

## **SCRUTINY BOARD (STRATEGY AND RESOURCES)**

**MONDAY, 13TH JANUARY, 2025**

**PRESENT:** Councillor A Khan in the Chair

Councillors D Blackburn, D Chapman,  
S Firth, B Flynn, S Hamilton, T Hinchcliffe,  
W Kidger, A Parnham, E Thomson and  
C Timmins

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

There were no appeals.

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

There was no exempt information.

### **59 Late Items**

There were no late items.

### **60 Declaration of Interests**

There were no declarations of interest.

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

Apologies were received from:

Cllr Andrew Carter with Cllr Sam Firth attending as a substitute  
Cllr Paulene Grahame

### **62 Minutes - 9 December 2024**

**Resolved** - That the minutes of the previous meeting held on 9th December 2024 be approved as a correct record.

### **MATTERS ARISING**

The board were informed that requested additional information relating to the Meals at Home service which was part of an item on Civic Enterprise Leeds at

Draft minutes to be approved at the meeting  
to be held on Monday, 3rd March, 2025

the 9<sup>th</sup> December board meeting, has now been circulated by email to the Board.

### **63 Financial Health Monitoring 2024/25 - Month 7 (October)**

The Board considered a report from the Head of Democratic Services providing members with the latest update on the in year financial position in respect of the Revenue Budget, Dedicated Schools Grant (DSG) and the Housing Revenue Account (HRA).

In attendance for this item were:

- Cllr Debra Coupar, Executive Member for Resources
- Mariana Pexton, Director of Strategy & Resources
- Victoria Bradshaw, Interim Assistant Chief Executive – Finance, Traded and Resources

The Interim Assistant Chief Executive – Finance, Traded and Resources introduced the report and highlighted the projected overspend in the revenue budget which stands at £20.7m, a reduction on the previous month which is due to the mitigations being introduced to tackle the overspend. It was noted that the main areas of overspend are in children and families and adult social care services, both of which are demand led services.

Mitigations both across the council, such as on essential spend only, vacancy freeze and agency and overtime spend, and within the directorates were highlighted and it is anticipated that this will bring the overspend down in the coming months. The Strategic Contingency was also noted as being set up to provide additional robustness in the event of overspend in the financial year.

In response to questions and comments from board members the following issues were discussed:

- In response to a question on sufficiency of reserves from the Chair, the Board heard that there are a number of mitigations in place, the main one being the strategic contingency reserve and other ear marked reserves. It was noted that provided the in year position doesn't get any worse then there will be sufficient reserve to balance the budget in 2024/25. Use of reserves in 2024/25 would potentially mean less resource for the 2025/26 financial year. A number of measures have been put in place in the event that the budget pressures continue in future financial years, these focus on areas such as services with growing demand and the national and real living wage.
- The Board highlighted the positive work being done on Children Looked After (CLA) and bringing often costly external placements back into in house provision in Leeds. Members asked if this could be accelerated to bring the significant associated savings to the Council at a quicker rate. In response members were informed that the children involved often have complex needs and have had a difficult start in life

so it is not always straightforward to change placements and can take time. In addition, providing the small group living homes also takes time with around 9 months typically required from purchase to being able to house children and young people – taking account of issues such as staffing, getting the home registered and working with the children to ensure they are settled. It was noted that lessons have been learned during the process of opening the small group homes in recent months and the process has quickened up as a result.

- The Board noted the hard work being done by the Finance Team to balance the budget in year. In response to a question on whether the overspend will reduce by the end of March 2025, the board heard that the measures that have been introduced have meant that the position is not as bad as it might have been and there is still work going on which could see the position improve further and enable more reserves to be in place for 2025/26. The Board also heard that delivering the savings plans and the associated risk assessments will be important in ensuring budgetary robustness in this financial year and the next.
- The Board asked about the financial challenge focussing on whether the authority will be able to meet its statutory obligations or if there is a risk of Section 114 being required in Leeds. In response the Board heard that measures have been put in place, such as the strategic contingency reserve, and following detailed forecasting work through the Medium Term Financial Strategy (MTFS) additional resource has been put into the 2025/26 budget. This includes meeting demand pressures with £49m included for Children and Families and Adult Social Care, additional resource for LCC related salary pressures of £33.7m and the cost of the real living wage for provider services with £23.6m included for the commissioning of these services.
- These commitments have meant that there is a significant round of savings proposals that are currently being consulted on, within which there are risks associated not least events either nationally or internationally that impact on the financial position of the authority but are outside of the Council's control.
- The Board put on record their thanks for the work of the finance team in tackling the budget challenge.
- The Executive Member for Resources added that within Children Looked After budgets a key concern is profiteering in the private sector which is impacting budgets and needs to be resolved quickly. In addition, the Executive Member noted that oversight on the budget has been significant in recent years, on a cross council basis and that work has assisted in easing already significant pressures in 2024/25.
- In response to a question on multi-year or longer-term settlements from Government and also on recognition of budget pressure linked to Children Looked After, the Board were informed that the Comprehensive Spending Review expected in the Spring will inform the multi-year settlements. On CLA there is national recognition of budget pressures in that area and there is a desire to take forward and implement the findings of the MacAllister Review and consideration of options such as caps on providers to reduce care costs.

**Resolved** - Members noted the content of the report and appendix as part of the Board's remit on financial sustainability and budgetary robustness.

#### **64 The Proposed Budget 2025/26 and Provisional Budgets for 2026/27 and 2027/28**

The Board considered a report from the Head of Democratic Services that introduced the Council's proposed budget for 2025/26 and provisional budgets for 2026/27 and 2027/28 for consideration, review and comment on matters and proposals that fall within the Scrutiny Board's remit. The Board noted the intention to provide comments and feedback to Executive Board at its February 2025 meeting through a composite report from all five scrutiny boards, in line with the Budget and Policy Framework of the Authority.

In attendance for this item were:

- Cllr Debra Coupar Executive Member for Resources
- Mariana Pexton , Director of Strategy & Resources
- Victoria Bradshaw, Interim Assistant Chief Executive - Finance, Traded and Resources
- Andy Dodman, Interim Assistant Chief Executive - People, Digital & Change
- Andrew Byrom, Chief Digital Information Officer

To introduce the report Interim Assistant Chief Executive - Finance, Traded and Resources noted the requirements of the Budget and Policy Framework and provided an update on the Provisional Local Government Settlement made on 18 December. In the provisional settlement there was an announcement of additional funding, much of it one-off in nature and confirmation of future funding is expected in the Comprehensive Spending Review (CSR) in the Spring. Additional funding included the following: Recovery Grant of £15.6m, Children's Services Prevention Grant of £5.1m, general grant for Adult Social Care of £4.2m, Homelessness Prevention Grant of £1.2m and Domestic Abuse Duty Accommodation Grant of £0.5m. It was stressed that these allocations are only provisional at this stage subject to confirmation in the Final Local Government Settlement expected in the coming weeks. As things stand, and subject to the CSR announcement, these additional funds are grants for 2025/26 only.

In response to comments and questions from Board members the following issues were discussed:

- The Board asked if there was a date on which the final Local Government Settlement will be announced, in response the Board heard that as yet no date is available, but it is usually towards the end of January or in early February.
- In response to a question from the Chair on savings plans and whether they will lead to a balanced budget in 2025/26, the Board heard that the savings proposals are currently being risk assessed to assess any

risks associated with implementing the proposals. This review will inform the level of balances, Strategic Contingency Reserve and the Social Care Reserve the Council needs to have in place to ensure the Council is resilient if any of these risks materialise. Members were informed that the proposed budget is robust but is not without risk given the scale of the financial challenge faced by the authority.

- Following member questions, the board were informed about robust plans on Trade Union engagement. This involves regular briefings with Trade Unions throughout the year, which also feature the Executive Member for Resources. This is supported by engagement with the Trade Unions prior to the budget proposals going to the Executive Board to ensure that the Unions are aware of content and are aware before the proposals are shared more widely with staff. In addition, once the proposals trigger a formal consultation process further engagement takes place through a formal, collective consultation framework if it impacts on the Council's workforce.
- A Board member queried impact assessments and the timing of them suggesting that potentially they could be done sooner during the budget setting process. In response the Board heard that extensive work has been done on the budget savings proposals which includes risk assessments around implementation. Timescales are very tight on the budget setting process and risk mitigation and management are key priorities.
- On digital change members noted that there is a programme of digital change aimed at modernising and delivering services more efficiently, which was welcomed but there are also proposals to reduce staffing in Integrated Digital Services (IDS), the board sought assurance on whether these two proposals are potentially in conflict. Assurance was provided around the strategy to move resources away from old legacy systems towards cloud based technology and more standardised integrated systems, this will free up resources in IDS and support delivery of the Technology Strategy. The Board were also informed of a plan to develop staff at entry level in new skills which can meet future business needs and also provide rewarding careers for Leeds residents.
- Members asked about the inclusivity of consultation in regard to the Bowling Green proposals. Whilst the proposal itself sits outside of the Board's remit; effective consultation does fall within the Board's remit. In response the Board were assured that consultation is inclusive and is aimed at engaging with as many people as possible through as many channels as possible. Consultation feedback does not always change proposals but equally it can do through different options being provided through consultation and being captured and considered through the savings review process. Equality Impact Assessments are conducted on all service review proposals.
- The Executive Member for Resources added that service reviews for budget reductions sit with the relevant directorates with different scrutiny boards having responsibility for the specific proposals, according to remit. In addition, the service review process is live, and they are currently being worked on by the relevant services, during

consultation in advance of final proposals being brought forward to Executive Board and full Council in February. These are proposals that are being consulted on and they have yet to be fed back for a decision on whether they go forward in the final budget proposals.

- Members asked about possible savings through procurement and contract management. As yet the savings have not been included in the budget proposals as a review is ongoing of contracts that are due for renewal with negotiation taking place to negotiate contracts down, albeit it in a challenging environment where costs for goods and services are increasing. On contract management work is underway to provide additional skills to improve contract management approaches and once a better idea of what may be achieved through that is developed then any savings will be included in the budget.
- The Board discussed the role of the Strategy and Resources Board on the budget and whether it includes specific savings that fall into other Boards' remits. It was noted that the Strategy and Resources Board does have more of an overview role with more detailed discussion on issues such as Neighbourhood Networks or Bowling Green proposals reserved for other Boards who have remit, and expertise, for those services. The Strategy and Resources Board is more focussed on the overall budget and the assumptions and resourcing within the budget, as well as relevant service reviews.
- The Chair sought assurances around measures to protect the authority from the growing threat of cyber-crime and on cyber security generally. On this issue the Council has a number of measures in place to provide safeguards from the threat. Cyber Security is a constant threat to public sector organisations and the council does have policies and procedures in place, staff training programmes and technical controls to provide safeguards. The Board were informed that briefings have been set up by IDS following previous attendance at scrutiny, to provide assurance to elected members on cyber security and provide more detail.
- Both the Executive Board Member and Chair of the Board put on record their thanks for the work being done by colleagues in the Strategy and Resources Directorate and especially the Finance Team in a very challenging environment to set out the budget for 2025/26.

### **Resolved -**

The Board noted:

- A) the content of the report and appendices and
- B) that discussion of this item today and at the Working Group held in December 2024 will inform the summary of deliberations of all five Scrutiny Boards on the initial budget proposals and that this will be submitted for consideration by Executive Board on 12 February 2025.

## 65 Performance Report

The Board considered a report from the Interim Assistant Chief Executives which presented a summary of performance data relating to Council and city priorities that fall within the remit of the Scrutiny Board (Strategy & Resources).

In attendance for this item were:

- Cllr Debra Coupar Executive Member for Resources
- Mariana Pexton , Director of Strategy & Resources
- Victoria Bradshaw, Interim Assistant Chief Executive – Finance, Traded and Resources
- Andy Dodman, Interim Assistant Chief Executive – People, Digital and Change
- Tim Rollett, Intelligence and Policy Manager

To introduce the report, a presentation was made covering the key points from the performance data and highlighting areas of interest for board members. This included KPIs on human resources including sickness absence, finance including council tax and business rate collection and customer complaints. In addition, it was noted that the Office for Local Government (OFLOG) indicators that have featured in other recent performance reports have now been scrapped and do not feature in today's report.

Responding to comments and questions from board members the following areas were covered:

- Following a question on attendance management and a slight increase in the figures the Board were informed that attendance does vary across services significantly. With regard to frontline services, as an organisation the Council has established task forces to concentrate efforts on services that have higher rates of sickness absence. This targets support and guidance in the areas that need it most, whether that be well-being support or support for managers. This approach has delivered results in terms of improved attendance in the workplace. It was also noted that due to the time of year a slight increase in sickness is expected in the winter months as well as having more staff in work due to term time staff coming back into work from summer breaks.
- In addition, the Board heard that there is ongoing work to develop manager capability and capacity to improve sickness management and provide additional skills and confidence to improve absence rates.
- On staffing reductions, the Board asked about plans for voluntary leavers and reductions in FTEs moving forward in 2025/26, with 240 planned across the organisation. The approach is a mixed approach some of this will be delivered through deletion of vacant posts, a voluntary leavers scheme and flexible deployment across the organisation. This will be closely monitored in terms of staff leaving and possible loss of experience.

- Members asked about customer complaints and stage one complaints. The Board heard that complaints does feature on the Corporate Leadership Team (CLT) agenda periodically to address underlying issues and improve services to residents. However, there are peaks and troughs in demand and particularly within Children and Families there have been significant demand pressures in some services that has increased complaint levels. In addition, there is a commitment to learn from complaints and improve services based on this.
- The Board discussed the OFLOG figures and whether they should still be included to create a full year set of performance on those indicators. The Board noted that some issues with the indicators were that many of them were already monitored and that some of them did not take account of key differences between authorities. For example, on debt some authorities have a Housing Revenue Account (HRA) and others do not due to local decisions about housing management, this can significantly skew overall debt comparison between local authorities.
- The Board asked about bad debt provision and whether there were any trends. Members heard that bad debt is assessed as part of collection rate assessments which are provided for in the budget following the assessment. Additional figures will be circulated to the Board to provide more detail.
- Members asked when reporting will be done on ethnicity pay gaps. This will be part of future reporting and work is ongoing on this at the moment. On the gender pay gap members were informed that this will be reported on when the snapshot is taken which is at the end of each financial year, the next one being on 31 March 2025 which will feature in the next Performance Report.

**Resolved** – The Board noted the performance information contained in Appendix 1 to the tabled report.

## 66 Work Programme

The Board considered the Scrutiny Board’s work programme for the 2024/25 municipal year.

The Principal Scrutiny Adviser introduced the report setting out the Work Programme at Appendix 1 and the December Executive Board minutes at Appendices 2.

**Resolved** - Members noted the Board’s Work Programme for the 2024/25 municipal year and agreed the change to the date of the next board meeting from 17 February to 3 March with an 11.00AM start.

## 67 Date and Time of Next Meeting

The next public meeting of the Board will take place on 3 March 2025, there will be a pre-meeting for all board members at 10.30am and a start time of 11.00AM.

Draft minutes to be approved at the meeting  
to be held on Monday, 3rd March, 2025