484k), Other savings on interest payable to general fund (£71k).  | 55                 |
| Other Expenditure        | 6,976            | 6,091            | (885)              | Bad debt provision following review of requirements (£587k), LTF saving (£21k), Transport savings (£30k), Community Payback £95k, BITMO management fee £18k, HAPS underspend (£300k) balanced by reduction in use of reserves, DHP saving (£40k).   | (678)              |
| <b>Total Expenditure</b> | <b>256,901</b>   | <b>256,034</b>   | <b>(867)</b>       |   | <b>(1,873)</b>     |

### Housing Revenue Account - Outturn Financial Dashboard - 2017/18 Financial Year

|                              |              |                |                |
|------------------------------|--------------|----------------|----------------|
| <b>Net Position</b>          | <b>4,173</b> | <b>3,308</b>   | <b>(865)</b>   |
| Appropriation: Sinking funds | (3,139)      | (2,739)        | 400            |
| Appropriation: Reserves      | (1,034)      | (1,973)        | (940)          |
| <b>(Surplus)/Deficit</b>     | <b>0</b>     | <b>(1,405)</b> | <b>(1,405)</b> |
| Proposed New Reserves        |              | 680            | 680            |
| Transfer to Capital Reserve  |              | 725            | 725            |
| <b>Total Current Month</b>   | <b>0</b>     | <b>0</b>       | <b>0</b>       |

|   |         |
|---|---------|
| Unitary Charge on PFI funded by sinking fund  | (1,515) |
| Use of reserves to fund: Transfers to capital programme (£1,707k), Changing the workplace (£20k) and Community payback (£95k).<br>Transfer to reserves: Wharfedale View sinking fund £10k<br>Not utilised reserves for: Income Team £474k, HAPs £300k, Local Initiatives £100k. | 402     |
| Proposed reserves for: Concierge Programme £400k and Sheltered Housing Furniture and Carpets £280k.   | 1,113   |
| Transfer year end surplus to capital reserve  | 0       |
|   | -       |
|   | -       |
|   | 0       |

Comparison of Current Tenant Arrears by Financial Year



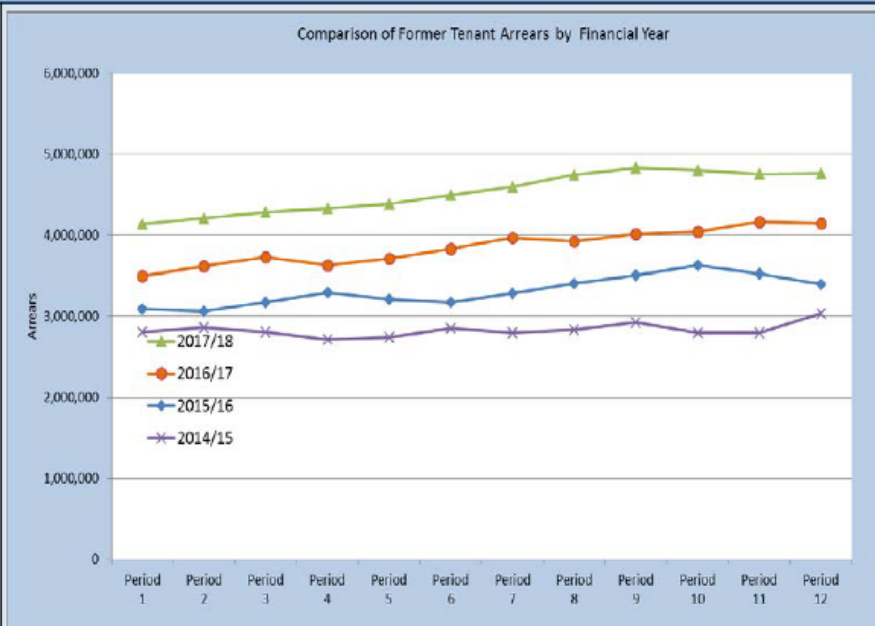
| Change in Stock                  | Budget     | Actual     |
|----------------------------------|------------|------------|
| Right to Buy sales*              | 350        | 508        |
| New Build (PFI)                  | 0          | 0          |
| New Build (Council House Growth) | (101)      | (101)      |
| <b>Total</b>                     | <b>249</b> | <b>407</b> |

\* actual sales as at the end of Period 12: 508

| Right to Buy Receipts                  | 2016/17 Actual | 2017/18 Actual |
|--|----------------|----------------|
| Total Value of sales (£000s)           | 25,983         | 26,356         |
| Average Selling Price per unit (£000s) | 50.4           | 51.9           |
| Number of Sales*                       | 516            | 508            |
| Number of Live Applications            | 1,165          | 1,417          |



### Housing Revenue Account - Outturn Financial Dashboard - 2017/18 Financial Year



| Arrears  | 2016/17                | 2017/18      | Variance |
|--|------------------------|--------------|----------|
|  | £000                   | £000         | £000     |
| <b>Dwelling rents &amp; charges</b>              | <b>2017/18 Week 52</b> |              |          |
| Dwelling Rents (HMA1 Figure)                     | 5,585                  | 5,341        | (244)    |
| Non dwelling rents/charges (garages/Court costs) | 538                    | 617          | 79       |
| <b>Total Current Tenants</b>                     | <b>6,123</b>           | <b>5,958</b> |          |
| Former Tenants                                   | 4,144                  | 4,764        | 620      |
|  | 10,266                 | 10,721       | 455      |
| <b>Under occupation</b>                          | <b>2017/18 Week 52</b> |              |          |
| Volume of Accounts                               | 4,655                  | 4,357        | (298)    |
| Volume in Arrears                                | 2,155                  | 1,873        | (282)    |
| % in Arrears                                     | 46.3%                  | 43.0%        | -3.3%    |
| Value of Arrears                                 | 576                    | 502          | (74)     |
| <b>Collection Rates</b>                          | <b>2017/18 Week 52</b> |              |          |
| Dwelling rents                                   | 97.43%                 | 97.44%       | 0.0%     |
| Target   | 97.50%                 | 97.50%       |          |
| Variance to Target                               | -0.07%                 | -0.06%       |          |

## Housing Revenue Account - Outturn 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)         | 136             | 0                        | (6,495)          |
| <b>Earmarked Reserves</b>                          |                 |                 |                          |                  |
| Environmental Works                                | (1,668)         | 1,668           |                          | 0                |
| Insurance - large claims                           | (137)           |                 |                          | (137)            |
| Welfare Change                                     | (1,782)         |                 |                          | (1,782)          |
| Housing Advisory Panels                            | (699)           | 459             | (300)                    | (540)            |
| 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)           | 21              |                          | (332)            |
| eFiles Box-It Project                              | (262)           |                 |                          | (262)            |
| <b>Proposed Earmarked Reserves</b>                 |                 |                 |                          |                  |
| Wharfedale View Sinking Fund                       | 0               |                 | (10)                     | (10)             |
| Concierge Pilot                                    | 0               |                 | (400)                    | (400)            |
| Sheltered Housing Furniture and Carpets            | 0               |                 | (280)                    | (280)            |
|  | <b>(8,610)</b>  | <b>2,148</b>    | <b>(990)</b>             | <b>(7,452)</b>   |
| <b>PFI Reserves</b>                                |                 |                 |                          |                  |
| Swarcliffe PFI Sinking Fund                        | (10,343)        | 2,933           | 0                        | (7,410)          |
| LLBH&H PFI Sinking Fund                            | (2,515)         | 0               | (195)                    | (2,710)          |
|  | <b>(12,858)</b> | <b>2,933</b>    | <b>(195)</b>             | <b>(10,120)</b>  |
| <b>Capital Reserve</b>                             |                 |                 |                          |                  |
| MRR (General)                                      | (14,960)        | 62,475          | (71,000)                 | (23,485)         |
| MRR (New Build)                                    | (12,540)        | 8,282           | 0                        | (4,258)          |
| MRR (HRA RCCOs)                                    | (3,003)         |                 | (725)                    | (3,728)          |
|  | <b>(30,502)</b> | <b>70,757</b>   | <b>(71,725)</b>          | <b>(31,470)</b>  |
| <b>Total</b>                                       | <b>(58,601)</b> | <b>75,974</b>   | <b>(72,910)</b>          | <b>(55,538)</b>  |

| Directorate               | Description of Reserve                            | Balance 1st<br>April 2017 | Actual<br>Transfers To &<br>From Reserve | Balance at<br>Outturn 2017/18 | Reason for the Reserve   |
|---------------------------|---|---------------------------|--|-------------------------------|--|
|                           |   | £k                        | £k                                       | £k                            |  |
|                           | <b>GENERAL FUND</b>                               | <b>(20,070)</b>           | <b>(5,564)</b>                           | <b>(25,634)</b>               |  |
| Adults & Health           | S256 funding for health inequalities              | (3,615)                   | 674                                      | (2,941)                       | Specific funding from Leeds South and East CCG for tackling health inequalities.   |
| Adults & Health           | Health and Social Care (CCG)                      | (1,991)                   | (758)                                    | (2,749)                       | To fund Health and Social Care priorities  |
| Adults & Health           | Safeguarding (Adults)                             | (94)                      | (120)                                    | (214)                         | Independent Safeguarding Board - carry forward of partner contributions.   |
| Adults & Health           | Prisons Reserve                                   | 0                         | (205)                                    | (205)                         | CCG funding for social work in prisons   |
| Adults & Health           | Drugs Reserve                                     | 0                         | (133)                                    | (133)                         | Carry forward of external income for drug and alcohol priorities   |
| Adults & Health           | Transforming Care                                 | 0                         | (1,700)                                  | (1,700)                       | Provision to mitigate against costs associated with the NHS England led transfer of care packages to a community setting, in accordance with 2017/18 budget report   |
| Adults & Health           | Social Care Development Reserve                   | 0                         | (600)                                    | (600)                         | Provision to meet costs associated with development of social care models e.g. Recovery Model in accordance with 2017/18 budget report   |
| Adults & Health           | Resilience Reserve                                | 0                         | (1,000)                                  | (1,000)                       | Provision to mitigate against unforeseen demand pressures e.g. caused by hot summers, cold winters flu outbreaks etc., in accordance with 2017/18 budget report  |
| Adults & Health           | Spring Budget                                     | 0                         | (5,602)                                  | (5,602)                       | Carry forward of Spring Budget monies from DCLG.   |
| Adults & Health           | Skills for Care                                   | 0                         | (196)                                    | (196)                         | To provide funding for training of Care Workers  |
| Adults & Health           | Winter Monies                                     | 0                         | (600)                                    | (600)                         | Funding received from Leeds CCG to reduce delays in transferring people out of hospitals back into community based care  |
| Children & Families       | Health Innovations                                | (1,248)                   | (429)                                    | (1,677)                       | Monies given by Health Service for a number of joint initiatives around commissioning & children's centres   |
| Children & Families       | Safeguarding (Children's)                         | (201)                     | 32                                       | (169)                         | Independent Safeguarding Board - carry forward of partner contributions to fund serious case reviews   |
| City Development          | HS2   | (156)                     | 0  | (156)                         | To support the costs of developing and progressing master planning for the Southbank; including HS2 planning.  |
| City Development          | Sport Maintenance Backlog Reserve                 | 0                         | (700)                                    | (700)                         | Contribution towards addressing the backlog of maintenance requirements at the council's sports facilities.  |
| Communities & Environment | Casino License                                    | (435)                     | 258                                      | (177)                         | Reserve for creation of Social Inclusion Fund as per licence bid and to fund LCC inclusion team.   |
| Communities & Environment | Economic, Social and Environmental Wellbeing fund | (349)                     | 0  | (349)                         | Carry forward balances on the wellbeing budgets of Community Committee.  |
| Communities & Environment | Parks Special Project - Temple Newsam             | (81)                      | 58                                       | (23)                          | To cover cost of repairing fire damage at Temple Newsam Home farm.   |
| Communities & Environment | Communities Innovation Fund                       | (80)                      | 33                                       | (47)                          | To fund work with the 3rd Sector to develop future financial sustainability in the sector.   |
| Communities & Environment | Immigration Advice                                | (60)                      | 60                                       | 0                             | Fund to assist Chapeltown Citizens Advice Bureau to provide immigration advice to clients  |
| Resources & Housing       | Homelessness Prevention Fund                      | (120)                     | (689)                                    | (809)                         | To fund Homelessness prevention  |
| Resources & Housing       | Business Transformation                           | (48)                      | 48                                       | 0                             | Siebel review (system of customer facing communication etc)  |
| Resources & Housing       | Lord Mayor  | (35)                      | (13)                                     | (48)                          | Balance of budget carried forward.   |
| Resources & Housing       | Armed Forces Day                                  | (30)                      | 24                                       | (6)                           | Funding for Armed Forces Days 2017/18  |
| Resources & Housing       | Members club                                      | (8)                       | 0  | (8)                           | Surplus on the Members Club.   |
| Resources & Housing       | Sustainable Energy & Air Quality                  | 0                         | (200)                                    | (200)                         | To support delivery of work on Air Quality   |
| Strategic                 | Capital reserve                                   | (3,372)                   | 3,372                                    | 0                             | Directorate contributions towards borrowing costs of capital schemes. Contributions received over life of asset and released back to revenue to cover debt costs over life of loan. Reserve now exhausted. |
| Strategic                 | General Insurance                                 | (2,659)                   | (273)                                    | (2,932)                       | To help fund cost of future insurance claims   |
| Strategic                 | Mutual Municipal Insurance                        | (11)                      | 0  | (11)                          | Reserve to fund potential claw backs of past insurance receipts from MMI.  |
| Strategic                 | ELI Reserve                                       | (2,000)                   | 0  | (2,000)                       | Reserve carried forward to support 18/19 base: ELI severance now funded by capital receipts in line with Council agreed policy.  |
| Strategic                 | Invest to Save                                    | (1,000)                   | 392                                      | (608)                         | Fund to get projects off the ground to generate future revenue savings.  |
| Strategic                 | Demographic and Demand                            | (380)                     | 380                                      | 0                             | Reserve to help fund future demographic demands.   |
| Strategic                 | Legal Cost of VAT claims                          | (63)                      | 0  | (63)                          | Funds set aside from £8.4m VAT claim refund received in 10/11 (originally £100k) to help fund legal costs for remaining VAT cases  |
| Strategic                 | Energy Efficiency Reserve - LCC                   | (4)                       | 0  | (4)                           | Energy efficiency reserve to fund invest to save energy efficiency initiatives.  |
|                           | Sub-total Earmarked Reserves                      | (18,040)                  | (7,887)                                  | (25,927)                      |  |
|                           | <b>Total non-ring fenced Reserves</b>             | <b>(38,110)</b>           | <b>(13,451)</b>                          | <b>(51,561)</b>               |  |

| Directorate         | Description of Reserve  | Balance 1st<br>April 2017 | Actual<br>Transfers To &<br>From Reserve | Balance at<br>Outturn 2017/18 | Reason for the Reserve  |
|---------------------|---|---------------------------|--|-------------------------------|---|
|                     |   | £k                        | £k                                       | £k                            |   |
| Schools             | Extended Schools Balances   | (9,017)                   | 1,639                                    | (7,378)                       | Surpluses on extended school activities carried forward   |
| Schools             | School Balances   | (17,159)                  | 1,935                                    | (15,224)                      | Schools balances net of VER, Children's Services and BSF PFI borrowing  |
| Schools             | Dedicated Schools Grant   | 3,633                     | (678)                                    | 2,955                         | Carry forward of ring fenced DSG funding.   |
| Resources & Housing | Taxi & Private Hire Licensing Surplus   | (314)                     | 301                                      | (13)                          | Ring fenced reserve for taxi and private hire licensing service.  |
| Strategic           | Energy Efficiency Reserve - Salix   | (158)                     | (109)                                    | (267)                         | Energy efficiency reserve to fund invest to save energy efficiency initiatives.   |
| Strategic           | Revenue grants  | (10,497)                  | 5,726                                    | (4,771)                       | Revenue grants carried forward as per IFRS requirements (see note 1 below)  |
|                     | Sub-total GF ring fenced reserves   | (33,512)                  | 8,814                                    | (24,698)                      |   |
|                     | <b>Note 1: Revenue Grants</b>   |                           |  |                               |   |
|                     | Adult Social Care   | 0                         | (122)                                    | (122)                         | Public Health grant carried forward   |
|                     | Children & Families (Partners in Education (Re-Imagining Children Services for the 21st Century)) | (7,318)                   | 6,051                                    | (1,267)                       | £7.318m DfE Partners In Practise funding received in 16/17 to be used in 17/18 and 18/19.   |
|                     | Children & Families (Other)   | (274)                     | (1,423)                                  | (1,697)                       | Revenue grants carried forward  |
|                     | City Development  | (1,378)                   | 19                                       | (1,359)                       | Revenue grants carried forward  |
|                     | Communities & Environment   | (44)                      | (83)                                     | (127)                         | Revenue grants carried forward  |
|                     | Resources & Housing   | 0                         | (99)                                     | (99)                          | Revenue grants carried forward  |
|                     | Strategic Accounts (Flood)  | (1,483)                   | 1,383                                    | (100)                         | Flood relief scheme for businesses  |
|                     | Sub-total Revenue Grants  | (10,497)                  | 5,726                                    | (4,771)                       |   |
|                     | <b>HRRING FENCED RESERVES</b>   |                           |  |                               |   |
|                     | HRA General Reserve   | (6,631)                   | 136                                      | (6,495)                       |   |
|                     | Environmental Works   | (1,668)                   | 1,668                                    | 0                             | To fund environmental works in the Swarcliffe PFI area  |
|                     | Insurance (Large Claims)  | (137)                     | 0  | (137)                         | To fund the cost of insurance claims  |
|                     | Welfare Change  | (1,782)                   | 0  | (1,782)                       | To fund pressures arising from welfare reform.  |
|                     | Housing Advisory Panels (HAPs) Reserve  | (699)                     | 158                                      | (541)                         | To fund projects identified by Housing Advisory Panels which benefit the tenants and residents in the community they represent.   |
|                     | Sheltered Housing   | (3,238)                   | 0  | (3,238)                       | To fund investment in sheltered housing schemes which will contain shared bathing facilities and fund improved access for people with mobility issues.                  |
|                     | Holdsworth Place (Land Purchase)  | (64)                      | 0  | (64)                          | To fund the purchase of land at Holdsworth Place  |
|                     | Early Leavers' Initiative   | (408)                     | 0  | (408)                         | To fund the cost of approved severance payments   |
|                     | Changing the Workplace  | (353)                     | 21                                       | (332)                         | To fund the cost of 'new ways of working' for staff in Housing Leeds as office moves are completed.   |
|                     | eFiles Box It Project   | (262)                     | 0  | (262)                         | Principally to fund the scanning of Housing Management paper files to electronic files - to assist the Housing Service in the preparation for moving to Community Hubs. |
|                     | Wharfedale View SF  | 0                         | (10)                                     | (10)                          | Contribution from shared owners towards future costs of replacing furniture and carpets at Wharfedale View Extra Care facility  |
|                     | Concierge Service to Multi Storey Flats   | 0                         | (400)                                    | (400)                         | To fund the extension of the Concierge service in Multi-Storey flat areas in order to reduce the impact of Anti-Social behaviour  |
|                     | Sheltered Housing Furniture & Carpets   | 0                         | (280)                                    | (280)                         | To replace furniture and carpets in sheltered housing schemes   |
|                     | Swarcliffe PFI  | (10,343)                  | 2,933                                    | (7,410)                       | PFI Sinking Fund  |
|                     | LLBH&H PFI Sinking fund   | (2,515)                   | (195)                                    | (2,710)                       | PFI Sinking Fund  |
|                     | Major Repairs Reserve   | (30,501)                  | (969)                                    | (31,470)                      | Ring-fenced to fund capital expenditure or redeem debt.   |
|                     | Sub-total HRA reserves  | (58,601)                  | 3,062                                    | (55,539)                      |   |
|                     | <b>Total ring fenced Reserves</b>   | <b>(92,113)</b>           | <b>11,876</b>                            | <b>(80,237)</b>               |   |
|                     | <b>TOTAL RESERVES</b>   | <b>(130,223)</b>          | <b>(1,575)</b>                           | <b>(131,798)</b>              |   |

## CAPITAL PROGRAMME - 2017/18 GENERAL FUND OUTTURN VARIATIONS

The following table highlights main scheme variations between the estimates in February 2018 and the final 2017/18 outturn. The variations are based on those programmes/schemes with significant variations both over/under > £250k.

| Directorate     | Programme/<br>Scheme         | 02.02.18 | 2017/18<br>Actual<br>£000s | Variation<br>Under (-)/<br>Over £000s | Reason for variation  |
|-----------------|------------------------------|----------|----------------------------|---------------------------------------|---|
| Adults & Health | Services for older people    | 2,368.9  | 1,065.1                    | (1,303.8)                             | Non-recurrent In year savings were used to fund building refurbishments, including those required for the delivery of the Intermediate Care/Recovery Beds commissioned by the CCG. These schemes (£1.4m) were due to be funded via prudential borrowing. As a result there will be ongoing recurrent revenue savings for Adults and Health. |
|                 | Digital Information Services | 1,371.8  | 517.8                      | (854.0)                               | The 10 schemes within Business Intelligence, Digital Transformation and schemes to be delivered in partnership with the NHS have slipped to 2018/19. A&H are in the process of finalising plans for their IT based schemes for this and the next two years.   |
|                 | Public Health                | 543.9    | 0.0                        | (543.9)                               | No suitable property identified for our residential rehab and detox service. The scheme involved the purchase and refurbishment of a property to develop the service. This grant is now due to be paid back to govt.  |
|                 |                              | 4,284.6  | 1,582.9                    | (2,701.7)                             |   |

| Directorate         | Programme/<br>Scheme  | 02.02.18 | 2017/18<br>Actual<br>£000s | Variation<br>Under (-)/<br>Over £000s | Reason for variation  |
|---------------------|---|----------|----------------------------|---------------------------------------|---|
| Strategic & Central | General Capitalisations, Transformational Change & Interest | 7,786.5  | 7,358.0                    | (428.5)                               | Year end exercise to assess capital and revenue expenditure resulting in increased capitalisations from directorate revenue of £1m. The transformational change programme (£1.4m) came in under the provision needed for 2017/18 early leaver initiative severance costs and the balance will be carried forward to 2018/19.  |
|                     | Changing the Workplace                                      | 27,032.7 | 22,079.0                   | (4,953.7)                             | Merrion refurbishment works including tenants enhancements, new Merrion generator and furniture and equipment (£3m) less than anticipated at the setting of the programme in February. The recycling of furniture has enabled continuous savings within the programme. Civic Hall, remaining phase 1 projects and other small enabling moves came in under by (£1.2m). St Georges House (£0.7m) level 3 fit out has commenced and is due to complete July |
|                     | Other schemes   | 1,831.3  | 1,847.3                    | 16.0                                  | No material variances on the remaining schemes within Strategic and Central.  |
|                     |   | 36,650.5 | 31,284.3                   | (5,366.2)                             |   |

| Directorate      | Programme/<br>Scheme     | 02.02.18 | 2017/18<br>Actual<br>£000s | Variation<br>Under (-)/<br>Over £000s | Reason for variation  |
|------------------|--------------------------|----------|----------------------------|---------------------------------------|---|
| City Development | Highways                 | 63,122.6 | 57,914.8                   | (5,207.8)                             | Highways accounts for almost 72% of the 2017/18 City Development programme. Unexpected scheme delays on our major programmes account for (£5.8m) of the variance including East Leeds Orbital Road (£2.0m) and Cycle City Ambition Ph2 (£1.4m) which can be explained by the liquidation of the contractor Carillion. Major programmes which encountered unexpected delays (£1.4m) including Claypit Lane (site issues), Temple Green Park and Ride (remedial works less than expected), adoption of highways in PFI area (weather conditions March) and City Centre Vehicle restrictions (procurement issues). The city wide bridges and structures programme (£1m) have seen delays on site due to contractor procurement issues. This has been offset by additional spend on Highways Maintenance capitalisations £0.6m. Other highways schemes within the 390+ schemes delivered in year that have over and underspends have no material variances to explain within this |
|                  | Heritage Asset Programme | 3,032.7  | 1,802.4                    | (1,230.3)                             | The Heritage Asset programme will carry forward the balance of (£1.2m) to 2018/19. Conditional surveys are being carried out to inform future provision that will be needed to our Heritage Assets.   |
|                  | Culture and Sport        | 4,346.6  | 2,531.2                    | (1,815.4)                             | The Grand Theatre refurbishment achieved practical completion on August 2017 however the defects liability period finishes in Aug 2018, and any retention monies (£0.7m) will be paid then. Airborough Sports centre and overall sports maintenance schemes (£0.7m) encountered delays due to the discovery of asbestos in several areas. Other remaining schemes within Culture and Sport have no material variances to explain within this report.  |
|                  | Economic Development     | 5,495.4  | 4,932.9                    | (562.5)                               | No material variances in the 46 Economic Development schemes.   |
|                  | Regeneration             | 1,639.4  | 1,013.0                    | (626.4)                               | Lower Kirkgate THI (£0.8m) project has a contrasting mix of ownership types in the area, the majority of projects are gaining momentum as the project enters its final 2 years. A total of £500k is ring-fenced for the First White Cloth Hall, which has recently gained planning permission and listed building consent. The grant has been agreed by EB subject to post tender details being agreed by the Director of City Development. Start on site is planned for late summer 2018 and the programme will last approximately 1 year. This is offset by capitalisations within the regeneration team £0.2m for developments to future transformational schemes.   |
|                  | * Other City Development | 13,159.5 | 11,928.7                   | (1,230.8)                             | * These figure includes the March EB approval of the strategic investment fund acquisition £8.4m which was finalised in March 2018. No other material variances on the remaining 40+ schemes within City Development.   |
|                  |                          | 90,796.2 | 80,123.0                   | (10,673.2)                            |   |

| Directorate          | Programme/<br>Scheme                               | 02.02.2018      | 2017/18<br>Actual<br>£000s | Variation<br>Under (-)/<br>Over £000s | Reason for variation   |
|----------------------|--|-----------------|----------------------------|---------------------------------------|--|
| Childrens & Families | Social Emotional and<br>Mental Health<br>Programme | 29,419.3        | 27,458.6                   | (1,960.7)                             | All 3 SEMH sites have seen some delays; North - (£1.4m) Costs certified but not yet paid, plus works were re-sequenced to maintain access to building to enable construction of Multi Use Games Area (MUGA), resulting in the lower than anticipated spend. South - (£0.3m) Revised completion date for external works due to bad weather, plus delays in billing, delays to groundworks at front of site due to siting of cabins. East (£0.2m) - Highways works delays causing slippage in programme - works have been rescheduled to May half term in order to maintain school access. |
|                      | Learning Places                                    | 41,458.4        | 36,579.0                   | (4,879.4)                             | The (£4.9m) variance within the 80+ schemes delivered in our learning places programme is primarily due to:- schemes at Park Spring, Iveson, Hovingham, Brudenell, Fieldhead Carr, Greenside, Cockburn, Roundhay and Shakespeare with the main reasons being the unexpected weather and resequencing of works, with the knock on effect in delayed works and the impact on spend in 2017/18. There were no other material variances within the 70 schemes delivered as part of the learning places programme.'   |
|                      | Schools Capital<br>Maintenance                     | 10,725.0        | 9,332.9                    | (1,392.1)                             | Numerous roofing works deferred. The combined LEP and Kitchen Ventilation works final account savings with client contingency not required. NW SILC Green Meadows & Bradford Road sites fire scheme charges final account savings, plus net savings on other minor works.  |
|                      | Other Children's<br>Services Schemes               | 7,977.9         | 7,310.6                    | (667.3)                               | No material variances on remaining 84 schemes within Children's Services.  |
|                      |  | <b>89,580.6</b> | <b>80,681.1</b>            | <b>(8,899.5)</b>                      |  |

| Directorate                         | Programme/<br>Scheme   | 02.02.2018 | 2017/18<br>Actual<br>£000s | Variation<br>Under (-)/<br>Over £000s | Reason for variation   |  |
|-------------------------------------|--|------------|----------------------------|---------------------------------------|--|--|
| Resources & Housing<br>General Fund | Energy Efficiency<br>programme   | 3,779.8    | 2,036.9                    | (1,742.9)                             | There are a lot of interdependencies and mitigating factors, within the District Heating Network programme which has led to this (£1.5m) variance at outturn, there are major risks with a high reliance on external stakeholders in order to be able to deliver this project. These major risks will take time to mitigate and reduce down to a manageable level such as the renewable energy certificates (ROCS), wayleaves and securing and finalising heat customers. There are no other material variances on the remaining         |  |
|                                     | Corporate Property<br>Management - Main<br>works to Corporate<br>buildings | 3,736.7    | 2,058.1                    | (1,678.6)                             | Of the variance at outturn (£1.7m) 80% will be completed by end of June 2018. CPM have identified a number of schemes 16/17 (£0.4m) carried forward where approval had been granted in previous years where work was not going to proceed. This has now been released and put back into the annual programme. A number of schemes which were due to be delivered in 2017/18 are now going through a value for money review.  |  |
|                                     | CPM - Demolitions  | 1,778.2    | 426.8                      | (1,351.4)                             | Previous years programme delayed to ensure that correct governance in place within City Development to declare asset surplus to requirements. Delays to Grafton Centre (£0.25m) approved for demolition then held for potential school use. Some delays encountered due to ecological surveys, this process to be reviewed to avoid any future instances. No works took place on the asbestos removal scheme (£0.2m). All proposed known demolitions not completed in 2017/18 are now approved and planned for demolition in Q1 (£0.8m). |  |
|                                     | CPM - Fire Risk<br>Assessment<br>Remedial works                            | 1,222.9    | 700.0                      | (522.9)                               | Main reason for underspend due to delays getting schemes to design freeze, with Civic Hall issues ongoing with design consultants.   |  |
|                                     | Vehicle Replacement<br>Programme   | 2,968.5    | 2,455.7                    | (512.8)                               | Waste Management Vehicles not replaced (£327k) along with a number of other cross directorate vehicles which will now be part of the 2018/19 programme.  |  |
|                                     | Digital Information<br>Services and  | 6,942.8    | 6,613.3                    | (329.5)                               | No material variances on the 20 Digital Information Services and Finance schemes.  |  |
|                                     | Private Sector<br>renewal including<br>adaptations to private<br>sector    | 10,386.4   | 10,780.2                   | 393.8                                 | The Holbeck group repair scheme £0.4m had a higher than expected sign up of private sector owners in year leading to higher group repair works than expected.  |  |
|                                     | Other Resources<br>and Housing<br>Schemes                                  | 1,676.4    | 1,027.4                    | (649.0)                               | Civic Hall backlog maintenance (£0.25m) is committed and will now be spent in 2018/19. No other material variances in the remaining R&H schemes.   |  |
|                                     |  |            | 32,491.7                   | 26,098.4                              | (6,393.3)  |  |



| Directorate                  | Programme/<br>Scheme   | 02.02.2018      | 2017/18<br>Actual<br>£000s | Variation<br>Under (-)/<br>Over £000s | Reason for variation  |
|------------------------------|------------------------|-----------------|----------------------------|---------------------------------------|---|
| Communities &<br>Environment | The Arium              | 2,251.6         | 2,823.8                    | 572.2                                 | Against the original scheme estimate the current overspend of £572.2k has been funded from borrowing to cover essential variations at outturn 2017/18 that were incurred to promote further commercial development and revenue growth.. Further essential variations in 2018/19 are likely to be required when the scheme completes. This will then be reported in a future capital programme |
|                              | Parks Main Programme   | 5,376.3         | 4,390.6                    | (985.7)                               | Replacement of machinery and equipment due to be purchased in 2017/18 £0.4m will now arrive in 2018/19. Of the remaining 100+ schemes within Parks & Countryside there are no other material variances.   |
|                              | Community HUBS         | 2,413.7         | 2,158.2                    | (255.5)                               | The transfer of (£0.2m) at year end to a scheme within asset management as best use of resources accounts for the majority of the variance within Community Hubs.   |
|                              | Waste Operational      | 1,043.2         | 730.5                      | (312.7)                               | No material variances in the 18 schemes delivered within the Waste Management Programme.  |
|                              | Other E&H General Fund | 2,269.4         | 2,279.1                    | 9.7                                   | No other material variances on remaining schemes within Communities and Environment.  |
|                              |                        | <b>13,354.2</b> | <b>12,382.2</b>            | <b>(972.0)</b>                        |   |

|                                     |                  |                  |                   |
|-------------------------------------|------------------|------------------|-------------------|
| <b>Total General Fund Variances</b> | <b>267,157.8</b> | <b>232,151.9</b> | <b>(35,005.9)</b> |
|-------------------------------------|------------------|------------------|-------------------|

#### CAPITAL PROGRAMME - 2017/18 HRA, HOUSING LEEDS & BITMO OUTTURN VARIATIONS

The following table highlights main scheme variations between the estimates in February 2018 and the final 2017/18 outturn.

The variations are based on those programmes/schemes with significant variations both over/under > £250k.

| Directorate                  | Programme/<br>Scheme             | 02.02.2018      | 2017/18<br>Actual<br>£000s | Variation<br>Under (-)/<br>Over £000s | Reason for variation   |
|------------------------------|----------------------------------|-----------------|----------------------------|---------------------------------------|--|
| Resources and Housing<br>HRA | Council Housing Growth Programme | 13,665.3        | 14,621.1                   | 955.8                                 | A £1m injection into the CHGP was actioned in March 2018 as the result of the correct capture of staffing within the Housing Growth team for previous years. This has also allowed us to utilise additional RTB receipts to part fund this scheme which would otherwise have been lost to the programme. |
|                              | Housing Leeds                    | 69,000.0        | 69,268.0                   | 268.0                                 | Some overs and unders within the 200 schemes delivered but no material variances overall.  |
|                              | BITMO                            | 1,871.7         | 1,913.7                    | 42.0                                  | No material variances  |
| <b>Total HRA Variances</b>   |                                  | <b>84,537.0</b> | <b>85,802.8</b>            | <b>1,265.8</b>                        |  |

|  |                  |                  |                   |
|--|------------------|------------------|-------------------|
| <b>Total Capital Program Variances</b> | <b>351,694.8</b> | <b>317,954.7</b> | <b>(33,740.1)</b> |
|--|------------------|------------------|-------------------|

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## Report of Head of Governance and Scrutiny Support

### Report to Scrutiny Board (Strategy and Resources)

Date 16 July 2018

### Subject: Financial Health Monitoring 2018/19 (Month 2)

|  |                              |  |
|--|------------------------------|--|
| Are specific electoral Wards affected?<br>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?<br>If relevant, Access to Information Procedure Rule number:<br>Appendix number: | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

### Summary of main issues

1. During its meeting on 27<sup>th</sup> June 2018, the Executive Board received a report from the Chief Officer for Financial Services on the financial health of the authority in respect of both the revenue budget and the Housing Revenue Account for the first two months of the financial year.
2. In previous years, the Scrutiny Board has also routinely monitored the Council's financial health through regular reports from the Chief Finance Officer. As such, the financial health monitoring report (month 2) has also been provided for the Board's consideration.

### Recommendations

3. That the Scrutiny Board considers the attached Executive Board report and agrees any specific scrutiny actions that may be appropriate.

### Background documents<sup>1</sup>

4. None.

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

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**Report of the Chief Officer Financial Services**

**Report to Executive Board**

**Date: 27<sup>th</sup> June 2018**

**Subject: Financial Health Monitoring 2018/19 – Month 2 (May 2018)**

|  |   |
|--|---|
| Are specific electoral Wards affected?<br>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?<br>If relevant, Access to Information Procedure Rule number:<br>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 for the first two months of the financial year.
  
2. The 2018/19 financial year is the third 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 2018/19 requires the Council to deliver a further £34m 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.
  
4. This is the first budget monitoring report of the year, and Executive Board will recall that the 2018/19 general fund revenue budget, as approved by Council provides for a variety of actions to reduce net spend through the delivery of £34m of budget action plans by March 2019. At this early stage of the financial year, it is clear that the majority of these actions are on track to be delivered, however this report highlights a potential overall overspend of £2.2m and measures will be required to be identified and implemented so that a balanced budget position can be delivered.

5. At Month 2, the Housing Revenue Account is projecting a balanced budget position.

## **Recommendation**

6. Executive Board are asked to note the projected financial position of the authority.

### **1. Purpose of this report**

- 1.1 This report sets out for the Executive Board the Council's projected financial health position for 2018/19 at month 2.
- 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 2018/19 was set at £510.9m.
- 2.2 Following the closure of the 2017/18 accounts, an underspend of £7.0m was achieved and this has been added into the Council's general reserves. This contribution to the Council's reserves had not been budgeted for in 2016/17.
- 2.3 The balance of general reserves at the end of March 2017 was £20.1m and when taking into account the budgeted use of £1.4m in 2016/17, and the contribution from the underspend in 2017/18, this leaves a balance at March 2017 of £25.6m.
- 2.4 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.
- 2.5 This first monitoring report in 2018/19 is intended to highlight any known variations to the approved budget at an early stage in the financial year. A more detailed quarter 1 report, including financial dashboard information for all directorates, will be presented to the July meeting of the Executive Board.
- 2.6 Looking beyond 2018/19 a report is timetabled to be considered at Executive Board in July and this will provide an update to the medium-term financial strategy. This will take account of the final year of the government's 4-year funding settlement, the move to greater business rate retention, potential increasing funding from local taxation and income, the impact of increasing demand and cost pressures and ultimately what actions and decisions will need to be taken in order to stay within the anticipated financial resources.

### 3. Main Issues

- 3.1 After two months of the financial year an overspend of £2.2m is projected, as shown in Table 1 below.

Table 1

#### Summary Position - Financial Year 2018/19

#### Reporting Period Month 2

|                            |                   | (Under) / Over spend for the current period |                   |              |                          |
|----------------------------|-------------------|---|-------------------|--------------|--------------------------|
| Directorate                | Director          | Staffing                                    | Total Expenditure | Income       | Total (under) /overspend |
|                            |                   | £000  | £000              | £000         | £000                     |
| Adults & Health            | Cath Roff         | (819)                                       | (367)             | 367          | 0                        |
| Children and Families      | Steve Walker      | 12  | 812               | 100          | 912                      |
| City Development           | Martin Farrington | (1,404)                                     | (665)             | 665          | 0                        |
| Resources & Housing        | Neil Evans        | (1,485)                                     | (775)             | 775          | 0                        |
| Communities & Environment  | James Rogers      | 12  | (25)              | 25           | 0                        |
| Strategic                  | Doug Meeson       | 0   | 585               | 700          | 1,285                    |
| <b>Total Current Month</b> |                   | <b>(3,684)</b>                              | <b>(435)</b>      | <b>2,632</b> | <b>2,197</b>             |

- 3.2 The major variations are outlined below;

- 3.2.1 **Children and Families** – Whilst still early in the financial year there are a number of budget pressures that mean it will be challenging for the directorate to contain spend within the approved budget without additional saving proposals being identified, agreed and implemented. The projected year-end position is an overspend of £0.9m. This is significantly lower at this stage than in recent years and reflects the increases made to the Children and Families budget, particularly demand-led budgets, over the last two years.

As in previous years the main budget pressure is likely to be on the demand led budgets of Children Looked After (CLA) and transport. Whilst the CLA budget has been increased by £8m over the last two years there are still significant demand and demography pressures on this budget that are resulting in an upward pressure in terms of costs. External Residential (ER) and Independent Fostering Agency (IFA) placements are both currently higher than the budgeted assumptions although the variance is much lower than in previous years. The directorate has agreed a number of actions including reviewing ER placements in order to ensure that placements are still appropriate. The number of children in ER placements has already reduced from 66 to 62 from the start of the financial year. The ER budget is projected to overspend by £0.8m but there remains a risk that numbers do not reduce as assumed.

The current projection assumes that spend on transport will be within budget but there is a risk that continuing demographic pressures contribute to an overspend on this budget.

The 2018/19 budget included savings of £5m. All the actions are being implemented and are expected to deliver the required level of savings.

**3.2.2 Strategic & Central Accounts** - At Month 2, the Strategic & Central budgets have a projected overspend of £1.3m. The key variations are:

- a projected overspend of £0.6m in debt costs, mainly due to higher interest rate assumptions than those assumed at the time the budget;
- a projected net shortfall of £0.4m in S31 grant income for business rates, due to changes in the calculation methodology after the 2018/19 budget had been set, offset by estimated additional S31 grant income; and
- a projected shortfall of £0.3m in New Homes Bonus.

### **3.3 Other Financial Performance**

#### **3.3.1 Council Tax**

The Council Tax in-year collection rate at the end of April was 10.27% which is in line with the performance in 2017/18. At this early stage the forecast is to achieve the 2018/19 in-year collection target of 96.1% collecting some £338m of income.

#### **3.3.2 Business Rates**

The business rates collection rate at the end of April was 10.86% which is 0.22% behind the performance in 2017/18. The forecast is to achieve the 2018/19 in-year collection target of 97.7% collecting some £384m of income.

The total rateable value of business properties in Leeds has increased from £921.06m at 1<sup>st</sup> April to £923.25m at the month end, growth of £2.19m. To calculate Leeds' actual income from business rates this total rateable value is multiplied by the national business rates multiplier (48.0p in the pound). After reliefs and adjustments this amount is then shared between Leeds City Council (99%) and West Yorkshire Fire Authority (1%). 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 £204.86m, which is slightly below budgeted expectations.

#### **3.3.3 Business Rates Appeals**

The opening appeals provisions for 2018/19 is £21.5m which is made up of £11.5m relating to appeals received against the 2010 ratings list and £10m estimated costs in relation to the 2017 ratings list. Under the 100% Business Rates Retention pilot, Leeds' budget is affected by 99% of any appeals provision made in this year but provisions brought forward from 2017/18 were made at 49%.

On the 1<sup>st</sup> April 2018, there were 2,628 appeals outstanding against the 2010 ratings list. During April 87 appeals have been settled, of which 50 have not resulted in changes to rateable values, and 7 new appeals have been received. 7 new appeals were received in April, the low number received reflecting that appeals



are no longer accepted against the 2010 list except in very specific circumstances. At 30th April there are 2,548 outstanding appeals in Leeds, with 23.5% of the city's total rateable value in the 2010 list currently subject to at least one appeal. No appeals have been received to date against the 2017 list.

#### **4. Housing Revenue Account (HRA)**

4.1 At the end of month 2 the HRA is projecting a balanced position against the 2018/19 Budget.

#### **5. Corporate Considerations**

##### **5.1 Consultation and Engagement**

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

##### **5.2 Equality and Diversity / Cohesion and Integration**

5.2.1 The Council's revenue budget for 2018/19 was subject to Equality Impact Assessments where appropriate and these can be seen in the papers to Council on 21<sup>st</sup> February 2018.

##### **5.3 Council Policies and Best Council Plan**

5.3.1 The 2018/19 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.

##### **5.4 Resources and Value for Money**

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

##### **5.5 Legal Implications, Access to Information and Call In**

5.5.1 There are no legal implications arising from this report.

#### **6. Recommendations**

6.1 Executive Board are asked to note the projected financial position of the authority.

#### **7. Background documents<sup>1</sup>**

7.1 None

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<sup>1</sup> 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 author: Angela Brogden  
Tel: (0113) 37 88661

**Report of Head of Governance and Scrutiny Support**

**Report to Scrutiny Board (Strategy and Resources)**

**Date 16 July 2018**

**Subject: Treasury Management Outturn for 2017/18**

|  |   |
|--|---|
| Are specific electoral Wards affected?<br>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?<br>If relevant, Access to Information Procedure Rule number:<br>Appendix number: | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |

**Summary of main issues**

1. Last month, the Scrutiny Board expressed a particular interest in gaining a better understanding of the Council's position in relation to the management of debt levels.
2. As such, the Board is provided with details of the Treasury Management Outturn report for 2017/18, as reported to Executive Board on 27<sup>th</sup> June 2018.
3. Appropriate senior officers have been invited to the meeting to discuss the attached report and provide an overview of treasury activity linked to the Treasury Management Strategy and policy framework.

**Recommendations**

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

**Background documents<sup>1</sup>**

5. None.

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

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**Report of Chief Officer Financial Services**

**Report to Executive Board**

**Date: 27<sup>st</sup> June 2018**

**Subject: TREASURY MANAGEMENT OUTTURN REPORT 2017/18**

|  |   |  |
|--|---|--|
| Are specific electoral Wards affected?<br>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?<br>If relevant, Access to Information Procedure Rule number:<br>Appendix number: | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |

**Summary of main issues**

1. This report sets out for Members' approval the Treasury Management Outturn Report for 2017/18.
2. This report shows that net external debt at 31<sup>st</sup> March 2018 was £1,954m, £31m higher than the February 2018 forecast. This movement is due to lower than anticipated revenue balances of £38m and a decrease in the borrowing required for the capital programme of £7m. The level of debt and liabilities should be viewed in the context of the Council's assets which were valued at £5.4bn as at 31<sup>st</sup> March 2018.
3. The level of debt has remained within the authorised limit and operational boundary as approved by the Council in February 2018.
4. Net debt savings of £1,514k have been generated against the original budget. These savings are principally due to continuing to fund short term borrowing at low short term rates. Additional movements were the recognition of compounded interest relating to Kirkstall Forge scheme together with a larger than anticipated capitalisation of interest for schemes under construction at the year-end.
5. The average rate of interest paid on the Council's external debt was 3.32% for 2017/18 compared to 3.48% for 2016/17.

**Recommendations**

6. Executive Board are asked to note the Treasury Management outturn position for 2017/18 and that treasury activity has remained within the Treasury Management Strategy and policy framework.

## 1 Purpose of this report

1.1 This report provides members with a final update on Treasury Management Strategy and operations in 2017/18.

## 2 Background information

2.1 The operation of the treasury management function is governed by provisions set out under part 1 of the Local Government Act 2003, whereby the Council is required to have regard to the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance in Local Authorities (amended 2009 and 2011) in particular:

- The amended 2017 Prudential Code requires that full Council set certain limits on the level and type of borrowing before the start of the financial year together with a number of prudential indicators.
- Any in year revision of these limits must be agreed by Council.
- Policy statements are prepared for approval by the Council at least twice a year.

These codes have been updated and re-issued late in 2017/18 together with the Ministry of Housing, Communities and Local Government (MHCLG) guidance in relation to Investments and Minimum Revenue Provision (MRP). In line with guidance issued these CIPFA codes and MHCLG guidance will be formerly adopted before the end of March 2019.

## 3 Main Issues

### 3.1 Review of Strategy 2017/18

3.1.1 Table 1, below shows that net borrowing in 2017/18 was £1,954m, £31m higher than the February 2018 forecast. This movement is due to lower than anticipated revenue balances of £38m and a decrease in the borrowing required for the capital programme of £7m.

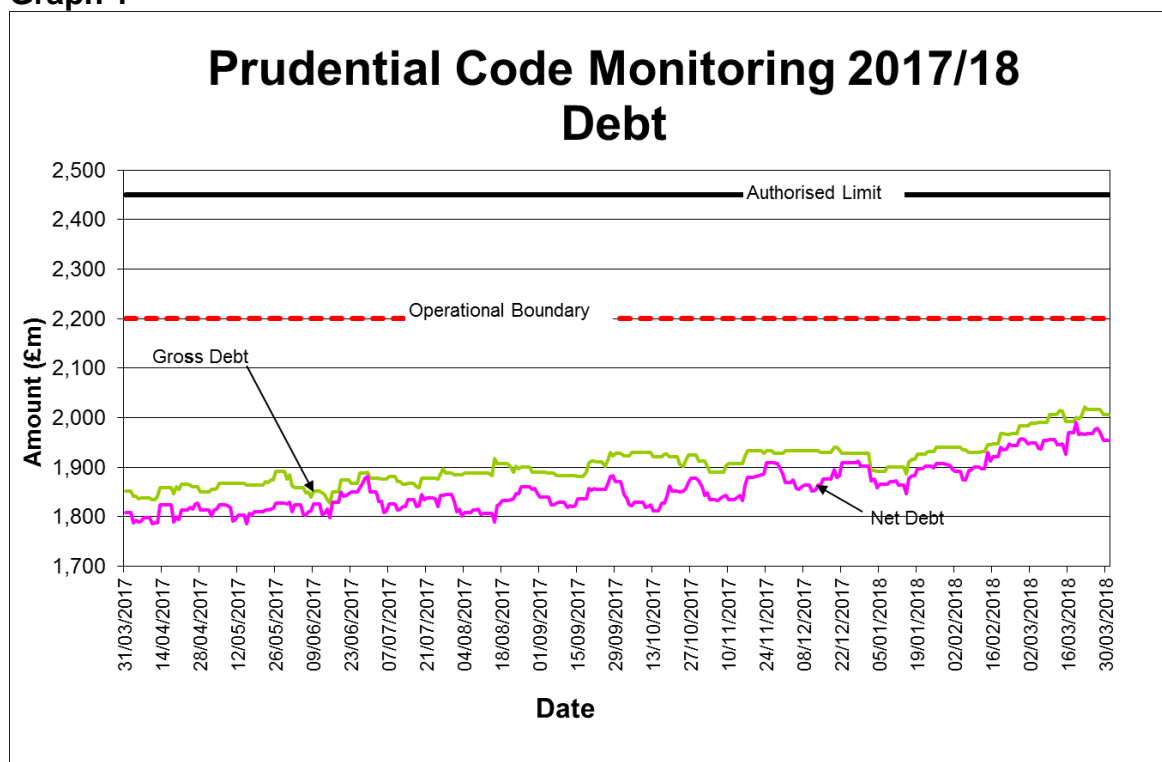
**TABLE 1**

|  | <b>2017/18<br/>Nov 17<br/>Report</b> | <b>2017/18<br/>Feb 18<br/>Report</b> | <b>2017/18<br/>This<br/>Report</b> |
|--|--------------------------------------|--------------------------------------|------------------------------------|
| <b>ANALYSIS OF BORROWING 2017/18</b>                             | <b>£m</b>                            | <b>£m</b>                            | <b>£m</b>                          |
| <b>Net Borrowing at 1 April</b>                                  | 1,809                                | 1,809                                | <b>1,809</b>                       |
| New Borrowing for the Capital Programme – GF                     | 157                                  | 132                                  | <b>123</b>                         |
| New Borrowing for the Capital Programme – HRA                    | 0                                    | 0                                    | <b>0</b>                           |
| Debt redemption costs charged to Revenue (Incl HRA)              | (12)                                 | (13)                                 | <b>(11)</b>                        |
| Reduced/(Increased) level of Revenue Balances                    | (5)                                  | (5)                                  | <b>33</b>                          |
| <b>Net Borrowing at 31 March</b>                                 | <b>1,949</b>                         | <b>1,923</b>                         | <b>1,954</b>                       |
| <b>Capital Financing Requirement*</b>                            |                                      |                                      | <b>2,198</b>                       |
| <b>Other long term liabilities capital financing requirement</b> |                                      |                                      | <b>612</b>                         |
| Net Borrowing 31st March comprised as follows                    |                                      |                                      |                                    |
| Long term Fixed  | 1,565                                | 1,565                                | 1,595                              |
| Variable (less than 1 Year)                                      | 0                                    | 0                                    | 0                                  |
| New Borrowing  | 140                                  | 114                                  | 145                                |
| Short term Borrowing   | 252                                  | 264                                  | 267                                |
| Total External Borrowing   | 1,957                                | 1,943                                | 2,007                              |
| Less Investments   | 8                                    | 20                                   | 53                                 |
| <b>Net External Borrowing</b>                                    | <b>1,949</b>                         | <b>1,923</b>                         | <b>1,954</b>                       |
| % borrowing funded by short term and variable rate loans         | 20%                                  | 19%                                  | 21%                                |
| Limit for variable rate Borrowing                                | 40%                                  | 40%                                  | 40%                                |

\* The Capital Financing Requirement (CFR) is the maximum level of debt (i.e. borrowing and finance leasing) that the Council can hold for its current year capital purposes. The Council is also allowed to borrow in advance for up to two future years capital programmes.

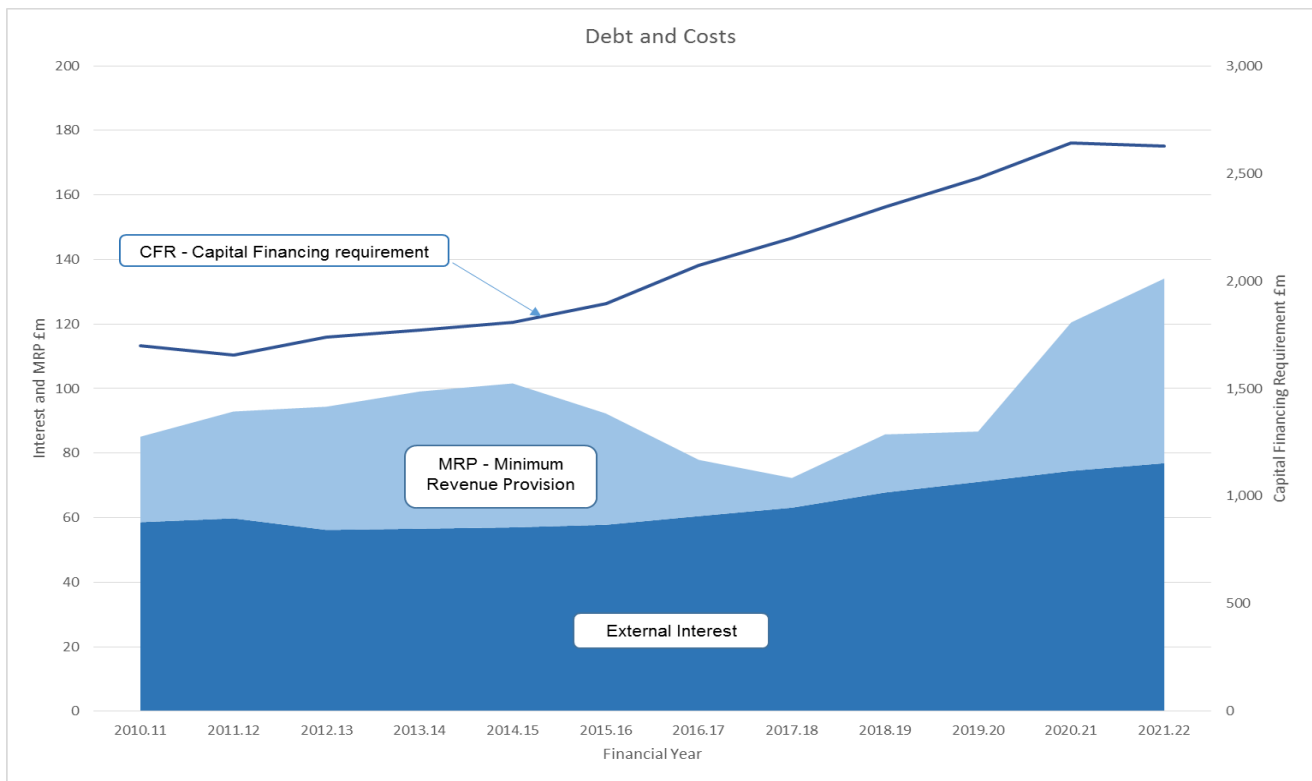
- 3.1.2 The level of debt and liabilities should be viewed in the context of the Council’s assets which are valued at approximately £5.4bn as at 31st March 2017. The Capital programme outturn position is reported in the June Financial Performance - Outturn Report to Executive Board elsewhere on the agenda.
- 3.1.3 Graph 1, below shows that the level of debt during 2017/18 remained within authorised limits during the year. The Authorised Limit is the maximum permitted amount of borrowing the Council can have outstanding at any given time and has not been breached during 2017/18. The operational boundary is a key management tool and can be breached temporarily depending on cash flow. This limit acts as a warning mechanism to prevent the authorised limit from being breached. Treasury management activity has resulted in no breach of its prudential indicators which are detailed in Appendix A. All of these other prudential indicators are within normal tolerance levels of treasury management.

**Graph 1**



- 3.1.4 The 2017/18 borrowing strategy continued to fund the capital programme borrowing requirement from short dated loans and internal cash balances whilst looking for opportunities to lock into attractive longer dated funding. Whilst this approach continues to deliver lower costs of financing, the proportion of borrowing funding by short terms loans has reached 20% (Table1). This exposure to interest rate refinancing has increased and is expected to keep on rising to 32% in 2020/21.
- 3.1.5 Graph 2 shows the projected path of the Councils debt and debt financing costs

Graph 2



3.1.6 The Capital and treasury reports to Executive Board in February 2018 outlined that the Council was seeking to deliver capital investment of £1,129.0m for the 3 year period starting from 2018/19. This includes committing £458.4m of its own funding to deliver the Council’s priorities and objectives. The council’s borrowing will include £143.3m of capital expenditure that is funded by additional income, generates revenue savings or ensures that our assets are maintained to an acceptable standard. Over the same period the Council is also reducing its borrowing by making debt repayments of £91m. On the basis of the current approved capital programme graph 2 shows the projected increase in the Council’s debt as represented by its CFR and also the projected increase in cost of funding it, reflecting assumptions as to higher interest rates in the future and the unwinding of MRP savings that are exhausted in 2019/20. Monitoring of debt costs will be reported back to Executive Board in the monthly budget monitoring reports and the treasury half year update report. In addition the medium term financial strategy will consider the affordability of the capital programme in the context of increased capital expenditure, borrowing and MRP costs.

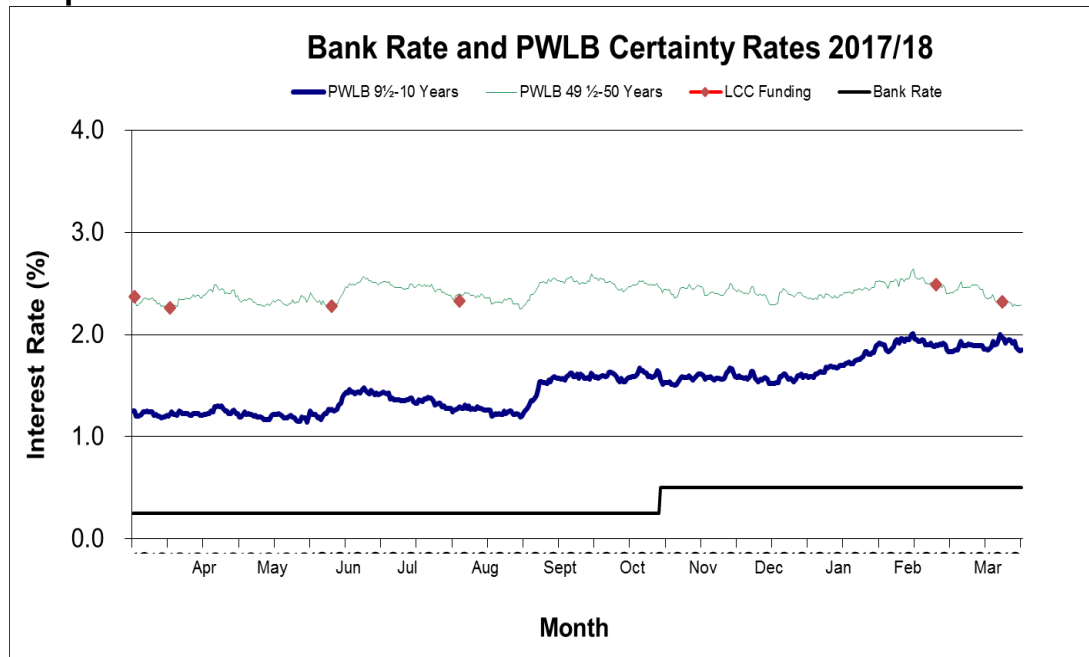
- 3.1.7 Since the economic update to Members in February, the economy has continued to expand however inflation remains above the 2.0% target set by the Monetary Policy Committee (MPC) and currently stands at 2.4%. The key movements are:
- Inflation as measured by the CPI index has steadily increased over the year to 3.1% in November before falling back to 2.5% in March and 2.4% in April mainly driven by the fall in value of sterling post the EU referendum. Some commentators believe further falls in inflation may face headwinds however the economy has started 2018 slowly.
  - Average earnings however remain a key indicator of domestic inflation and have increased with the 3 months to March showing 2.6% annualised but was below CPI inflation for much of the year. This represents a reduction in household disposable income with service sector growth consequently being weak.



- UK growth did pick up in the second half of the year resulting in a base rate rise in November 2017 effectively withdrawing the emergency rate cut following the EU referendum in 2016. This subsequent pickup brought forward expectation of an earlier base rate rise however this failed to materialise at the May MPC meeting as mixed data on the UK economy emerged.
- Unemployment continues to fall with the rate over the same period being 4.20% in comparison to the 4.60% a year earlier.
- The US economy grew at an average of 2.3% on average in 2017. The US was the first western economy to begin the process of rate normalisation with the Federal Open Markets Committee (FOMC) increasing rates from December 2015 to a current range of 1.50% to 1.75% with more rises expected in 2018. Unemployment has fallen to 4.1% however inflationary pressures are building in part through the recent tax cuts. The US is also the first to begin unwinding its QE programme by not re-investing maturing debt.
- In Europe growth of 2.3% was achieved however inflation remains stubbornly below the 2% target at 1.4% and this despite continuing injections of Quantitative Easing (QE) in the form of bond and commercial paper purchases.
- In China the problems of excess industrial capacity, stock of un-sold property and non-performing loans in the bank and credit systems remain.
- GDP growth in Japan has improved to 2.1% however inflation again remains below target at 1.5% despite continued monetary and fiscal stimulus.
- Oil prices have climbed steadily during the year from around \$50 per barrel to around \$75-\$80 currently. As fuel costs have a significant impact on many areas of the economy this is likely to support higher level of inflation.
- The Councils treasury management advisors, Link Asset Services are currently forecasting Q4 2018 for the next rise from its current 0.5%. This will of course be dependent on economic performance both here and abroad over the near to medium term and is being kept under review.

3.1.8 Graph 3 below shows the movement in PWLB interest rates over the year. Gilt yields have largely remained range bound at the longer maturity dates and PWLB rates have mirrored this trend. Longer term (49½-50 year) have varied during the year and ended the year at lower levels than the start but not at the low point which occurred in September. Shorter term rates (9½-10 year) have risen from the start of the year and finished higher but in this time frame the low point occurred in June. Commentators following the lead of the Bank of England are expecting a series of steady increases over the next few years and the first rise did occur in November back to 0.50% which reversed the cut after the Brexit vote in 2016. The graph below also shows the long term funding activity undertaken as detailed in table 2 below.

**Graph 3**



3.1.9 Net debt savings of £1,514k have been generated against the original budget. These savings are principally due to continuing to fund short term borrowing at low short term rates. Additional movements were the recognition of compounded interest relating to Kirkstall Forge scheme together with a larger than anticipated capitalisation of interest for schemes under construction at the year-end.

3.1.10 Table 2 shows £125m of longer term funding was secured during the year. The table also shows that no market loans options were exercised during the entire year, no loans either PWLB or market reached maturity during the period. Approximately half of market loans outstanding are termed Lenders Option Borrowers Option (LOBO) and contain clauses which allows the lender, at pre-determined dates, to vary the interest rate on the loan. If one of these options is exercised and the new rate is not accepted, the borrower then has the option to repay the loan without penalty. Members should note that the 2016/17 Council Statement of Accounts have been challenged on the use of LOBOs and are yet to be signed off by the Council's external auditors. Further updates will be provided through the year in following treasury management reports, revenue budget updates and to Corporate Governance and Audit Committee.

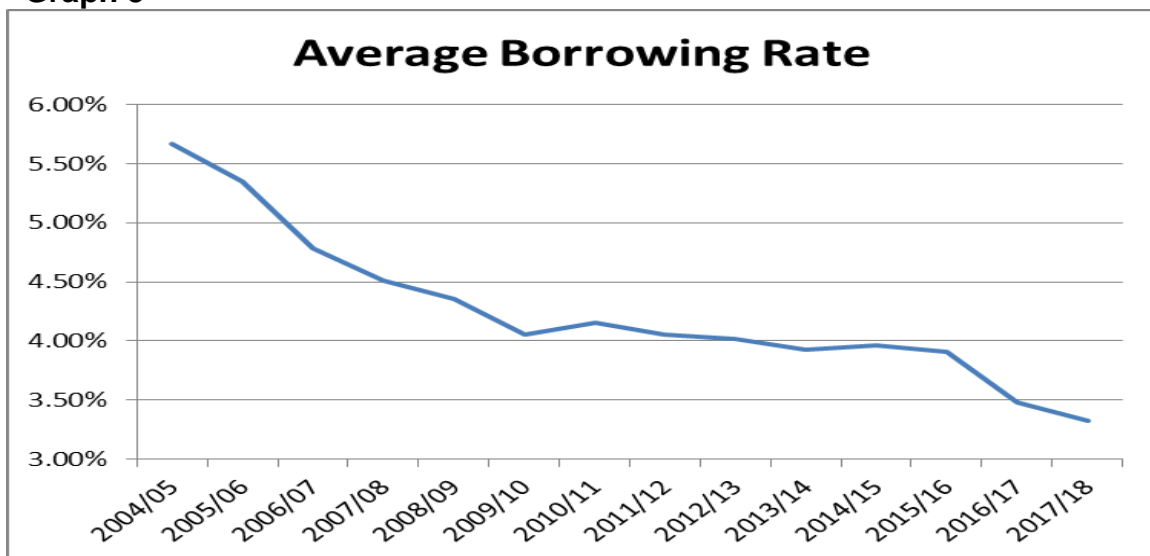
**Table 2**

| Loan repayments and borrowing 2017/18 |          |               |               |                |                |         |               |
|---------------------------------------|----------|---------------|---------------|----------------|----------------|---------|---------------|
| Loan Repayments                       |          |               |               | New Borrowing  |                |         |               |
| Date                                  | Amount   | Original Rate | Discount Rate | Date           | Amount         | Term    | Interest Rate |
|                                       | (£m)     | (%)           |               |                | (£m)           | (Years) | (%)           |
| PWLB Loans                            |          |               |               | PWLB           |                |         |               |
|                                       |          |               |               | 03/04/2017     | 20.000         | 50      | 2.37          |
|                                       |          |               |               | 19/04/2017     | 20.000         | 47      | 2.26          |
|                                       |          |               |               | 26/06/2017     | 20.000         | 50      | 2.28          |
|                                       |          |               |               | 15/08/2017     | 35.000         | 49      | 2.33          |
|                                       |          |               |               | 26/02/2018     | 10.000         | 50      | 2.49          |
|                                       |          |               |               | 22/03/2018     | 20.000         | 50      | 2.32          |
| <b>Sub Total</b>                      | <b>0</b> |               |               |                | <b>125.000</b> |         |               |
| Non PWLB Loans<br>(Call date)         |          |               |               | Non PWLB Loans |                |         |               |
| <b>Sub Total</b>                      | <b>0</b> |               |               |                | <b>0</b>       |         |               |
| <b>Total</b>                          | <b>0</b> |               |               | <b>Total</b>   | <b>125.000</b> |         |               |

**3.2 Interest Rate Performance and Average Maturity Profile**

3.2.1 The average rate of interest paid on the Council’s external debt was 3.32% (down from 3.48%) as shown in Graph 3. This fall is due to the increasing level of the Council debt, both long and short term, which is being funded at historically low levels.

**Graph 3**



3.2.2 Whilst the average borrowing rate remains low it is important to note the average maturity profile of the Council’s debt. The average length of all loans to final maturity including temporary loans is 30.5 years. The average length of all loans to the next option date including temporary loans is 25.0 years. This provides a large degree of funding certainty within the overall debt portfolio. Appendix B analyses debt as at 31<sup>st</sup> March 2018 by interest rate band and the year of maturity or first option date for LOBO loans. The final maturity of LOBO loans is shown as a memo item in the table at the bottom of Appendix B.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

4.1.1 This report is an update on strategy as presented to Executive Board in February, as such no consultation has taken place. However, consultation with the Council's treasury advisors takes place regularly throughout the year.

4.1.2 The borrowing requirement is an outcome of the capital programme which has been the subject of consultation and engagement as outlined in the February capital programme report.

### **4.2 Equality and Diversity / Cohesion and Integration**

4.2.1 Equality, diversity, cohesion and integration requirements are addressed as part of individual capital scheme and programme approvals. The borrowing to deliver these capital schemes is executed through treasury strategy and as such there are no further equality, diversity, cohesion and integration issues.

### **4.3 Council Policies and Best Council Plan**

4.3.1 Treasury management strategy secures funding for the council's capital programme that supports the authority's policies and priorities as set out in the Best Council Plan. These include our Best Council ambition to be an efficient and enterprising organisation.

### **4.4 Resources and Value for Money**

4.4.1 This update on the treasury strategy recognises the borrowing necessary to fund the capital programme requirements of both General Fund and HRA. The revenue costs of borrowing are included within the revenue budgets of the General Fund and HRA.

4.4.2 Net debt savings of £1,514k against the budget have been delivered.

### **4.5 Legal Implications, Access to Information and Call In**

4.5.1 In accordance with the Council's Budget and Policy Framework, decisions on borrowing limits, treasury management indicators, investment limits and the Treasury management Policy Statement are approved by Council. Monitoring reports are considered by Executive Board and are subject to call in. There are no further legal, access to information or call in issues.

### **4.6 Risk Management**

4.6.1 This report sets out performance against the 2017/18 treasury strategy. The execution of strategy and associated risks are kept under regular review through:

- Monthly monitoring of debt costs and reporting forms part of the monthly update on the Council's Revenue position to Executive Board.
- Quarterly strategy meetings with the Director of Resources and the Council's treasury advisors.
- Regular market, economic and financial instrument updates and access to real time market information.

## **5 Conclusions**

- 5.1 This Treasury Management Outturn Report for 2017/18 provides a final update on loans undertaken to fund the capital programme requirements for both General Fund and HRA. Treasury activity during the year was conducted within the approved borrowing limits for the year and resulted in overall savings to the revenue budget as detailed in 3.1.9.

## **6 Recommendations**

- 6.1 Executive Board are asked to note the Treasury Management outturn position for 2017/18 and that treasury activity has remained within the treasury management strategy and policy framework.

## **7 Background documents <sup>1</sup>**

None

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

## Leeds City Council - Prudential Indicators 2017/18

| No.   | PRUDENTIAL INDICATOR   | Feb 17 Report    | Feb 18 Report    | Outturn (This Report) |
|---|--|------------------|------------------|-----------------------|
| <b>(1). EXTRACT FROM BUDGET AND RENT SETTING REPORTS</b>                  |  |                  |                  |                       |
| <b>Ratio of Financing Costs to Net Revenue Stream</b>                     |  |                  |                  |                       |
| 1   | General Fund - Excluding DSG   | 10.19%           | 9.94%            | 9.31%                 |
| 2   | HRA  | 11.28%           | 11.31%           | 11.26%                |
| <b>Impact of Unsupported Borrowing on Council Tax &amp; Housing Rents</b> |  |                  |                  |                       |
|   |  | <b>£ . P</b>     | <b>£ . P</b>     | <b>£ . P</b>          |
| 3   | increase in council tax B7(band D, per annum) (Note 1)   | 50.72            | 9.11             | 8.40                  |
| 4   | increase in housing rent per week  | 0.08             | -                | -                     |
| 5   | <b>Net Borrowing and the capital financing requirement (Note 2)</b><br>The Net borrowing Requirement should not exceed the CFR | OK               | OK               | OK                    |
| <b>Estimate of total capital expenditure (including PFI)</b>              |  |                  |                  |                       |
|   |  | <b>£'000</b>     | <b>£'000</b>     | <b>£'000</b>          |
| 6   | General Fund   | 259,154          | 258,965          | 230,400               |
| 7   | HRA  | 120,645          | 84,292           | 85,803                |
|   | <b>TOTAL</b>   | <b>379,799</b>   | <b>343,257</b>   | <b>316,203</b>        |
| <b>Capital Financing Requirement (as at 31 March)</b>                     |  |                  |                  |                       |
|   |  | <b>£'000</b>     | <b>£'000</b>     | <b>£'000</b>          |
| 8   | General Fund   | 1,996,815        | 2,004,600        | 2,004,600             |
| 9   | HRA  | 829,962          | 815,075          | 815,075               |
|   | <b>TOTAL</b>   | <b>2,826,777</b> | <b>2,819,675</b> | <b>2,819,675</b>      |
| 9a  | <b>Limit on HRA Indebtedness as implemented under self financing</b>   | <b>721,327</b>   | <b>721,327</b>   | <b>721,327</b>        |

| No.   | PRUDENTIAL INDICATOR   | Feb 17 Report    | Feb 18 Report    | Outturn (This Report) |
|---|--|------------------|------------------|-----------------------|
| <b>(2). TREASURY MANAGEMENT PRUDENTIAL INDICATORS</b> |  |                  |                  |                       |
|   |  | <b>£'000</b>     | <b>£'000</b>     | <b>£'000</b>          |
| 10  | <b>Authorised limit for external debt - (Note 3)</b>   |                  |                  |                       |
|   | borrowing  | 2,450,000        | 2,450,000        | 2,450,000             |
|   | other long term liabilities  | 740,000          | 740,000          | 740,000               |
|   | <b>TOTAL</b>   | <b>3,190,000</b> | <b>3,190,000</b> | <b>3,190,000</b>      |
| 11  | <b>Operational boundary - (Note 3)</b>   |                  |                  |                       |
|   | borrowing  | 2,200,000        | 2,200,000        | 2,200,000             |
|   | other long term liabilities  | 720,000          | 720,000          | 720,000               |
|   | <b>TOTAL</b>   | <b>2,920,000</b> | <b>2,920,000</b> | <b>2,920,000</b>      |
| 14  | <b>Upper limit for fixed interest rate exposure</b><br>expressed as either:-<br>Net principal re fixed rate borrowing / investments OR:- | 115%             | 115%             | 115%                  |
| 15  | <b>Upper limit for variable rate exposure</b><br>expressed as either:-<br>Net principal re variable rate borrowing / investments OR:-    | 40%              | 40%              | 40%                   |
|   |  | <b>£'000</b>     | <b>£'000</b>     | <b>£'000</b>          |
| 17  | <b>Upper limit for total principal sums invested for over 364 days</b><br>(per maturity date)  | 150,000          | 150,000          | 150,000               |
| 18  | <b>Net Debt as a Percentage of gross Debt</b>  | 99.61%           | 98.97%           | 97.37%                |

| 16 | Maturity structure of fixed rate borrowing 2017/18 | Lower Limit | Upper Limit | Actual 31/03/18 |     |
|----|--|-------------|-------------|-----------------|-----|
|    | under 12 months                                    | 0%          | 15%         | 3%              |     |
|    | 12 months and within 24 months                     | 0%          | 20%         | 5%              |     |
|    | 24 months and within 5 years                       | 0%          | 35%         | 11%             |     |
|    | 5 years and within 10 years                        | 0%          | 40%         | 5%              |     |
|    | 10 years and within 20 years                       |             |             | 2%              |     |
|    | 20 years and within 30 years                       |             |             | 0%              |     |
|    | 30 years and within 40 years                       | 25%         | 90%         | 40%             | 76% |
|    | 40 years and within 50 years                       |             |             | 26%             |     |
|    | More Than 50 Years                                 |             |             | 8%              |     |
|    |  |             |             | 100.0%          |     |

## Notes.

- The code requires that the Council identifies the capital financing costs arising from unsupported borrowing expressed as the amount per band D property.
- In order to ensure that over the medium term net borrowing will only be for a capital purpose, the Council should ensure that net external borrowing does not exceed the total capital financing requirement in the preceding year plus estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence.
- Limits are the same as the Feb 18 report.
- Prudential indicator 12 relates to actual external debt at 31st March, which is reported in the main body of this report.

Debt as at 31st March 2018

Appendix B

Table below shows a breakdown of the maturity structure of the authority giving totals

| Year Ending 31st March                         | to 2%         | 2% to 2.99%    | 3% to 3.99%    | 4% to 4.99%    | Greater Than 5% | Principal        |
|--|---------------|----------------|----------------|----------------|-----------------|------------------|
| <b>Fixed Rate Loans - LOBO to First Option</b> |               |                |                |                |                 |                  |
| 2019   | 10,000        | 5,000          | 41,436         | 50,000         | -               | 106,436          |
| 2020   | -             | -              | 46,436         | 35,000         | -               | 81,436           |
| 2021   | -             | -              | 13,812         | 55,000         | -               | 68,812           |
| 2022   | -             | -              | 41,436         | 15,000         | -               | 56,436           |
| 2023   | -             | 20,000         | 27,624         | -              | -               | 47,624           |
| 2024   | -             | -              | 15,000         | 26,436         | -               | 41,436           |
| 2025   | -             | -              | -              | -              | -               | -                |
| 2026   | -             | -              | -              | -              | -               | -                |
| 2027   | 5,675         | -              | 28,812         | -              | -               | 34,487           |
| 2028   | -             | -              | -              | -              | -               | -                |
| 2029   | -             | -              | 20,000         | -              | -               | 20,000           |
| 2034   | -             | -              | -              | -              | -               | -                |
| 2035   | -             | -              | 5,000          | -              | -               | 5,000            |
| 2052   | -             | -              | -              | 28,727         | -               | 28,727           |
| 2053   | -             | -              | -              | 145,396        | -               | 145,396          |
| 2054   | -             | -              | -              | 49,347         | -               | 49,347           |
| 2055   | -             | -              | 5,000          | 75,782         | -               | 80,782           |
| 2056   | -             | -              | 10,000         | 72,173         | -               | 82,173           |
| 2057   | -             | -              | -              | 115,436        | -               | 115,436          |
| 2058   | -             | -              | -              | 102,218        | 14,099          | 116,317          |
| 2059   | -             | -              | -              | -              | -               | -                |
| 2060   | -             | -              | -              | -              | -               | -                |
| 2061   | -             | -              | -              | 17,624         | -               | 17,624           |
| 2062   | -             | -              | 17,624         | -              | -               | 17,624           |
| 2063   | -             | 20,000         | -              | -              | -               | 20,000           |
| 2064   | -             | 40,000         | 10,000         | -              | -               | 50,000           |
| 2065   | -             | 40,000         | -              | -              | -               | 40,000           |
| 2066   | -             | 40,000         | 10,000         | 35,000         | -               | 85,000           |
| 2067   | -             | 55,000         | 30,000         | 5,000          | -               | 90,000           |
| 2068   | -             | 70,000         | -              | -              | -               | 70,000           |
| 2069   | -             | -              | -              | -              | -               | -                |
| 2077   | -             | -              | 20,000         | -              | -               | 20,000           |
| 2078   | -             | -              | -              | 85,000         | -               | 85,000           |
| 2079   | -             | -              | -              | 20,000         | -               | 20,000           |
| <b>Sub Total</b>                               | <b>15,675</b> | <b>290,000</b> | <b>342,178</b> | <b>933,137</b> | <b>14,099</b>   | <b>1,595,090</b> |

| <b>Temporary Loans</b> |                |          |          |          |          |                |
|------------------------|----------------|----------|----------|----------|----------|----------------|
| 2019                   | 411,700        | -        | -        | -        | -        | 411,700        |
| <b>Sub Total</b>       | <b>411,700</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>411,700</b> |

|             |                |                |                |                |               |                  |
|-------------|----------------|----------------|----------------|----------------|---------------|------------------|
| <b>CABP</b> | <b>427,375</b> | <b>290,000</b> | <b>342,178</b> | <b>933,137</b> | <b>14,099</b> | <b>2,006,790</b> |
|-------------|----------------|----------------|----------------|----------------|---------------|------------------|

| <b>Memo : LOBO Variable Rate Loans to Maturity</b> |          |          |               |                |          |                |
|--|----------|----------|---------------|----------------|----------|----------------|
| 2047   | -        | -        | -             | -              | -        | -              |
| 2055   | -        | -        | -             | 15,000         | -        | 15,000         |
| 2056   | -        | -        | -             | 45,000         | -        | 45,000         |
| 2066   | -        | -        | 10,000        | 10,000         | -        | 20,000         |
| 2067   | -        | -        | 25,000        | 15,000         | -        | 40,000         |
| 2077   | -        | -        | 40,000        | 15,000         | -        | 55,000         |
| 2078   | -        | -        | -             | 55,000         | -        | 55,000         |
| 2079   | -        | -        | -             | -              | -        | -              |
| <b>Sub Total</b>                                   | <b>-</b> | <b>-</b> | <b>75,000</b> | <b>155,000</b> | <b>-</b> | <b>230,000</b> |

LOBO's Shown at Maturity in Bottom Memo Section.

LOBO's included in main section at next option date. (Highlighted)

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**Report of Head of Governance and Scrutiny Support**

**Report to Scrutiny Board (Strategy and Resources)**

**Date: 16<sup>th</sup> July 2018**

**Subject: Work Schedule**

|  |   |
|--|---|
| Are specific electoral Wards affected?<br>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?<br>If relevant, Access to Information Procedure Rule number:<br>Appendix number: | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |

**1 Purpose of this report**

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

**2 Main issues**

2.1 At its initial meeting in June 2018, the Scrutiny Board discussed a range of matters for possible inclusion within the overall work schedule for 2018/19. Linked to this, the Principal Scrutiny Adviser was requested to work with the Chair to incorporate the areas of work agreed by the Scrutiny Board into its work schedule for the forthcoming year.

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

2.3 Executive Board minutes from the meeting held on 27<sup>th</sup> June 2018 are also attached as Appendix 2. The Scrutiny Board is asked to consider and note the Executive Board minutes, insofar as they relate to the remit of the Scrutiny Board; and identify any matter where specific scrutiny activity may be warranted, and therefore subsequently incorporated into the work schedule.

Developing the work schedule

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

2.5 However, when considering any developments and/or modifications to the work schedule, effort should be undertaken to:

- Avoid unnecessary duplication by having a full appreciation of any existing forums already having oversight of, or monitoring a particular issue.
- Ensure any Scrutiny undertaken has clarity and focus of purpose and will add value and can be delivered within an agreed time frame.
- Avoid pure “information items” except where that information is being received as part of a policy/scrutiny review.
- Seek advice about available resources and relevant timings, taking into consideration the workload across the Scrutiny Boards and the type of Scrutiny taking place.
- Build in sufficient flexibility to enable the consideration of urgent matters that may arise during the year.

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

#### Developments since the previous Scrutiny Board meeting

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

### **3. Recommendations**

3.1 Members are asked to consider the matters outlined in this report and agree (or amend) the overall work schedule (as presented at Appendix 1) as the basis for the Board’s work for the remainder of 2018/19.

### **4. Background papers<sup>1</sup>**

4.1 None used

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

## Scrutiny Board (Strategy & Resources) Work Schedule for 2018/2019 Municipal Year

| June  | July   | August                                      |
|---|--|---|
| <b>Meeting Agenda for 18<sup>th</sup> June 2018</b>                                       | <b>Meeting Agenda for 16<sup>th</sup> July 2018</b>  | <b>No Scrutiny Board meeting scheduled.</b> |
| Scrutiny Board Terms of Reference and Sources of Work (DB)<br><br>Performance Update (PM) | Financial Performance – 2017/18 Outturn (PM)<br><br>Financial Health Monitoring 2018/19 (PM)<br><br>Treasury Management – 2017/18 Outturn (PM) |   |
| <b>Working Group Meetings</b>   |  |   |
|   | Inquiry into the Digitalisation of Services – drafting terms of reference ( <i>date tbc</i> )  |   |
| <b>Site Visits</b>  |  |   |
|   |  |   |

### Scrutiny Work Items Key:

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

## Scrutiny Board (Strategy & Resources) Work Schedule for 2018/2019 Municipal Year

| September  | October  | November  |
|--|--|---|
| <b>Meeting Agenda for 10<sup>th</sup> September 2018</b>   | <b>No Scrutiny Board meeting scheduled</b>   | <b>Meeting Agenda for 12<sup>th</sup> November 2018.</b>  |
| Draft Gambling Act 2005 Statement of Licensing Policy (PDS)<br><br>Civic Enterprise Leeds – performance update (PM)<br><br>Medium Term Financial Plan (PM)<br><br>Annual Risk Management Report (PM)<br><br>Inquiry into the Digitalisation of Services – Agree terms of reference (PSR) |  | Business Rates – position update (PSR)<br><br>Commissioning Inquiry (RT)<br><br>Effective Procurement – Update (PM)<br><br>Devolution – Update (PSR)<br><br><i>Inquiry into the Digitalisation of Services – potential evidence gathering session - TBC</i> |
| <b>Working Group Meetings</b>  |  |   |
| <i>Inquiry into the Digitalisation of Services – potential evidence gathering session - TBC</i>  | Maximising the Apprenticeship Levy in terms of workforce development ( <i>date tbc</i> ) | Emergency Planning and the Council's position in light of recent national reviews ( <i>date tbc</i> )   |
| <b>Site Visits</b>   |  |   |
|  |  |   |

### Scrutiny Work Items Key:

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

## Scrutiny Board (Strategy & Resources) Work Schedule for 2018/2019 Municipal Year

| December  | January   | February  |
|---|---|---|
| <b>No Scrutiny Board meeting scheduled.</b>   | <b>Meeting Agenda for 14<sup>th</sup> January 2019</b>  | <b>Meeting Agenda for 11<sup>th</sup> February 2019</b>   |
|   | Performance report (PM)<br>Financial Health Monitoring (PSR)<br>2019/20 Initial Budget Proposals (PDS)<br>Best Council Plan Refresh – Initial Proposals (PDS) | Electoral, Registrars and Licensing – Update (PM)<br>HR - Employee Engagement Survey (PDS)<br>HR – Health and Wellbeing Update (PM)<br>Leeds Culture Strategy/Leeds 2023 Developments – Update position (PSR) |
| <b>Working Group Meetings</b>   |   |   |
| <i>Inquiry into the Digitalisation of Services – potential evidence gathering session - TBC</i> |   |   |
| <b>Site Visits</b>  |   |   |
|   |   |   |

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### Scrutiny Work Items Key:

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

**Scrutiny Board (Strategy & Resources) Work Schedule for 2018/2019 Municipal Year**

| March                                       | April                                       | May   |
|---|---|---|
| <b>No Scrutiny Board meeting scheduled.</b> | <b>No Scrutiny Board meeting scheduled.</b> | <b>No Scrutiny Board meeting scheduled.</b> |
|   |   |   |
| <b>Working Group Meetings</b>               |   |   |
|   |   |   |
| <b>Site Visits</b>                          |   |   |
|   |   |   |

**Scrutiny Work Items Key:**

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

## EXECUTIVE BOARD

WEDNESDAY, 27TH JUNE, 2018

**PRESENT:** Councillor J Blake in the Chair

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

### 1 **Exempt Information - Possible Exclusion of the Press and Public**

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

- (a) That Appendices 2a and 2b to the report entitled, ‘Provision of a Loan Facility to Donisthorpe Hall Nursing Home’, referred to in Minute No. 19 be designated as exempt from publication in accordance with paragraph 10.4(3) of Schedule 12A(3) of the Local Government Act 1972 on the grounds that it contains information relating to the commercial and business activities of Donisthorpe Hall and was used for the purpose of the Council undertaking its due diligence processes. The information used for such due diligence processes includes confidential information commissioned by the Charity for the purpose of restructuring its finances, and as such, it is deemed that the public interest in exempting this information from publication outweighs the public interest in disclosure.

### 2 **Late Items**

No formal late items of business were added to the agenda, however, prior to the meeting, Board Members were in receipt of supplementary information in respect of agenda item 18 (Submission of the Leeds Core Strategy Selective Review (CSSR)) which provided the Board with the outcomes from the respective consideration of the CSSR by Development Plan Panel and also Scrutiny Board (Infrastructure, Investment & Inclusive Growth), both of which met to consider this matter respectively on 20<sup>th</sup> June 2018. (Minute No. 17 refers).

In addition, prior to the meeting, Board Members were in receipt of a re-circulated version of the ‘Outcome of Consultation to Increase Learning Places at Moor Allerton Hall Primary School’ cover report, as parts of sections 3.13-3.14 and 4.3 of the original version had been either mis-formatted or had some text missing. (Minute No. 29 refers).

Draft minutes to be approved at the meeting  
to be held on Wednesday, 25th July, 2018

- 3 Declaration of Disclosable Pecuniary Interests**  
No declarations of disclosable pecuniary interests were made at the meeting.

- 4 Minutes**  
**RESOLVED** – That the minutes of the previous meeting held on 18<sup>th</sup> April 2018 be approved as a correct record.

### **COMMUNITIES**

- 5 Illegal Money Lending Team, Progress Report**  
Further to Minute No. 9, 21<sup>st</sup> June 2017, the Director of Communities and Environment submitted a report which provides an update on the activities of the national Illegal Money Lending Team (IMLT) within Leeds, and presented an updated version of the associated action plan.

Members highlighted the crucial work that the team were undertaking, and emphasised the key role played by Leeds Credit Union within communities.

Responding to a Member's enquiry, the Board received details on the number of prosecutions which had been secured as a result of the team's actions, and with regard to the number of individuals that had been supported by the team, it was undertaken that further information on this would be provided to the Member in question.

#### **RESOLVED –**

- (a) That the contents of the submitted report together with the IMLT Action Plan, as set out within appendix 1, be noted;
- (b) That the Director of Communities and Environment be requested to monitor the progress made by the Illegal Money Lending Team against the plan;
- (c) That a further report detailing the activities of the Illegal Money Lending Team within Leeds be submitted to the Board in 12 months' time.

(Councillor R Lewis joined the meeting at the conclusion of this item)

### **ENVIRONMENT AND ACTIVE LIFESTYLES**

- 6 England and Wales Cricket Board Funding for Non Turf Pitches**  
The Director of Communities and Environment submitted a report outlining an opportunity to receive around £72k of funding from the England and Wales Cricket Board (ECB) for the provision of 6 non-turf cricket pitches in parks and green spaces.

Members welcomed the proposal detailed within the submitted report and the fact that there was no restriction from the funding criteria as to which areas of the city could potentially benefit from the pitches.



**RESOLVED –**

- (a) That approval be given to accept the ECB funding and enter into an agreement to develop non-turf cricket pitches in relevant parks, recreation grounds and playing pitches in line with the ECB offer;
- (b) That approval be given to carry out a consultation exercise in order to determine suitable site locations;
- (c) That future decisions on this project be delegated to the Chief Officer, Parks and Countryside;
- (d) That it be noted that the Chief Officer, Parks and Countryside is responsible for the implementation of these proposals, which are anticipated to be in place by summer 2019.

**ECONOMY AND CULTURE**

**7 Adoption of the Leeds Inclusive Growth Strategy 2018 - 2023**

Further to Minute No. 37, 17<sup>th</sup> July 2017, the Director of City Development submitted a report presenting the Leeds Inclusive Growth Strategy 2018 – 2023, which had been finalised following the latest round of consultation. The report sought the Board’s approval to adopt and publish the finalised version of the Leeds Inclusive Growth Strategy, as appended to the covering report.

In presenting the submitted report, the Chair suggested that further update reports regarding the progress being made be submitted to the Board in due course which focussed upon each of the Strategy’s ‘Big Ideas’ and which detailed the impact that the work behind the strategy was having.

Members welcomed the proposed strategy, highlighting the potential it had to facilitate further partnership working across sectors in order to maximise enablement for all communities throughout the city. The Board also welcomed how the strategy linked to other priority agendas such as health and wellbeing; cultural provision and children and young people.

Members received further details on the proposed convenor role amongst other partners and sectors that the Council would play in moving this agenda forward. In addition, emphasis was placed upon the ‘federal’ nature of the Leeds economy, highlighting the level of economic activity located outside of the city centre.

In conclusion, on behalf of the Board, the Chair extended her thanks to those officers who had developed the strategy to its current position.

**RESOLVED –**

- (a) That the finalised version of the Leeds Inclusive Growth Strategy 2018 – 2023, as appended to the submitted report, be agreed, and that approval also be given for the Strategy’s publication;

- (b) That approval be given for the Director of City Development to lead on implementing the delivery of the Leeds Inclusive Growth Strategy;
- (c) That further update reports regarding the progress being made be submitted to the Board in due course which focussed upon each of the Strategy's 'Big Ideas' and detailed the impact that the work behind the strategy was having.

## **8 Workspace for Creative Businesses in Leeds City Centre**

The Director of City Development submitted a report which presented a series of recommendations on how the Council could support the provision of workspaces for small and medium sized enterprises (SMEs) and creative businesses in Leeds City Centre.

It was highlighted that the proposals detailed within the submitted report looked to achieve the ambitions as set out within the Leeds Inclusive Growth Strategy (Minute No. 7 refers), and it was noted that the Director of City Development would return to the Board with proposals regarding the redevelopment of Aire Street Workshops and the Engine House, following the expression of interest stage.

The Board highlighted the important role played by SMEs and creative businesses in the city, and in reiterating the 'federal' nature of the Leeds economy, Members highlighted the need to ensure that affordable accommodation for SMEs and creative businesses were available throughout the city.

### **RESOLVED –**

- (a) That approval be given to reaffirm the Council's commitment to a city centre that includes a diversity of uses and has affordable and accessible spaces for new, creative businesses;
- (b) That approval be given for the Director of City Development to invite Expressions of Interest for the redevelopment / refurbishment of Aire Street Workshops and the Engine House, as per the principles as contained within paragraph 3.2.1 of the submitted report;
- (c) That the Director of City Development be requested to report back with recommendations on the preferred way forward for the redevelopment of Aire Street Workshops and the Engine House upon the conclusion of the Expression of Interest stage;
- (d) That the Director of City Development be requested to work with stakeholders in order to develop longer term plans to support the delivery of workspaces for creative and start-up businesses in the city centre, which can inform the creation of a small grants programme as part of the consideration of next year's Capital Programme;
- (e) That it be noted that the Chief Asset Management and Regeneration Officer will be responsible for the implementation of such matters.

## **9 Waterfront Charter for Leeds City Centre**

The Director of City Development submitted a report which sought approval to develop work with partners in order to deliver transformation in the waterfront area of Leeds, which would look to support the city's cultural and economic aspirations.

Members welcomed the submitted report, and in noting how rivers and waterways passed through a number of communities across the city, it was suggested that a further report be submitted to the Board in due course which explored the potential and the opportunities to maximise the benefit arising from such waterways, both for local communities and the city as a whole.

### **RESOLVED –**

- (a) That the Waterfront Charter, as appended to the submitted report be supported, and that in doing so:-
  - (i) Approval be given to the formation of a Waterfront Investment Fund, as per the principles outlined at paragraph 3.3.6 of the submitted report, with approval also being given to provide authority to spend up to £100,000 from Capital Programme Scheme 32672 for this purpose; and
  - (ii) Agreement be given that the Council works with partners in order to establish an owner/occupier forum comprising parties with an interest in the waterfront to help to deliver the Charter.
- (b) That it be noted that the Director of City Development is responsible for the implementation of such matters;
- (c) That a further report be submitted to the Board in due course which explores the potential and the opportunities to maximise the benefit arising from the rivers and waterways which run throughout Leeds, both for local communities and the city as a whole.

## **10 Leeds 2023 Update**

Further to Minute No. 76, 18<sup>th</sup> October 2017, the Director of City Development submitted a report outlining the steps that the city had taken in response to the decision by the European Commission to cancel the UK competition for European Capital of Culture. In addition, the report summarised the work undertaken by officers to establish the appropriate vehicle for taking forward Leeds 2023 plans, outside of the framework of the European Commission regulations.

With regard to an enquiry regarding the Council representation on the Trust, emphasis was placed upon the value of continuing a cross-party approach towards the 2023 initiative.

Members also received an update regarding a new funding stream which had been recently announced by the Arts Council (Cultural Development Fund), which the Council intended to submit a bid for.

**RESOLVED –**

- (a) That the overall progress made in taking forward ‘Leeds 2023’ plans, as detailed within the submitted report, be noted;
- (b) That officers be requested to:-
  - (i) Work alongside colleagues in legal and financial services in order to develop ‘Leeds Culture Trust’ as the delivery vehicle for Leeds 2023, and to develop a Service Level Agreement between the Council and Leeds Culture Trust which reflects the Council as a major funder;
  - (ii) Support the Leeds Culture Trust to secure charitable status and commence the search and recruitment process for a Chair and full Board of Trustees, to be in place by early 2019;
  - (iii) Return with a report on further progress at the appropriate time, when a new Chair and Trustees are appointed and when the work of the 2023 independent steering group reaches an end.
- (c) That it be noted that the Chief Officer, Culture and Sport is responsible for the implementation of such matters.

(Councillor Rafique left the meeting at the conclusion of this item)

**RESOURCES AND SUSTAINABILITY**

**11 Financial Performance - Outturn for the Financial Year ended 31st March 2018**

The Chief Officer, Financial Services submitted a report setting out the Council’s financial outturn position for 2017/18 for both revenue and capital, including the Housing Revenue Account and expenditure on schools. In addition, the report also sought approval of the creation of earmarked reserves and which looked to delegate their release to the Chief Officer, Financial Services.

In response to a Member’s enquiry, the Board received further detail regarding the 2017/18 outturn in respect of schools’ extended services and partnerships balances. The Board also received an update on the current position regarding proposals to implement collection route efficiencies within the refuse service.

In noting the effect that the backdated sports admission VAT receipt from HMRC had had on the outturn position and the Council’s reserves, an enquiry was made regarding the priorities for the allocation of resource moving forward. In response, it was highlighted that the intention was to submit the Medium Term Financial Strategy to the 25<sup>th</sup> July Board meeting, and this would propose how the Council’s General Reserve, which contained the VAT receipt, was to be used.

**RESOLVED –**

- (a) That the outturn position for 2017/18, as detailed within the submitted report, be noted;

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- (b) That the creation of earmarked reserves, as detailed in paragraphs 3.16 and 5.3 of the submitted report be approved, and that their release be delegated to the Chief Officer, Financial Services;
- (c) That it be noted that the Chief Officer, Financial Services will be responsible for the implementation of such matters, following the conclusion of the 'call in' period.

**12 Financial Health Monitoring 2018/19 - Month 2 (May 2018)**

The Chief Officer, Financial Services submitted a report setting out the Council's projected financial health position for 2018/19, as at month 2 of the financial year.

Responding to an enquiry regarding proposals to implement collection route efficiencies within the refuse service, it was highlighted that should such efficiencies not be made in 2018/19, then alternative actions would be taken with the aim of balancing the directorate budget by the end of the financial year, whilst it was also noted that further detail in respect of the Communities and Environment directorate budget would be available in forthcoming budget monitoring reports to the Board, once greater information was available in respect of specific demand led costs.

Members also received an update regarding the current position of the Children and Families directorate budget.

**RESOLVED** – That the projected financial position of the authority for 2018/19, as at month 2, and as detailed within the submitted report, be noted.

**13 Treasury Management Outturn Report 2017/18**

The Chief Officer Financial Services submitted a report which provides a final update on the Council's Treasury Management Strategy and operations for the period 2017/18.

The intention to further consider the Council's debt portfolio and debt costs in the year ahead was noted. A request for future reports to identify the value of the Council's assets which separately identified schools and Council housing was also noted.

**RESOLVED** – That the Treasury Management outturn position for 2017/18, as detailed within the submitted report be noted, together with the fact that treasury activity has remained within the Council's Treasury Management strategy and policy framework.

**14 The Leeds Community Infrastructure Levy - Investment of the Strategic Fund**

The Director of City Development and the Director of Resources and Housing submitted a joint report providing information on the sums accumulated within the Community Infrastructure Levy (CIL) strategic fund, as set out in table 1 of the submitted report, and how it was being invested.

In response to a Member's enquiry, the Board noted that based on current information, the funding gap for the Council regarding the provision of school places was currently £71.7m.

**RESOLVED –**

- (a) That the investment of the CIL strategic fund, as set out in table 1 of the submitted report, to be used to contribute towards the learning places deficit for schools, be noted;
- (b) That it be noted that the responsible officer for the implementation of such investment is the Chief Officer (Financial Services).

**15 Improving Air Quality within the City**

Further to Minute No. 122, 13<sup>th</sup> December 2017, the Director of Resources and Housing, the Director of City Development, the Director of Communities and Environment and the Director of Public Health submitted a joint report providing an overview of the consultation responses received on the Clean Air Charging Zone (CAZ) proposal; detailed how the first stage of consultation responses had been considered and how these were reflected within the updated proposal. In addition, the report outlined the funding request to central government for both the required infrastructure and the support measures to mitigate economic impact; detailed the process to reaching approval for both the Full Business Case and the Traffic Scheme; and presented the required changes to licensing conditions for taxi and private hire vehicles to align conditions with CAZ compliant engine standards.

In presenting the submitted report the Executive Member for Resources and Sustainability recommended that a further report be submitted to the 25<sup>th</sup> July 2018 Board meeting which set out a broader range of proposals not covered by the CAZ for the improvement of air quality throughout the city.

Responding to a Member's specific enquiry, the Board received further information on the process and rationale which had led to the proposal to amend the boundary for the CAZ. It was noted that the amended boundary was being proposed in response to the consultation undertaken, and that the revised boundary did not have any adverse impact upon the delivery of the required outcomes. It was also noted that the revised boundary aimed to ensure that it was clear and easily navigable and looked to avoid any unintended consequences (eg. 'rat-running').

Also, in noting the proposals affecting taxis and private hire vehicles and the need to ensure a consistency of approach for such vehicles whether they be registered with Leeds or with another Authority, Members highlighted that it was essential for the Government to establish a national register for such vehicles, with it being noted that confirmation had been received from Government that they were working to address this issue, whilst Members also highlighted that the Local Government Association were making representations to Government on such matters.

In addition, Members also noted that a substantial funding package was also being sought from Government in order to help facilitate the introduction of the related measures.

Responding to a Member's enquiry, it was undertaken that at the appropriate stage, liaison could take place with community groups in order to provide guidance around CAZ compliancy and exemption categories.

**RESOLVED –**

- (a) That approval be given to entering into a period of statutory public consultation on the proposed clean air zone and the enforcement of anti-idling;
- (b) That approval be given to entering into a period of public consultation on the introduction of the enforcement of anti-vehicle idling;
- (c) That approval be given to entering into a period of consultation with regard to the proposed changes to the licensing conditions for taxis and private hire vehicles;
- (d) That the necessary authority be delegated to the Director of City Development in order to enable the Director to procure for the required infrastructure, with the necessary 'authority to spend' also being provided to the Director, once funding from government has been secured;
- (e) That the necessary authority be delegated to the Director of Resources and Housing in order to enable the Director to procure for the administration of the taxi and private hire loan, with the necessary 'authority to spend' also being provided to the Director, once funding from government has been secured;
- (f) That approval be given to exempt the resolutions contained within this minute from the Call In process, on the grounds of urgency, as detailed in section 4.5.6 of the submitted report, in order that the Council achieves the closest legitimate date for submission in compliance with the Direction;
- (g) That a further report be submitted to the 25<sup>th</sup> July 2018 meeting of the Board which sets out a broader range of proposals not covered by the CAZ, for the improvement of air quality throughout the city;
- (h) That it be noted that a further report will be submitted to Executive Board on 19<sup>th</sup> September 2018 in order to report on the outcomes of the statutory consultation as, referenced within resolution (a) above.

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

(The Council's Executive and Decision Making Procedure Rules state that a decision may be declared as being exempt from the Call In process if it is considered that any delay would seriously prejudice the Council's, or the public's interests. In line with this, the resolutions contained within this minute were exempted from the Call In process, as per resolution (f) above, and for the reasons as detailed within section 4.5.6 of the submitted report, in order that the Council achieves the closest legitimate date for submission in compliance with the Direction)

## **REGENERATION, TRANSPORT AND PLANNING**

### **16 Design and Cost Report, Proposed Refurbishment, West Yorkshire Playhouse and Public Realm Works**

Further to Minute No. 57, 20<sup>th</sup> September 2017, the Director of City Development submitted a report which provided a summary of the progress made to date on the proposed works to the Playhouse and the public realm redevelopment and enhancement works at Gateway Court and Playhouse Square. The submitted report also sought approval to inject additional funding into existing Capital Scheme Nos. 32019 and 32804 and to authorise expenditure on the proposed works to the Playhouse and public realm works.

Members were supportive of the proposals, and highlighted the important role of the Playhouse in the cultural offer of Leeds. In discussing the redevelopment and the future role of the Playhouse, emphasis was placed upon the need to ensure that it was an inclusive and accessible asset for the whole city.

Responding to a Member's comments, clarification was provided that the Playhouse continued to produce work, whilst the redevelopment was taking place, with a briefing being offered to the Member in question.

Finally, it was noted that the theatre had recently been renamed the 'Leeds Playhouse'.

#### **RESOLVED –**

- (a) That an injection of £1.280m into the existing Capital Scheme No. 32019 towards the cost of refurbishing and reconfiguring the West Yorkshire Playhouse, be authorised;
- (b) That a fully funded injection of £550,000 from the West Yorkshire Playhouse into the existing Capital Scheme No. 32019 towards the cost of refurbishing and reconfiguring the West Yorkshire Playhouse, be authorised;
- (c) That 'Authority to Spend' of £1.830m from Capital Scheme No. 32019 towards the cost of refurbishing and reconfiguring the West Yorkshire Playhouse, be approved;
- (d) That an injection of £0.160m into existing Capital Scheme No. 32804 towards the cost of the proposed public realm redevelopment and

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enhancement works at Gateway Court and Playhouse Square, be authorised;

- (e) That 'Authority to Spend' of £0.160 from Capital Scheme No. 32804 for the proposed public realm redevelopment and enhancement works at Gateway Court and Playhouse Square, be approved;
- (f) That subject to consultation being undertaken with the Executive Member for Economy and Culture, the necessary authority be delegated to the Director of City Development and the Chief Officer Financial Services in order to negotiate and approve the final terms associated with the receipt of the West Yorkshire Playhouse's financial contribution to the proposed works to refurbish and reconfigure the playhouse building;
- (g) That approval be given to exempt the resolutions contained within this minute from the Call In process, for the reasons of urgency as detailed within sections 4.5.1 – 4.5.2 of the submitted report, and as it is considered that any delay in implementing such resolutions will prejudice the Council's interests;
- (h) That the following be noted:-
  - (i) The actions required to implement the above resolutions;
  - (ii) The proposed timescales to progress the project, as detailed in paragraph 3.9 of the submitted report; and
  - (iii) That the Chief Officer, Culture and Sport will be responsible for the implementation of such matters.

(The Council's Executive and Decision Making Procedure Rules state that a decision may be declared as being exempt from the Call In process if it is considered that any delay would seriously prejudice the Council's, or the public's interests. In line with this, the resolutions contained within this minute were exempted from the Call In process, as per resolution (g) above, and for the reasons as detailed within section 4.5.1 – 4.5.2 of the submitted report, as it is considered that any delay in implementing the decisions will prejudice the Council's interests)

## **17 Submission of the Leeds Core Strategy Selective Review**

Further to Minute No. 131, 7<sup>th</sup> February 2018, the Director of City Development submitted a report which sought approval from Executive Board to recommend to Council that it approved the Core Strategy Selective Review (CSSR) alongside supporting material and evidence for the purposes of submission to the Secretary of State, so that it may be subject to independent examination by the Planning Inspectorate.

Prior to the meeting, Board Members were in receipt of supplementary information which provided the Board with the individual outcomes from the respective consideration of the CSSR by Development Plan Panel and also Scrutiny Board (Infrastructure, Investment & Inclusive Growth), both of which met to consider this matter respectively on 20<sup>th</sup> June 2018.

Draft minutes to be approved at the meeting  
to be held on Wednesday, 25<sup>th</sup> July, 2018

**RESOLVED –**

- (a) That the representations made in response to the recent consultation on the proposed submission draft CSSR documents “Publication Draft” (under Regulation 19 of The Town and Country Planning (Local Planning) (England) Regulations 2012), be noted; and that the consequential changes made to the policies, which as amended now form the Core Strategy Selective Review Submission Draft Plan, also be noted;
- (b) That the individual resolutions of Development Plan Panel and Scrutiny Board (Infrastructure, Investment & Inclusive Growth), following their respective meetings on 20<sup>th</sup> June 2018, be noted;
- (c) That the following be recommended to Council:-
  - a) To approve the Submission Draft of the Core Strategy Selective Review (**Appendix 1 to the submitted report**) for independent examination, pursuant to Section 20 of the Planning and Compulsory Purchase Act 2004, as amended;
  - b) To approve the Sustainability Appraisal Report (**Appendix 2 to the submitted report**) in support of the Plan, along with supporting evidence and background documents, for Submission to the Secretary of State for independent examination, pursuant to Section 20 of the Planning and Compulsory Purchase Act 2004, as amended;
  - c) To grant authority to the independent inspector appointed to hold the Public Examination, to recommend modifications to the Submission Draft Plan, pursuant to Section 20 (7C) of the Planning and Compulsory Purchase Act 2004, as amended;
  - d) To delegate necessary authority to the Chief Planning Officer, in consultation with the relevant Executive Member, to:-
    - (i) approve the detail of any updates or corrections to the submission material and any further technical documents and supporting evidence required to be submitted alongside the revised Submission plan for consideration at future hearing sessions;
    - (ii) continue discussions with key parties and suggest to the Inspector any edits and consequential changes necessary to be made to the revised Submission Draft Core Strategy Selective Review following Council approval during the Examination; and
    - (iii) prepare and give evidence in support of the revised Submission Plan at Examination.

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

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

## **18 White Rose and Millshaw Industrial Estate**

The Director of City Development submitted a report which set out emerging proposals for significant investment and redevelopment on behalf of the owners of land at the White Rose Office Park and Millshaw Industrial Estate. In addition, the report also provided details of opportunities that this proposal would present for the further development of inclusive growth and regeneration in South Leeds.

Members welcomed the proposal as submitted, highlighted the significant potential for the development in terms of economic growth and job creation, and emphasised the linkages to the Leeds Inclusive Growth Strategy.

With regard to a reference within the submitted report to the Leeds Public Transport Investment Programme, it was clarified that it was intended to submit an update report on the programme to the 25<sup>th</sup> July 2018 Board meeting.

### **RESOLVED –**

- (a) That the Board's in-principle support be provided for the repurposing of the Millshaw estate as part of a joined up approach to development with the White Rose Office Park, in order to deliver significant inclusive growth benefits to the South Leeds, as set out at paragraphs 3.4 – 3.11 of the submitted report;
- (b) That the planning matters to be addressed by the landowners in bringing forward and delivering a master plan for the White Rose Office Park and Millshaw estate, as set out at paragraphs 3.12 – 3.16 of the submitted report, be noted;
- (c) That confirmation be provided that Council-owned land within and adjoining the Millshaw estate should be considered for inclusion within the master planning exercise on a 'without prejudice' basis, as set out within paragraphs 3.22 – 3.25 of the submitted report, with it being noted that the Head of Regeneration is responsible for the co-ordination of the Council's interests in this respect.

## **HEALTH, WELLBEING AND ADULTS**

### **19 Provision of a Loan Facility to Donisthorpe Hall Nursing Home**

The Director of Resources and Housing and the Director of Adults and Health submitted a joint report which sought approval to make a secured loan facility of £350,000 plus accrued interest available to Donisthorpe Hall care home in order to assist with the care provider's financial recovery plan.

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The Board noted the significant work which had been undertaken in respect of the required due diligence processes.

A Member highlighted the Council's role of enabling a mixed economy of care provision for the city, and how the submitted proposals were in line with that role.

Following consideration of Appendices 2a and 2b to the submitted report designated as exempt from publication under the provisions of Access to Information Procedure Rule 10.4(3), which were considered in private at the conclusion of the meeting, it was

**RESOLVED –**

- (a) That the provision of a secured loan facility, funded from the Council's balance sheet, from the Council to Donisthorpe Hall care home for the sum of Three Hundred and Fifty Thousand Pounds plus accrued interest, be approved, with this loan facility being allocated and repaid in accordance with the provisions stated in the submitted report and the exempt appendices 2a (including annexe A, B & C) and 2b;
- (b) That the Director of Adults and Health and the Director of Resources and Housing, in conjunction with the City Solicitor and the Chief Officer Financial Services, be authorised to ensure that the Board's resolution (above) is implemented.

**20 Short Break Services**

The Director of Adults and Health submitted a report providing details of the outcome of consultation undertaken on short break arrangements, and which sought approval to establish new arrangements to ensure that the Council's short breaks offer was fair, equitable and gave proper weighting to those with the greatest caring responsibility.

Responding to a Member's enquiry in respect of consultation, it was highlighted that the intention was to submit a further report to the Board in due course which provided further detail on the number of users which would be affected by the proposals and how they would be affected.

**RESOLVED –**

- (a) That approval be given to the expansion of the in-house Short Breaks service, so that it can offer short breaks to a greater variety of people and for a wider range of needs;
- (b) That the three tier approach towards having a short break which supports a range of carer needs, be approved;
- (c) That approval be given to the gradual withdrawal of the Outreach Service over time, in order to facilitate resolution (b) above, with it being noted that people's short breaks will be maintained through alternative arrangements when their sessional worker leaves / retires;

- (d) That further consultation be undertaken on a revised service specification for the Community-based Respite service, including referral pathway and service criteria;
- (e) That it be noted that the Community-based respite service and the Outreach Service are not the only way that people with eligible social care needs may have a break, and that people may choose to have a personal budget in order to arrange a short break that suits them and the cared-for person;
- (f) That it be noted that the Director of Adults and Health is responsible for the implementation of such matters.

## **21 Leeds' Commitment to Carers**

Further to Minute No. 23, 21<sup>st</sup> June 2017, the Director of Adults and Health submitted a report which provided an update on the progress which had been made by the Council and the Leeds Carers' Partnership in relation to the Leeds Commitment to Carers initiative.

The Board welcomed Val Hewison, Chief Executive of the 'Carers Leeds', organisation who was in attendance and provided the Board with an update on the progress made by the initiative over the past 12 months, highlighted the areas where progress was still required and provided further information on the crucial role played by the many carers throughout the city. In addition, as part of the ambition to make Leeds the best city for carers, an offer was made for further liaison to take place with each Council directorate in order to raise greater awareness in this area.

Members supported the range of actions being taken whilst noting that there was still further work to do in this field. In addition, Members highlighted the importance of providing adequate support to all carers, with reference being made to Council employees. Emphasis was also made to the link between being a carer and the impact that that could have upon an individual's mental health.

### **RESOLVED –**

- (a) That the progress which has been made to date by the Council and the Leeds Carers' Partnership in relation to the Leeds Commitment to Carers, be noted;
- (b) That approval be given to continue the promotion of the Leeds Commitment to Carers initiative across Leeds City Council directorates and also Elected Member Lead Portfolio areas.

## **22 Leeds Health and Wellbeing Board: Reviewing the Year 2017-18**

The Director of Adults and Health submitted a report presenting the 'Leeds Health and Wellbeing Board: Reviewing the Year 2017-2018', which served as an annual review and roundup of the range of activity commissioned or

directed by the Board, which had been guided by the Leeds Health and Wellbeing Strategy 2016-2021.

Responding to a Member's enquiry regarding the several specific issues which had been identified within the Director of Public Health's Annual Report for 2017/18, the Board noted that it was expected that such issues would feature upon the future work programme of the Health and Wellbeing Board.

**RESOLVED** – That the contents of the submitted report, together with the contents of the appended *Leeds Health and Wellbeing Board: Reviewing the Year 2017-2018* document, be noted, with the following being specifically highlighted:

- The successes achieved in Leeds to bring together effective partnerships/deliver major programmes of change such as the Improved Better Care Fund and Local Care Partnerships;
- Achieving the position as the 'Best Core City for Health and Wellbeing';
- Leeds' increasing influence in West Yorkshire and nationally via the power of our strengths and assets with a community focused approach towards health and care integration;
- Leeds' priority to improve the health of the poorest the fastest and address the social determinants of health (employment, housing, inclusion, community); and
- The additional challenges of delivering the health and care agenda despite ongoing austerity settlements.

## **CHILDREN AND FAMILIES**

### **23 Leeds Safeguarding Children Board Annual Report (2017/18): Evaluating the Effectiveness of Safeguarding Arrangements in Leeds**

The Independent Chair of the Leeds' Safeguarding Children Partnership submitted a report which presented the key findings from the Partnership's Annual Report for 2017/18.

The Board welcomed Dr. Mark Peel, Independent Chair of the Leeds Safeguarding Children Partnership, who was in attendance at the meeting in order to introduce the key points of the annual report and to highlight key priorities.

Responding to a Member's enquiry, the Board noted the view of the Independent Chair when considering the effectiveness of the procedures in place to exchange information between Leeds and other Local Authorities / agencies when dealing with cases which crossed the Local Authority's boundary, who confirmed that he believed that robust processes were in place.

Also in response to a Member's enquiry regarding the capacity in Leeds to deal with continuing and emerging issues around the protection of children and young people, the Independent Chair advised that he did not detect any negative impact in the safeguarding provision in Leeds as a result of the

resource being provided to Kirklees Council, as part of the Partners in Practice programme. Further to this, the Director of Children and Families advised the Board that a period of 3 years had been identified for Leeds' involvement in Kirklees which included a tapering of support, and it was also highlighted that agreement had now been reached with the Department for Education (DfE) for Kirklees to look to recruit their own Director of Children's Services. It was also noted that Leeds was in regular contact with the DfE on such matters.

Following a specific request, the Independent Chair undertook that the Partnership would carry out a piece of work around the 'Early Help' strategy in respect of those children and families who required support, with it being highlighted that although demand for such support was high, a number of schools in the city were withdrawing support for Clusters, through which a number of related services were focussed. It was noted that the outcomes from that piece of work would be provided to Board Members as appropriate, with it also being suggested that it may be appropriate to raise this matter with the Department for Education.

In conclusion, the Chair paid tribute to the vital work of the Leeds Safeguarding Children's Partnership.

**RESOLVED –**

- (a) That the contents of the submitted cover report together with the contents of the appended Leeds Safeguarding Children Partnership Annual Report (2017-18) be noted, together with the identified safeguarding priorities for the city, as detailed within the Annual Report;
- (b) That the Leeds Safeguarding Children Partnership be requested to carry out a piece of work around the 'Early Help' strategy in respect of those children and families who required support, with it being highlighted that although demand for such support was high, a number of schools in the city were withdrawing support for Clusters, through which a number of related services were focussed, with the outcomes from that piece of work being provided to Board Members as appropriate.

**24 Annual Report of the Fostering Service and Annual update of the Statement of Purpose.**

Further to Minute No. 29, 17<sup>th</sup> July 2017, the Director of Children and Families submitted a report which presented the annual report of the fostering service and which sought approval of the revised statement of purpose for Leeds City Council's Fostering Service.

**RESOLVED –**

- (a) That the Statement of Purpose for Fostering Services for Leeds City Council, as appended to the submitted report, be approved;
- (b) That the contents of the annual Fostering report, as submitted, be noted, with the Board confirming its continued support for the work of

the adoption and fostering service which aims to ensure that children receive the best possible support.

**25 Annual Report of the One Adoption West Yorkshire & Statement of Purpose.**

Further to Minute No. 29, 17<sup>th</sup> July 2017, the Director of Children and Families submitted a report which presented the annual report of One Adoption West Yorkshire (OAWY), as required by the National Minimum Standards 2011. Specifically, the report sought approval of the revised Statement of Purpose for OAWY.

**RESOLVED –**

- (a) That the Statement of Purpose for One Adoption West Yorkshire, as appended to the submitted report, be approved;
- (b) That the annual adoption report, as appended to the submitted report, be noted, with the Board confirming its continued support for the work of OAWY, which aims to ensure that children receive the best possible support.

**LEARNING, SKILLS AND EMPLOYMENT**

**26 Councillor Pryor**

At the commencement of the reports within his portfolio, the Chair welcomed Councillor Pryor, given that this was the first Executive Board meeting which he had attended since his recent appointment to the position of Executive Member for 'Learning, Skills and Employment'.

**27 The Annual Standards Report 2016-17**

The Director of Children and Families submitted a report which presented the progress made towards Leeds becoming the best city for learning. The report outlined Leeds' current position in relation to the associated strategy and the actions that had been taken to ensure that all children in Leeds, including those affected by poverty and other disadvantages were supported to help them achieve their potential.

Responding to a Member's enquiry, the Board received further information on the range of ongoing actions being taken to narrow the gap between advantaged and disadvantaged learners, which included details of the 'Advantaging the Disadvantaged' strategy and the work of the Child Poverty Impact Board.

In noting the recent appointment of a new Deputy Director (Learning), who was due in post in the Autumn, it was suggested that a piece of work that looked at further tackling such matters be developed in readiness for the new Deputy Director, so that they could pick it up as a priority.

Also, responding to an enquiry, the Board received details regarding the processes and timescales by which Educational Health and Care Plans for SEND (Special Educational Needs and Disability) learners were put in place.



**RESOLVED –**

- (a) That the contents of the submitted report, together with the Annual Standards Report, as appended, which details the outcomes of Leeds children and young people in the 2016 / 2017 academic year, be noted;
- (b) That the expectations for future developments in learning and the ways that Leeds intends to diminish differences between key groups across the city; including those pupils with pupil premium funding, SEND (Special Educational Needs and Disability) or within a minority group, be noted;
- (c) That the provision of ongoing support, challenge and intervention in Leeds be approved, in order to ensure that progress continues to be made towards Leeds becoming the best city for learning.

**28 Learning Places Programme - Request for Approval to Inject Basic Need Funding to Expand the Co-operative Academy of Leeds**

The Director of the Director of Children and Families submitted a report regarding proposals as part of the Learning Places Programme scheme to increase the Pupil Admissions Number at The Co-operative Academy of Leeds from 180 to 240 from September 2019, which would create an additional 300 places across years 7 – 11. In addition, the submitted report sought approval to undertake related capital expenditure.

**RESOLVED –**

- (a) That 'Authority to spend' on the Learning Places Programme for the expansion of The Co-operative Academy of Leeds at a total value of £4.1m, as detailed within the submitted report, be approved;
- (b) That it be noted that it is currently envisaged that the scheme will be completed by October 2019, however it is also noted that discussions are ongoing between all parties to look at ways in which to bring this date forward to September 2019;
- (c) That it be noted, that if the required works cannot be completed by September 2019, a contingency plan will be developed to ensure that the Academy is able to accommodate the additional pupil numbers;
- (d) That it be noted that the Chief Officer, Asset Management and Regeneration is responsible for the delivery of the scheme.

**29 Outcome of consultation to increase learning places at Moor Allerton Hall Primary School**

Further to Minute No. 138, 7<sup>th</sup> February 2018, the Director of Children and Families submitted a report which detailed the outcome of the consultation undertaken regarding proposals to permanently expand primary school provision at Moor Allerton Hall Primary School from 2 form entry to 3 form entry and which sought permission to publish a Statutory Notice in respect of such proposals.

Responding to an enquiry, assurance was provided to the Board that the proposals being put forward were not simply a short term measure for that area.

Prior to the meeting, Board Members were in receipt of a re-circulated version of the submitted cover report, as it had been noted that parts of sections 3.13-3.14 and 4.3 of the original version had been either mis-formatted or had some text missing.

Having taken the resubmitted version of the cover report into consideration, it was

**RESOLVED –**

- (a) That the publication of a Statutory Notice on a proposal to permanently expand primary provision at Moor Allerton Hall Primary School from a capacity of 420 pupils to 630 pupils, with an increase in the admission number from 60 to 90, with effect from September 2019, be approved;
- (b) That it be noted that the previous proposals to form a through-school by joining together Moor Allerton Hall Primary School with Allerton Grange School, and to expand primary provision as part of that through-school, are not to be taken forward;
- (c) That approval be given to exempt the resolutions within this minute from the Call In process, for the reasons as set out within paragraph 4.5.2 of the submitted report;
- (d) That it be noted that the responsible officer for the implementation of such matters is the Head of Learning Systems.

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

(The Council's Executive and Decision Making Procedure Rules state that a decision may be declared as being exempt from the Call In process if it is considered that any delay would seriously prejudice the Council's, or the public's interests. In line with this, the resolutions contained within this minute were exempted from the Call In process, as per resolution (c) above, and for the reasons as detailed within section 4.5.2 of the submitted report)

**30 European Structural and Investment Funds Programme 2014-2020: Supporting Young People into the Labour Market**

The Director of City Development submitted a report which sought authorisation to commit a maximum of £1.8m Council match-funding in order to deliver the Leeds element of the Leeds City Region Employment Hub Project (Routeways) and 'Not in Education, Employment or Training' (NEET) Youth Engagement and Progression (YEP) Projects. The submitted report highlighted how such projects would result in investment of up to £3.8m in the

city and £14m across the Leeds City Region, part funded by the European Structural and Investment Fund (ESIF).

**RESOLVED –**

- (a) That the Council, as a Delivery Partner, be authorised to work with:-
  - (i) the West Yorkshire Combined Authority under a Service Level Agreement, to deliver the Leeds City Region Employment Hub Project (Routeways), as part of the ESIF Sustainable Integration of Young People into the Labour Market Programme; and
  - (ii) City of Bradford Metropolitan District Council under a Service Level Agreement, to deliver the YEP Project, as part of the ESIF Sustainable Integration of Young People into the Labour Market Programme.
  
- (b) That the following total expenditure be approved:-
  - (i) up to £1.4m by the Council inclusive of £0.7m maximum match funding to deliver the Leeds element of the YEP project over the next three years, 2018-2021;
  - (ii) up to £2.1m by the Council inclusive of £1.1m maximum match funding to deliver the Leeds element of the Routeways project over the next three years, 2018-2021;
  
- (c) That it be noted that the Head of Projects and Programmes in the Employment and Skills Service will be responsible for the implementation of both projects in Leeds, which are anticipated to commence by August 2018 and be completed by August 2021.

**31 LGBT+ Inclusive City**

Further to Minute No. 105, 7<sup>th</sup> November 2012, the Director of Communities and Environment submitted a report which provided an update on the progress made over the past 6 years since the LGBT+ Friendly City report was considered by the Board. In addition, the report highlighted the work of the re-launched LGBT+ Hub and the Council's LGBT+ Staff Network in contributing towards the development of the agenda alongside partners in the public, Third and Business Sectors.

**RESOLVED –**

- (a) That the current and ongoing work undertaken to make Leeds an LGBT+ Inclusive City be noted, and that support be provided to the LGBT+ Hub in developing and maintaining a forward work programme, together with success measures which reflect the work streams outlined within the submitted report and appendix. It is also noted that the work programme is to be co-produced and owned between the LGBT+ Hub and the LGBT+ community;
  
- (b) That support be given to the cross city partnership approach that has developed between the Council, other public bodies, the Third and Business Sectors to deliver on the Inclusive City agenda;

- (c) That support be given to the work undertaken to address the lack of LGBT+ community infrastructure within the city relative to other major urban areas;
- (d) That continued support be given to the leadership role of senior officers, Elected Members and partners in taking forward the LGBT+ equality agenda, with recognition being given to the significant positive impact that the work of champions and allies has in delivering outcomes;
- (e) That the intention for the LGBT+ Hub to develop a forward work programme with a 5 year prioritised timeframe, be noted, together with the fact that the responsibility for supporting the associated resolutions arising from this report will sit with the Director of Communities and Environment and Chief Officer Communities.

**DATE OF PUBLICATION:**

FRIDAY, 29<sup>TH</sup> JUNE 2018

**LAST DATE FOR CALL IN  
OF ELIGIBLE DECISIONS:**

5.00PM, FRIDAY, 6<sup>TH</sup> JULY 2018

Draft minutes to be approved at the meeting  
to be held on Wednesday, 25th July, 2018