



Infrastructure, Investment & Inclusive Growth

Scrutiny Working Group Summary: Budget Consultation

Infrastructure, Investment & Inclusive Growth Scrutiny Board Working Group Summary: Budget Consultation

8 December 2021

In accordance with the Council's Budget and Policy Framework, the Executive's initial budget proposals are submitted to Scrutiny for consideration and comment. As part of the consultation process this year, all five Scrutiny Boards are holding initial private working group meetings during December to consider the full range of budget saving proposals that fall within their individual remits.

All the Scrutiny Boards will then use their planned public meetings in January to formally consider the Executive's Proposed Budget 2022/23. At this stage, the Scrutiny Boards will also be able to take into account any significant developments following the settlement announcement.

ATTENDEES

BOARD MEMBERS

Cllr J Bentley	Cllr M Shahzad
Cllr N Buckley	Cllr N Sharpe
Cllr K Dye	Cllr J Taylor
Cllr L Martin	Cllr P Truswell (Chair)

Apologies: Cllrs Gettings, Goddard, Hussain, Wadsworth

NON-BOARD MEMBERS

Cllr Helen Hayden (Exec Member)	Michael Everitt (Head of Finance)
Martin Farrington (Dir City Development)	Coral Main (Head of Business Risk & Planning)
Phil Evans (Chief Officer, Operations)	Steven Boyle (Senior Finance Business Partner)



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DISCUSSION SUMMARY

1. Michael Everitt delivered an introductory presentation setting out the latest position in closing the three-year financial gap, an overview of revenue savings proposals presented to Executive Board in September and December 2021 and additional information about 'business as usual' savings relevant to the remit of the Board
2. Michael highlighted that the financial gap forecast in September had been revised in the December report to reflect updated information about the resources available to the Council.
3. Martin Farrington then presented a 'line by line' summary of revenue savings identified in service areas that fall within the remit of the Board.
4. Martin noted the department was asked to provide £3.7m of revenue savings equating to a reduction of approximately 12% of net spend. In attempting to deliver those savings the service sought to avoid an impact on frontline services wherever possible and to apply a degree of prudence that reflects the impact on the service of wider economic trends and risks outside of the Council's control.

ISSUES RAISED BY BOARD MEMBERS

5. Members discussed asset management, exploring the impact of estate reduction in securing capital receipts, reducing maintenance and running costs, and providing opportunities to sub-let properties thereby generating income.
6. Members sought clarity about the Council's ownership of land used as a car park at Elland Road. In response Martin outlined the strategic advantages of owning land around the north and west stands to provide the Council with landowning controls should there be a future strategic redevelopment. It was confirmed that the car park does generate a surplus but that income could be increased through modernisation of the cash-based system. Introducing a cashless system would allow the Council to implement incremental price increases more easily in future.
7. Members sought clarification about the assumptions in the budget regarding the provision of £3m from WYCA. It was confirmed that where the ambitions of WYCA are being delivered by the Council there is an expectation that payment will be made to LCC. The assumptions must be ratified by WYCA through its own budgetary process.
8. Members sought more information about the practicalities of vacancy management. Martin and Phil outlined the corporate system of 'checks and challenges' regarding the release of vacant posts. They further outlined the additional local systems within the service to assess each vacancy. It was noted that regard is given to the nature of the post with priority award to positions which have health and safety implications, essential/statutory responsibilities or that generate significant income.



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9. Members sought clarification about the way in which staffing structures are reviewed more broadly and how this interacts with reactive vacancy management.
10. Board members sought assurances about the level of risk built into income generation assumptions – for example, in relation to chargeable services. In response it was confirmed that the assumptions are regarded as prudent, considering the likelihood of variations in the levels of income generation in different areas of the service. It was further noted that the service always anticipates being impacted by variables external to Council control, and the figures in the budget are therefore cautious. Regular monitoring of financial health takes place via the Executive Board.
11. The Board has previously expressed concern about capacity within the planning department. It was noted that officers in planning and building control have been under significant pressure following a surge in demand – as borne out by levels of income above those forecasted in last year's budget. It was confirmed that backlogs have reduced and the services are in a more balanced position.
12. Members queried whether the Council is as effective as it could be in applying Section 38 functions and sought further information about the appetite of other Local Authorities to utilise expertise in Leeds via a consultancy service considering new national 'burdens'. It was confirmed that informal discussions with other authorities are ongoing.
13. Member discussed the potential risk to the budget of rising energy prices, noting the anticipated savings relating to reductions in consumption, including in street lighting. In response it was noted that there are two aspects to consider in relation to energy savings. Firstly, specifically regarding streetlighting, the budget includes a £233k saving that relates to consumption. Secondly, at a corporate level, a base assumption has been made that a 5% increase should be built into directorate budgets in relation to energy costs. Centrally provision is being made to mitigate the impact on services of potentially higher rises. It was also noted that corporately the Council does buy energy in advance so there is some inbuilt protection in the short term.
14. Members sought assurance that the budget minimises the impact on frontline services. Members welcomed the assurance provided.
15. Members were informed that the presentation and paperwork had been drafted in advance of the receiving provisional settlement figures from Government. Further information about the implications of the settlement would therefore be provided in January.

