



SCRUTINY BOARD (INFRASTRUCTURE, INVESTMENT & INCLUSIVE GROWTH)

Meeting to be held in Civic Hall, 1st Floor West, LS1 1UR on
Wednesday, 8th January, 2020 at 10.30 am

Pre-Meeting for all Board members at 10am.

MEMBERSHIP

N Buckley	- Alwoodley
L Cunningham	- Armley
N Dawson	- Morley South
K Dye	- Killingbeck & Seacroft
J Goddard	- Roundhay
R Grahame	- Burmantofts and Richmond Hill
C Hall	- Rothwell
K Maqsood	- Gipton and Harehills
M Shahzad	- Moortown
J Taylor	- Horsforth
P Truswell (Chair)	- Middleton Park
P Wadsworth	– Guiseley and Rawdon

A G E N D A

Item No	Ward/Equal Opportunities	Item Not Open		Page No
1			APPEALS AGAINST REFUSAL OF INSPECTION OF DOCUMENTS To consider any appeals in accordance with Procedure Rule 25 of the Access to Information Rules (in the event of an Appeal the press and public will be excluded)	
2			EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC 1 To highlight reports or appendices which officers have identified as containing exempt information, and where officers consider that the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons outlined in the report. 2 To consider whether or not to accept the officers recommendation in respect of the above information. 3 If so, to formally pass the following resolution:- RESOLVED – That the press and public be excluded from the meeting during consideration of the following parts of the agenda designated as containing exempt information on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information, as follows:-	
3			LATE ITEMS To identify items which have been admitted to the agenda by the Chair for consideration. (The special circumstances shall be specified in the minutes.)	

4		DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS To disclose or draw attention to any disclosable pecuniary interests for the purposes of Section 31 of the Localism Act 2011 and paragraphs 13-16 of the Members' Code of Conduct.	
5		APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTES To receive any apologies for absence and notification of substitutes.	
6		MINUTES - 20 NOVEMBER 2019 To approve as a correct record the minutes of the minutes of the meeting held on 20 November 2019.	1 - 6
7		INCLUSIVE GROWTH UPDATE REPORT Following the Scrutiny Board's April 2019 Inclusive Growth Strategy Inquiry, the report of the Director of City Development and the Director of Resources and Housing details progress made to date against the recommendations relating to 'Big Idea 4 – Working Together to Create Better Jobs, Tackling Low Pay and Boosting Productivity.'	7 - 24
8		BEST COUNCIL PLAN PERFORMANCE REPORT QUARTER 2 2019/20 To consider the report of the Director of City Development, Director of Children and Families and the Chief Executive, which presents a summary of the Best Council Plan (BCP) performance data for Quarter 2 2019/20.	25 - 56
9		FINANCIAL HEALTH MONITORING To consider the report of the Head of Democratic Services and the appended budget report with regards to the areas aligned with the Board's Terms of Reference.	57 - 90

10		INITIAL BUDGET PROPOSALS 2020/21 To consider a report from the Head of Democratic Services which provides information regarding the outline budget proposals for 2020/21.	91 - 156
11		BEST COUNCIL PLAN REFRESH To consider the report of the Head Democratic Services which provides information for consideration in relation to the Best Council Plan refresh for 2019/20 – 2020/21.	157 - 168
12		WORK SCHEDULE To consider the Scrutiny Board’s work schedule for the 2019/20 municipal year.	169 - 190
13		DATE AND TIME OF NEXT MEETING 19 February 2020 at 10.30am (pre-meeting for Board members at 10am). THIRD PARTY RECORDING Recording of this meeting is allowed to enable those not present to see or hear the proceedings either as they take place (or later) and to enable the reporting of those proceedings. A copy of the recording protocol is available from the contacts on the front of this agenda. Use of Recordings by Third Parties – code of practice a) Any published recording should be accompanied by a statement of when and where the recording was made, the context of the discussion that took place, and a clear identification of the main speakers and their role or title. b) Those making recordings must not edit the recording in a way that could lead to misinterpretation or misrepresentation of the proceedings or comments made by attendees. In particular there should be no internal editing of published extracts; recordings may start at any point and end at any point but the material between those points must be complete.	

SCRUTINY BOARD (INFRASTRUCTURE, INVESTMENT & INCLUSIVE GROWTH)

WEDNESDAY, 20TH NOVEMBER, 2019

PRESENT: Councillor P Truswell in the Chair

Councillors N Buckley, L Cunningham,
N Dawson, K Dye, J Goddard, R Grahame,
K Maqsood, M Shahzad, J Taylor and
P Wadsworth

40 APPEALS AGAINST REFUSAL OF INSPECTION OF DOCUMENTS

There were no appeals.

41 Exempt Information - Possible Exclusion of the Press and Public

There was no exempt information.

42 Late Items

43 Declarations of Disclosable Pecuniary Interests

There were no declarations.

44 Apologies for Absence and Notification of Substitutes

Apologies for absence were submitted on behalf of Councillor C Hall.

45 Minutes - 9 October 2019

RESOLVED – That the minutes of the meeting held on 9 October 2019 be confirmed as a correct record.

46 Advancing Bus Provision

The report of the Head of Democratic Services, Director of City Development and West Yorkshire Combined Authority set out the progress made in responding to the recommendations arising from the Scrutiny Inquiry into Advancing Bus Service Position.

The following were in attendance for this item:

- Cllr L Mulherin – Executive Member
- Andrew Hall - Head of Transportation
- Cllr K Groves – Chair of WYCA Transport Committee
- Dave Pearson – Director, Transport Services

Draft minutes to be approved at the meeting
to be held on Wednesday, 8th January, 2020

- Andrew McGuinness – Chair, Association of West Yorkshire Bus Operators & Regional Manager, Northern & Yorkshire Regions, CPT UK
- Paul Matthews – MD First Leeds
- Alex Hornby – Transdev
- Dwayne Wells – Arriva

The Board was given a presentation which focussed mainly on the West Yorkshire Bus Alliance. Issues highlighted included the following:

- West Yorkshire Bus Alliance Commitments
- Governance Structure and Partnership Agreements
- Priorities and Customers
- Developing a Sustainable Bus Network
- Changes to the Bus Industry

Further issues highlighted included the following:

- Ambitions to increase bus patronage by 50%. It was anticipated that it would take five to ten years to achieve the level of growth required.
- Further investment was needed in bus corridors.
- The need to make services more viable and affordable.
- The need for integrated ticketing across providers.
- Reassurance about the future delivery of commitments made by First including investment in vehicles in light of the anticipated changes in ownership of the company.
- Development of the National Bus Strategy and the need for national policy.
- The need for bus operators to work in partnership with local authorities.

In response to Members comments and questions, the following was discussed:

- The need for improvements on smaller bus networks to improve connectivity for older people and families. Members were informed that the connectivity strategy would consider all kinds of bus transport and better connect people to education and employment opportunities. Work on the core network would support other parts of the network. Provision of demand led services was also discussed.
- Should the Alliance have ownership or part ownership of one of the bus providers there is legislation in place to enable a public body to operate in a commercial environment. WYCA had commissioned expert advice to consider available options. Financial liabilities will need to be considered.
- Concern regarding the reduction of services and lack of clarity on changes to services.
- Investment in upgrading vehicles and providing new vehicles which would contribute to reducing emissions.
- Ongoing work to simplify fare structures.

- Use of technology for timetable information, tracking and ticketing.
- The need to revise the planning process with regard to bus provision and to ensure that funds from Section 106 agreements are used more efficiently.
- Lack of accountability and how the West Yorkshire Bus Alliance could address this.
- The potential impact on staff and customers of a change in ownership of a bus operating company.

In consideration of the recommendation, the status of recommendations were agreed as follows:

- Recommendation 1 – Not fully implemented (progress made acceptable. Continue monitoring)
- Recommendation 2 – Not fully implemented (progress made acceptable. Continue monitoring)
- Recommendation 3 - Achieved
- Recommendation 4 – Not fully implemented (progress made acceptable. Continue monitoring)
- Recommendation 5 - Not fully implemented (progress made acceptable. Continue monitoring)
- Recommendation 6 – Not fully implemented (progress made acceptable. Continue monitoring)
- Recommendation 7 - Not fully implemented (progress made acceptable. Continue monitoring)
- Recommendation 8 – Not fully implemented (progress made acceptable. Continue monitoring)
- Recommendation 9 - Not fully implemented (progress made acceptable. Continue monitoring)

The following key points were raised during consideration the recommendations:

- Infrastructure investment – There was constant engagement with engineering teams and bus operators to minimise disruption planned roadworks.
- An update was requested on the position with the retrofitting of emission control technologies to vehicles.

RESOLVED –

- (1) That the report and discussion be noted.
- (2) That the above status of tracking recommendations be approved.

47 Referral to Scrutiny - Proposal for Surface Level Car Park Kirkgate Market

The report of the Head of Democratic Services presented details of a referral that had been made to the Board by Councillor M Dobson which raised concern about the impact of a proposal to build a surface level car park on part of the outdoor market at Kirkgate Market on the Council's declared Climate Emergency.

The following were in attendance for this item:

- Councillor J Pryor – Executive Board Member, Learning, Skills & Environment
- Councillor A Khan – Chair, Kirkgate Market Management Board
- Councillor M Dobson – Leader, Garforth & Swillington Independents
- Martin Farrington – Director City Development
- Chris Coulson – Executive Manager, Tech Asset Management
- Steve Mason – Head of Markets
- Lawrence Brown – Kirkgate Market Trader Representative on the Markets Management Board.

Councillor Dobson addressed the Board. He raised the following issues:

- The potential impact of the proposals on the Council's declared Climate Emergency and aspirations to be carbon neutral by 2030.
- A 42 space car park with a one hour minimum stay could generate up to 504 traffic movements a day and add traffic to the already congested network.
- There was alternative provision at the adjacent NCP car park.
- The level of impact previous parking provision at George Street had had on footfall given the use of the spaces by market traders and staff.
- The need to deliver improved public transport links to increase footfall at Kirkgate Market.
- Concern regarding the ballot and the lack of clarity in the breakdown of any distinction between the views indoor and outdoor traders.
- Concern that there had not been consultation with the Climate Emergency Advisory Committee.

In response to Councillor Dobson's submission, Martin Farrington addressed the Board. The Markets Management Board had been established in 2013 to enable traders to have a greater say in the running of the markets. The Board includes representatives from the indoor and outdoor markets as well as Elected Members and independents. The decision to explore the feasibility of a surface level car park was made in response to a direct request from market traders. Traders had expressed a view that the NCP and Victoria Car Parks are not regarded as easily accessible and convenient for market shoppers, adversely affecting certain types of shopping habits such as bulk buying. The Board considered a range of arguments setting out the environmental benefits of the market as compared with other food retailers and accessibility of goods for families on low incomes. Members also noted that the proposed car park would be able to facilitate electric charging points. With regard to the ballot, 64% were in favour of the proposals.

Councillor Pryor informed the Board that there had been support for a car park by traders following the original consultation. It was not thought that there would be a net increase in parking given the loss of car parking at George Street. Cllr Pryor highlighted the environmental benefits of purchasing products from the market as opposed to other retailers.

Further issues highlighted included the following:

- Incentives for market users to use the NCP car park.
- The expectation that other new food retail developments would include a car park in their planning application.
- The expected loss of nearby parking with the Quarry Hill Development.
- The role of parking in securing the long term viability of the market.
- A perceived loss of market custom since the development of the Victoria Quarter.

In response to Members comments and questions, further discussion included the following:

- Concern that the report did not fully consider highways issues or address the dispersal of traffic through the city. It was reported that the traffic impact would be fully considered as part of the planning application and by highways officers in their role as a formal consultee.
- Increased landscaping was being considered as part of the proposals along with additional tree planting.
- It was suggested that the Climate Emergency Advisory Committee should be consulted.
- Concern that it was not possible to evaluate the carbon footprint of this proposal against the potential environmental benefits.
- The market hosted 245 businesses some of which were struggling. These businesses and the market also supported the city centre and other business in the city. The proposals would support the market and other retailers.
- Suggestions for alternative ways of spending the capital for this project. It was reported that funding of the project would be through revenue generated by the car park.
- It was recognised that there would be some disruption for outside traders during any period of works for the proposals. Most of the work would be outside market operating hours. For those who were directly affected and forced to move, compensation could be made through rent reduction.
- There was a vacancy rate of 52% at the outdoor market. There had been a decline nationally. Younger traders preferred indoor stalls and longer hours. The outdoor market was promoted and aimed at the kind of businesses that would use it.
- It was thought that the proposed car park would take users from the NCP car park.

In summary, Councillor Dobson felt this proposals was not the right way to meet the Council's aspirations in relation to the climate emergency declaration

and that this could be part of a wider discussion. He noted the need to balance climate change considerations with the need to support market traders. He asked whether alternative options had been explored.

In conclusion it was reiterated that Kirkgate Market was a vital retail asset at the heart of the city. The request was brought forward by the traders and the Council was responding to that request. This is not regarded as a large infrastructure project and officers noted that there are many larger projects with car parks that had not been referred to scrutiny or the Climate Emergency Advisory Committee.

It was suggested that the application be referred to the Climate Emergency Advisory Committee and that a review of the Council's car parking policy is considered in light of the impact of the climate emergency. It was also agreed that the Chair would write to the Chief Planning Officer to highlight the Board's particular concern about levels of traffic dispersal.

RESOLVED –

- (1) That the matter be referred to the Climate Emergency Advisory Committee
- (2) That the Board should consider including a review of the Council's Car Parking Policy in its work programme, particularly in light of the Climate Emergency declaration.
- (3) The Chair write to the Chief Planning Officer to highlight the Board's concerns about traffic dispersal.

48 Work Schedule

The Head of Democratic Services submitted a report which invited Members to consider the Board's Work Schedule for the remainder of the current Municipal Year.

A copy of the Board's Work Schedule and recent Executive Board minutes were appended to the report.

RESOLVED – That the Board's Work Schedule be noted.

49 Date and Time of Next Meeting -

Wednesday, 8 January 2020 at 10.30 a.m. (Pre-meeting at 10.00 a.m. for all Board Members)



Report author: S Wynne, J Hopkins,
G Read Tel: 0113 3785496

**Report of the Director of City Development and the Director of Resources and Housing
Report to Infrastructure, Investment and Inclusive Growth Scrutiny Board**

Date: 8 January 2020

**Subject: Progress Report on the Implementation of the Leeds Inclusive Growth
Strategy Inquiry Recommendation**

Are specific electoral wards affected?	☐ Yes	☒ No
If yes, name(s) of ward(s):		
Has consultation been carried out?	☐ Yes	☒ No
Are there implications for equality and diversity and cohesion and integration?	☐ Yes	☒ No
Will the decision be open for call-in?	☐ Yes	☒ No
Does the report contain confidential or exempt information?	☐ Yes	☒ No
If relevant, access to information procedure rule number:		
Appendix number:		

Summary

1. Main issues

The Scrutiny Board (Infrastructure, Investment and Inclusive Growth) undertook an inquiry into the early implementation of the Leeds Inclusive Growth Strategy and published its recommendation in April 2019.

The Executive Board approved the One Year On report highlighting the positive progress made in implementing the Leeds Inclusive Growth Strategy in July 2019. This report details progress made to date against the Inquiry recommendations concerned with the strategy performance and governance frameworks and the arrangements being progressed to ensure that Big Idea 4 – Working Together to Create Better Jobs, Tackling Low Pay and Boosting Productivity delivers tangible benefits to those residents furthest away from the labour market living within disadvantaged communities.

2. Best Council Plan Implications

The Leeds Inclusive Growth Strategy approved by Executive Board on 27 June 2018 sets out how the Council and its partners in the city will work together to grow the Leeds economy, ensuring that everyone in the city contributes to, and benefits from, growth to their full potential. The Inclusive Growth Strategy, together with the Leeds Health and Wellbeing Plan, is a core strategy underpinning Leeds City Council policies. Inclusive Growth is also a key driver of the Best Council Plan for 2020/21.

3. Resource Implications

There are no resource implications arising from this report.

Recommendations

Members of Scrutiny Board are asked to note the progress made to date in implementing the recommendations of Leeds Inclusive Growth Strategy inquiry.

1. Purpose of this report

- 1.1 The purpose of this report is to provide an update on activity undertaken to implement the recommendations of the Inquiry into the delivery of the Leeds Inclusive Growth Strategy undertaken by the Scrutiny Board published in April 2019. The update on activity is summarised in sections 3.1 to 3.12 of this report.
- 1.2 The Scrutiny Board has also requested an update on activity undertaken to support disabled people including those with learning disabilities into employment following the Executive Board report on this matter considered on 16 October 2019. The update on activity is summarised at section 3.13 of this report.

2. Background information

- 2.1 The Best Council Plan 2018/19 – 2020/21 states that not everyone in Leeds is benefiting fully from the City's economic success. The Plan highlights that overall the prospects for economic growth in Leeds remain robust, supported by the city's skilled workforce, the growth and innovation of its firms and universities, and the progress being made with infrastructure. The Leeds Inclusive Growth Strategy approved by Executive Board on 27 June 2018 sets out 'how Leeds City Council, the private sector, universities, colleges and schools, and social enterprises in the city will work together to grow the Leeds economy, ensuring that everyone in the city contributes to, and benefits from, growth to their full potential.'
- 2.2 The Terms of Reference for the inquiry into the Leeds Inclusive Growth Strategy were agreed by the Scrutiny Board on 5 September 2018 and focused on:-
 - a) Progress being made in the overall mapping, assessment and planning of the framework to deliver the strategic priorities in the Inclusive Growth Strategy,
 - b) 'Working together to create better jobs, tackling low pay and boosting productivity' - Big Idea 4 including Anchor Institutions and other programmes and how this can address disadvantage and inequalities in our poorest neighbourhoods. c) The cross-council focus on the Inclusive Growth Strategy.
- 2.3 The inquiry was conducted over four evidence gathering sessions which were held between September 2018 and January 2019 and the Inquiry report into the Leeds Inclusive Growth Strategy was published on 10 April 2019.

3. Main issues

- 3.1 **Recommendation 1.** That the Director of City Development aims to prioritise work streams, in this initial phase of the strategy that support:
 - a) Big idea 4, 'Working Together to Create Better Jobs, Tackling Low Pay and Boosting Productivity', particularly in poorly paid sectors
 - b) 'Strengthening transport links to enable people to access jobs' (Big idea 7), to align with aspirations in the Leeds Public Transport Investment Programme (LPTIP)
 - c) The influence of the Council as a commissioner of goods and services to support inclusive growth.
- 3.1.1 The Directorate has continued to prioritise work to address these 3 key areas.
 - a) The work programme of the Employment and Skills service continues to prioritise the further development of the Leeds Anchor Network and its working groups on Procurement, Employment and Healthy Workplaces; it continues to support a wide range of employers across all sectors and contributes to sector specific

interventions in retail and hospitality and health and care to encourage employers to invest in the skills and progression opportunities of their workforce; and the service continues to develop and deliver effectively targeted programmes to connect and support individuals and priority groups furthest away from the labour market to access these opportunities.

- b) Leeds has made progress in strengthening transport links to enable people to access jobs, the One Year On report highlights many of these including the success of Park and Ride in Leeds with people having used the Temple Green and Elland Road services to make almost 2.5 million journeys on ultra-low emission buses; A programme of bus priority corridors and new park and ride sites that started on site this year; Continued investment in high quality cycling infrastructure; Securing £20m funding to pedestrianise parts of the city centre around the Headrow; Improvements to Leeds Station in the concourse and a new platform to increase capacity; and beginning construction on the East Leeds Orbital Road, unlocking housing development and reducing congestion.
- c) The Executive Board approved the Council's new Procurement Strategy 2019-2024 in June 2019. This strategy recognises that the way in which the Council commissions goods and services can make a significant contribution to achieving the city's inclusive growth ambitions.

3.2 **Recommendation 2.** That the Director of City Development secures representation from the major bus operators in Leeds on the Core Delivery Partnership or, where that is not possible the Extended Delivery Partnership.

Recommendation 3. That the Director of City Development ensures that sustainability is built into performance measurement and focus, and that the mechanisms for reporting this are communicated to the Scrutiny Board in July 2019.

3.3.1 The importance of sustainability is part of the Leeds Inclusive Growth Strategy and we are determining how to best measure performance through an approach based on Outcome Based Accountability

3.4 **Recommendation 4.** To support ongoing accountability, transparency and challenge through formal governance processes, the Director of City Development is requested:

- a) to provide the annual inclusive growth update report in July 2019 and thereafter as determined by the Scrutiny Board.
- b) to present inclusive growth performance information to the Scrutiny Board as determined by the Scrutiny Boards work programme.
- c) to provide data which identifies employment opportunities delivered for Leeds residents arising from Inclusive Growth projects.

The Board requests oversight of the tangible outcomes and impact that the IGS is providing to the stakeholders of Leeds once identified, and the (national or local) challenges that have subsequently been identified that create a risk of further disadvantage.

3.4.1 a) The first annual update on the implementation of the Inclusive Growth Strategy was reported to the Executive Board in July 2019 and subsequently shared with the Scrutiny Board. The One Year On report is published on our website and available here: <http://www.leedsgrowthstrategy.co.uk/one-year-on-july-2019/>

- 3.4.2 b) The One Year On report sets out the performance of the Leeds economy, both strengths and challenges alongside projects that are delivering Inclusive Growth for Leeds, against each of the 12 Big Ideas.
- 3.4.3 The council has now appointed 12 Inclusive Growth Ambassadors to help drive forward the strategy, they each have their own specific Big Idea to focus on and are leaders in their fields, from a mix of sectors across Leeds including transport, development, digital, communications, education, social enterprise and culture. Together they will work closely with each other and the council as part of the Inclusive Growth Delivery Framework and will also help deliver the Extended Delivery Partnership events.
- 3.4.4 As part of our commitment to three events each year on Inclusive Growth, aimed at growing the Delivery Partnership and delivering inclusive growth, the council has delivered the first two of the series with a Place event scheduled in February. The People event was held in April 2019 and attended by nearly 100 partners, it showcased some of the projects underway in the city including community groups, our health partners and new approaches to education. Some of these are detailed in the One Year On report. The next event on Productivity took place in September 2019 with over 100 attendees with a series of workshops on digital, data, climate change impacts, smart cities, culture and the Massachusetts Institute of Technology Regional Entrepreneurship Acceleration Program (MIT REAP). The next event will take place on February 10th 2020 themed around Place and we are expecting over 150 guests. The growing popularity of these sessions and feedback received is creating a growing movement across the city to support inclusive growth.

Measuring Inclusive Growth

- 3.4.5 Good progress has been made in developing appropriate measures for Inclusive Growth and a long list of indicators have been developed to support a bespoke set of measures for Leeds which will be finalised ahead of the next Annual Report on Inclusive Growth. Measurements will be shown retrospectively to show the progress since the Strategy was introduced.
- 3.4.6 There have been several different attempts to define inclusive growth. The OECD defines it as “economic growth that is distributed fairly across society and creates opportunities for all” whilst the RSA’s Inclusive Growth Commission prefers “enabling as many people as possible to contribute and benefit from growth”. When looking at how best to measure inclusive growth there are several existing methodologies which the council has assessed. These ways of measuring inclusive growth are useful for us to understand how Leeds is performing compared to other areas and against a range of metrics. However, they don’t tell us directly how our strategy is being delivered. The three models that we have considered in detail are those that have been devised by PWC, the Joseph Rowntree Foundation and the Centre for Progressive Policy.
- 3.4.7 The three models each have advantages and disadvantages, PWC’s Good Growth Index uses weightings and indicators allowing local priorities to be weighted and reflected. Joseph Rowntree Foundation’s Inclusive Growth Monitor is geared towards poverty and inclusion but is focused on the city region level. Finally, the Centre for Progressive Policy’s Inclusive Growth Community Index is the most similar to our approach, it is adaptable and has many measurements that can be used at a local level, compares local authorities but doesn’t enable us to measure our progress within the city.

- 3.4.8 In addition to the research into consultant organisations 'off the shelf' models, we have also consulted with the Joseph Rowntree Foundation about transferring their model to a Local Authority based approach, the New Economics Foundation around the characteristics of a truly inclusive economy and the outcomes that should give basis to the indicators we select, and the LEP around aligning with their indicator set.
- 3.4.9 We have learned from the work of these organisations and they provide a solid foundation but there are still difficulties in using an off the shelf model if we are to measure the impact of the Leeds Inclusive Growth Strategy. In response, the council has been working with partners to create a bespoke model. Leeds is a world leader in data analytics and use of open data which puts us in a prime position to develop our own platform. This has involved a detailed analysis of the Leeds eco-system working with the University of Leeds, who have helped create a series of indicators that enable us to measure progress for delivery of the Inclusive Growth Strategy. These indicators are grouped around the themes of our 12 Big Ideas and will form the basis of a new model in order to capture our progress on inclusive growth. As stated above, this will be subject to further consultation with both Elected Members and Officers over the next few months. We are also exploring whether to take these indicators and build a weighted index model for Leeds against each of the 12 Big Ideas set out in the strategy.
- 3.4.10 As part of the research into both the methodology and the indicators used in measuring inclusive economic growth, consideration was given to all of the headline strategies and policies of Leeds City Council, including the Best Council Plan, Health and Well Being Strategy, Children and Young Peoples, Air Quality, Leeds Culture Strategy and many others. Additionally, for each associated big idea the main consultancy and think tank reports, such as work from the Centre for Cities on skills and workforce, KPMG, EY, NEF, NHS England around health, ONS, the Government's Industrial strategy and many more were considered.
- 3.4.11 In addition to work on the Inclusive Growth Strategy, the council is also using Local Authority data and open data to provide an understanding the effect Brexit and recent uncertainty is having on the economy. Our initial driver is to understand how the economy is responding to Brexit but we intend this product to develop over time to inform policy development and to monitor the impact of interventions, for instance, to accelerate our MIT Regional Entrepreneurship Acceleration Program (REAP) and to add to our work to measure inclusive growth. We will make sure that any new data, intelligence and analysis that we develop, is incorporated into the work we do to measure the inclusive growth strategy.
- 3.4.5 c) Employment opportunities arising from Inclusive Growth interventions led by the Council are included within the quarterly City Development performance report on Best Council Plan measures and targets i.e. the number of people supported into employment.
- 3.5 **Recommendation 5.** That the Director of Resources and Housing reviews corporate reporting and decision making templates, including key delegated decision templates, and makes necessary adaptations to ensure that there is consideration of inclusive growth across all Leeds City Council services, which is clearly communicated to decision makers and (through already established publication processes) Leeds stakeholders.

- 3.5.1 The corporate reporting and decision making templates have been reviewed and amended and guidance for officers is available on InSite, the Council's intranet. It requires report authors to report both the immediate and longer term positive and negative impacts of proposed decisions with specific reference to one or more Best Council Plan priority and the supporting city strategies i.e. The Leeds Inclusive Growth Strategy and the Leeds Health and Wellbeing Plan. This information should be included in the front page summary with further detail provided in section 4.3 in the body of the report if needed.
- 3.6 **Recommendation 6.** That the Director of City Development provides an update on the intelligence gained from the CLES analysis of procurement expenditure and presents an overview of planned action and support, in response to the analysis outcomes. The update to be provided at the meeting of Scrutiny Board in July 2019, with further updates as directed by the Scrutiny Board.
- 3.6.1 The key finding from the CLES analysis were appended to the report submitted to Scrutiny Board on 31 July 2019 which was discussed in some detail. Two further meetings of the Procurement Working Group of the Anchors Network were held on 17 September and 27 November to share the analysis and agree actions.
- 3.6.2 The Working Group found the analysis informative and a good starting point from which to plan action that has the potential to support local business engagement and growth and a baseline that can be used to measure the impacts of these actions. The Group members have committed to repeat the analysis on an annual basis to create a more complete picture of activity that includes the newer members of the network and measure change in a consistent way. To ensure that this is cost effective, CLES is being commissioned to provide training in February and March 2020 to the Group to enable them to undertake and repeat the analysis.
- 3.6.3 The CLES analysis and subsequent discussion and gathering of further data on contracting activity suggested that two key categories of expenditure offer further opportunities to engage local SMEs and diversify supply chains. These include construction (new build, maintenance and facilities management) and catering and hospitality categories and highlighted the degree to which NHS procurement is directed through national commissioning frameworks. Across the Anchors, 25% of the construction contracts were secured by a Leeds based provider accounting for 17.5% of the total £338.4m expenditure in 2018/19. 53% of contracts were awarded to providers based outside of West Yorkshire accounting for 72% of the total expenditure. 32% of the £10.8m expenditure on catering and hospitality contracts were secured by a Leeds based provider. Over half of the contracts awarded were to providers based outside of West Yorkshire accounting for over half of the total expenditure.
- 3.6.4 The Group is now working on shaping a 'Meet the Buyer' event to be held in the spring and will work with the Chamber of Commerce and other business intermediaries to ensure this meets the needs of SME businesses. It is planned that all Anchors will be represented at the event showcasing their pipeline of contracting opportunities with access to seminars on how to apply and networking. Within this we plan sessions focused on the construction and hospitality categories. The agenda and format, dates and venue will be determined at the January meeting of the Working Group. The Group also plans to develop and e-publish a SME Guide to working with the Leeds Anchors. This will provide generic advice and guidance as well including

sections that are specific to individual anchors with links and information on events and contact details for further information.

- 3.6.5 The Group has also undertaken an audit of the social value policies and current activity of the Anchors and it is clear that the Council has the most developed approach to delivering social value and has commenced sharing learning to date and planned activity with Group members. While still at an early stage, it is hoped that this work can inform a shared Social Value statement to be adopted by all anchors.
- 3.7 **Recommendation 7.** That the Director of City Development works in collaboration with the Director of Resources and Housing to review the procurement policies and systems of Leeds City Council and to identify where they can be adapted, within legal frameworks, to:
- a) Deliver social value to support inclusive growth priorities.
 - b) Better support Leeds SMEs to identify and tender for local authority contracts
- The Scrutiny Board request an overview of the changes implemented, progress and impact in January 2020.
- 3.7.1 The Council's new Procurement Strategy for 2019 – 2024 was approved by Executive Board at the meeting held on 26 June 2019. The strategy explicitly sets out the improvements proposed to delivering additional social value through procurement (that is, value above and beyond the specific services being procured) through a social value framework to achieve maximum social value in support of the city's inclusive growth ambitions. Commissioners have already been able to secure very significant beneficial, social value outcomes across a wide range of procurements. These have included supporting over 2,650 local residents into apprenticeships and employment through social value and planning agreements with 193 of these job outcomes and 11 apprenticeships secured in the last quarter. Procurement and Commercial Services will report performance against KPIs to the Executive Member for Resources, and Scrutiny Board (Strategy and Resources).
- 3.7.2 In 2018/19, 56% of procurement expenditure was through contracts with SME businesses. Procurement and Commercial Services will continue supporting the local economy by ensuring tendering opportunities are made more attractive to local, small and medium sized enterprises and voluntary, community and faith organisations by adapting tenders to their needs, where appropriate, particularly by dividing more opportunities up into smaller Lots which local organisations can bid for either individually or as part of a consortium. Support will also be provided to local small and medium sized enterprises and voluntary, community and faith organisations, by including local supply chain targets in contracts and supporting the development and mentoring of local organisations.
- 3.8 **Recommendation 8.** There is clear alignment between Leeds City Council employment and skills inclusive growth priorities and the ambition of LTHT therefore the Director of City Development is recommended to assist LTHT, and any other Anchor Institution who would benefit from Council support, in 'curating' investment and focus on this agenda. An update outlining the support provided to be communicated at the meeting of Scrutiny Board in January 2020.
- 3.8.1 The NHS nationally and in Leeds faces recruitment challenges and has large numbers of vacancies. St James Hospital site, Leeds Teaching Hospital Trust (LTHT), sits

adjacent to two Priority Neighbourhoods, Lincoln Green and the Cliftons and Nowells both of which have high levels of unemployment. LTHT agreed to collaborate with the Council to deliver targeted innovative taster sessions and employability courses to open up job opportunities to residents seeking work from these areas.

- 3.8.2 Taster events were publicised locally with a morning and an evening session held in local venues to maximise accessibility. Jointly led by LTHT and the Council's Employment and Skills service, the sessions described the different job roles in Estates and Facilities and opportunities available and what working in the NHS entails. The sessions focused on joining the 'LTHT family' and the potential for career progression within the organisation.
- 3.8.3 Prospective candidates were asked to complete a basic English test and confirm their right to work within the UK. Individuals then had the opportunity to attend a specially designed six week Employability Programme. LTHT designed the programme commissioned by the service to be delivered by Learning Partnerships, a local third sector provider. Held across two days per week during school hours, this focused on ensuring candidates were equipped with the knowledge, skills and behaviours outlined in the relevant job descriptions, and were able to complete a good application.
- 3.8.4 In April 2019, two taster sessions had been held, which together attracted 124 people, including 54 from Burmantofts and Richmond Hill and 27 from Lincoln Green. In total, 34 people were from deprived 'Priority Neighbourhoods' in the City. Virtually all those attending had a positive outcome of one form or other and included 61 people invited to attend the Employability Programme which generated 50 job applications with 24 candidates offered a role within Estates and Facilities and a further five candidates offered roles as Clinical Support Workers within LTHT. 5 people joined the 'Hidden Talents' programme as they had previous care experience or held a registered nurse qualification in their country of origin and will be eligible to apply for a Clinical Support Worker role or join the Apprentice Clinical Support Programme.
- 3.8.5 Following the success of the pilot, the programme has been refined and expanded to run three times each year and is being promoted to other priority neighbourhoods. A second programme started with an information session held at the end of August 2019 and attendance at the NHS Assessment Centre in October. Information sessions were delivered in Lincoln Green, the Clifton and Nowells and Beeston. The combined results from this Programme and the pilot are 180 individuals attending 'taster events', 97 invited to attend the NHS employability programme, 79 job applications received, and 49 people offered a job role, 43 with Estates and Facilities and 6 as Clinical Support Workers. The next programme will start in February 2020, with a continued focus on deprived wards.
- 3.8.6 Learning from the pilot has been presented to the Anchors Network Employment Working Group with the offer extended to support similar collaborative programmes. This has been taken up by Leeds College of Building and the three Universities are considering bringing together suitable vacancies for a joint recruitment programme.
- 3.9 **Recommendation 9.** That the Director of City Development works in collaboration with the Director of Resources and Housing to explore how the Council can utilise its influence with supply chain organisations to promote the adoption of Real Living Wage for their employees. An update to be provided at the meeting of Scrutiny Board in January 2020.

3.9.1 Procurement will play an important part in furthering the Council's ambition to promote the Real Living Wage across the city. The Council's spend with third parties through procurement and commissioned activity remains close to £800m per annum and engages over 930 contractors. A procurement policy has been developed that explicitly encourages businesses to pay the Foundation Living Wage to all their employees as a minimum in the Council's standard tender documentation. Further, where there is a tie on scores following evaluation of tenders, we will reserve the right to take into account the payment of the Foundation Living Wage by a bidder in deciding to award a contract where quality and price is not compromised. In addition, further discussions are ongoing with the Rowntree Foundation to consider what other steps may be taken to promote the Foundation Living Wage through procurement activity.

3.10 **Recommendation 10** – That the Director of City Development provides an update on the good practice information gained from other Anchor Institutions which relates to employment practice, and outlines how this can be developed and applied by the Council. The update to be provided at the meeting of Scrutiny Board in January 2020

3.10.1 The Leeds Anchors Network has established an Employment Working Group attended by the Chief Officers / Directors of HR from each of the Anchors. The Employment Group has agreed Terms of Reference which identifies its priorities as:-

- Supporting Local Employment and Progression Pathways including the use of the apprenticeship levy, gender and ethnicity pay gap reporting;
- Working towards a Leeds Living Wage City model that gives profile to the work of the Anchors and promotes and fosters a wider understanding of the city inclusive growth ambitions;
- Non-pay benefits - identifying best practice and sharing information and learning to take collaborative action where appropriate on supporting employees to stretch take home pay via non-pay benefits, pensions and poverty proofed HR policies and practice.

3.10.2 The Healthy Workplace Working Group is attended by Health and Wellbeing leads from across the Anchors and it has identified significant pockets of best practice across the Anchors and has an ambition to develop a more consistent and systematic approach to better support the health and wellbeing of all our employees with a strong focus on mental health. The Group is developing metrics that will shape and support the use of measures in different areas across the network. It is developing a training programme for managers to increase manager confidence and ability to address health in the workplace and aims to give the work greater visibility through Leeds Anchors Healthy Workplace pledge supported by the development a Healthy Workplace portal, a web based resource for managers with potential for roll out to SMEs

3.10.3 The Leeds Anchors Network has started to collect case studies of good practice to demonstrate the benefits of adopting these approaches and has published these on the Leeds Inclusive Growth website <http://www.leedsgrowthstrategy.co.uk/anchor-institutions/>

3.11 **Recommendation 11.** That the Director of City Development works in collaboration with the Director of Resources and Housing to investigate how technology and social media can be used innovatively to provide a coherent

package of information for front line staff and to connect with those who are furthest from the job market. A progress report is to be provided to the Scrutiny Board in January 2020.

3.11.1 The Employment and Skills service makes good use of technology and social media to reach local residents and businesses.

- The [Leeds Adult Learning](#) website is well used by both the public and front line staff from across services. There were 21,221 users of the website during the 2018/19 academic year with over half accessing this through their mobile phone rather than a desk top PC or tablet. The site enables access to real time information on a wide range of courses delivered across Leeds to support residents that may benefit from first rung learning opportunities and re-engaging in a range of local activities. Popular provision includes; Employability Skills, English as a Second Language (ESOL), Computing, Family Learning, Arts and Crafts, English, Maths and Childcare and a range of activities under the Skills for Jobs programme.
- [Start in Leeds](#) provides young people and their families with up-to-date information on the local education and training pathways, careers and local employers and job opportunities. This new on-line digital careers and post 16 application platform was commissioned by the service from U-Explore, a Leeds based Careers Education specialist. Start in Leeds aims to inspire young people by providing a full range of career opportunities to support young people to make more informed decisions about their future learning pathways, career entry points and progression opportunities in the city and beyond. Training sessions are being rolled out to staff across services who will be in contact with those who could benefit from accessing this resource. Since the start of the 2019 academic year, over 5,000 students and 300 staff in 56 schools and colleges have accessed the site as part of their careers programmes.
- [Leeds Employment Hub](#) is planned to go live in January 2020 enabling customers to contact an Employment Advisor and or register to access ESIF funded employment support programmes which can be tailored to meet individual needs.
- The service support 3 Twitter accounts with over 6,000 followers. These accounts are used to send out notifications for events and recruitment opportunities.



[@LCC_Employment](#)



[@LCC_Business](#)



[@LeedsAppHub](#)

3.11.2 Tenant Engagement Officers in Housing Leeds currently promote Active Leeds and Employment and Skills activity on local Facebook pages to inform and motivate their tenant residents. The scope to improve our collective use of social media is recognised and we plan that we will:

- Share/re-tweet content on any locally based pages
- Improve the connections with local Community Committee pages/posts
- Join and post information in local community groups and third sector pages
- Share/re-tweet content from local community groups/third sector organisations as the groups that are likely to have the strongest local presence and be most connected and trusted by the residents we wish to engage.

3.11.3 Tenant Engagement Officers have established minimum standards on content and connections to maximise reach and impact and there is scope develop this approach

across Locality Programme Core Groups led by the Communities Teams in the Communities and Environment Directorate to fully connect social media accounts and develop good practice in this area.

- 3.11.4 Active Leeds commissioned Social Marketing Gateway (SMG) to deliver insight into local needs on physical activity in four of the Priority Neighbourhoods. Working alongside the Locality Programme Core Groups, they engaged residents, community leaders and third sector organisations in a dialogue on being more active. A social media mapping exercise was used to improve understanding of connectivity and collaboration between people, relationships and trust. The analysis captures who the community listens to, the trusted voices and those assets and entities that have influence. Examples include the New Wortley Community Centre, Armley Good Stuff and the Thornton Medical Centre that all have an on-line presence that build connections locally and have the potential to reach those that are currently disengaged from our more traditional social media routes. Active Leeds, has secured further funding from Sport England to build on the SMG insight and plan further community level conversations around connectivity and collaboration. This enables the resource and capacity to inform work on how all three services can widen their communication channels and build better connectivity and increased reach through social media.
- 3.11.5 The [Leeds Directory](#) of services is a citywide resource to help residents live well, by connecting them to vetted local services and tradespeople as well as local activities and events. It also provides front line staff with quick and easy access to useful local information, helping them with intelligent and informed signposting. It is widely promoted to Tenants and Residents Associations and information is included in tenant welcome packs. A further enhancement to the Leeds Directory is planned next year. An app version will further enhance accessibility through installation on staff smart phones, team tablets and links on desk-tops. Housing Leeds are also keen to commence use of the new corporate emailing solution (Gov Delivery) to share email updates with tenants, including the welcome pack.
- 3.11.6 The [Active Leeds](#) website holds data on activities which are undertaken by the service and also connects with partners through schemes such as Leeds Girls Can and the Health programme team who endorse specific sessions organised by other private and third party organisations. Teams are able to use the website to send in referrals to Active Leeds health programmes for people who have any health issues or need extra support in getting physically active. Further work is underway to broaden this wider.
- 3.12 Recommendation 12** – That the Director of City Development works in collaboration with the Director of Resources and Housing to provide a progress update report in January 2020 which outlines the extent to which officers from Housing Services, Active Leeds and Employment and Skills Services are successfully providing a joined up service, to support those furthest away from the labour market and in the greatest need of employment and skills support, and those in our most disadvantaged communities
- 3.12.1 The aim of jointly progressing targeted work across the three services was to align and enhance the service offer and increase responsiveness to better meet local needs. As the working arrangements for Locality working have become established through Core Teams, it is appropriate that this is effectively combined to ensure a fully resourced, consistent and coordinated approach and that activity is effectively aligned

to deliver the Priority Neighbourhood 'big asks'. For example within the Holbeck Priority Neighbourhood the Big Asks include a focus on employment and skills and supporting more people to be more active. Jointly planned and delivered activity undertaken to date:-

- **Leeds Teaching Hospital Trust employability pilot programme.** Active Leeds and Housing Leeds had a key role in successfully targeting and engaging residents and delivering the taster events. This included a physical activity offer to engage children enabling parents to have a meaningful conversations about employment and skills. This also extended to parents through a deeper conversation with them about physical activity, volunteering and active travel. Housing Support Officers actively targeted tenants and had sustained conversations to encourage engagement. Both teams have trusted relationships with community influencers and other key partners which positively influenced take up of this offer.
- **Housing Advisory Panels (HAPs)** monitor the performance of local housing services and also have budgets to fund environmental improvements and activities that benefit tenants and the local community. Following a review, refreshed priorities now include an employment and skills and health and well-being theme, encouraging HAPs to seek or consider applications that address these aims. Examples include: GO TRI Holbeck, an Active Leeds led application, supported by the Inner South HAP provides young people with opportunities to be physically active and to try new sports. This introduced two elements of triathlon, running and cycling, over 6 weeks in the summer holiday to a community not traditionally associated with the sport. Over 20 children attended the sessions and following an evaluation, it has been agreed that a more planned and systematic use of data to develop and fund projects jointly could improve the reach of future projects.
- **Housing Leeds Recruitment** for Housing Assistant and Housing Officers roles takes place at least twice a year. A joint, pilot recruitment event was undertaken in June 2019. To maximise take up the event was held in the city centre but targeted outreach was undertaken to encourage applications from residents of Priority Neighbourhoods. Housing Leeds led on role requirements and the recruitment process, the promotion, delivery and follow up activity was supported by colleagues across all three service areas. 65 people attended the session and all the available posts were filled. The event was well received by applicants and there have been a number of lessons learned which will improve future roll out of this model. The model is now being extended to develop a recruitment pathway for high volume vacancies for entry level roles across Housing Services, Building Services and Customer Services, shaped by the learning from the pilot. The aims to combine: promotion of vacancies with a particular focus on priority neighbourhoods; improved, more inclusive information for applicants along with pre-recruitment and employability support. The Employment and Skills service is enabling a more targeted approach to recruitment from people already engaged in our employability programmes and young people supported by the Care Leavers Team.
- **The “Healthy Streets” approach** based in Holbeck, the approach puts people at the heart of decision making and aims to build a more inclusive city where people choose to walk, cycle and use public transport. Led by Highways and Transportation, the three services have engaged in the co-ordinating working group

linking local infrastructure projects including City Connect 3 cycle project from the City Centre to the Recreations, Leeds United's new training facility and potential scheme to enhance Holbeck Moor. Data from Housing Leeds has informed household profiling to shape the approach and a residents questionnaire that encompasses, for example, employment and skills, welfare and health and well-being aspects. The next phase of community engagement will take place in mid-December 2019. All three services have been involved and are realising the added value of extending their reach and approach.

- **Community Led Local Development (CLLD) bid** working with local partners, services have developed a proposal for New Wortley to support people experiencing poor health and wellbeing to access first step, weekly activities and individual key worker support offering relaxation, creativity, and the opportunity to develop new skills, expand their networks and improve health and wellbeing. Active Leeds will provide a menu of supported activities and peer mentoring through the Long Term Health, Go Tri and Leeds Girls Can ambassador programmes which build confidence and self-esteem. This builds on great examples of Ride and Walk leaders bringing together groups in their neighbourhoods, building social interaction and linking people to the wider cycle and footpath networks. Housing Leeds will have an important role to play in connecting with tenants who are socially isolated or who would benefit from improving health and wellbeing. Aligned to this, Active Leeds in partnership with Yorkshire Sport Foundation are working to offer health and sports coaching apprenticeships within the most deprived neighbourhoods

3.12.2 There has been a shift in the way the three services now work to create an enhanced service offer and outreach and engage with communities. This can use sport and physical activity to connect with isolated or disengaged people to support them to take those first steps into employment. The services continue to collaborate and improve the service offer to meet local needs and reach into most deprived communities through shared intelligence and resources to connect them with a wider range of opportunities.

3.13 Supporting Disabled people

- 3.13.1 In addition to the inquiry report recommendations, the Scrutiny Board also requested an update on activity to support disabled people into work and in particular those with learning disabilities. This was the subject of a report to Executive Board on 16 October 2019 at Appendix 1. The following summarises key activities undertaken by the Employment and Skills service in addition to that included in the report.
- 3.13.2 There are a range of services and programmes commissioned and delivered by national and local agencies to support disabled people into work. These include Access to Work, the Work and Health programme to access employment and Specialist Employability Support to become self-employed. The Council's service offer seeks to meet local needs and align with the DWP provision rather than duplicate or compete with it to make best use of resources. .
- 3.13.3 Commissioned and delivered by the Employment and Skills Service, the Employment Hub is a suite of employability programmes for people aged 16 plus. There are currently 3 programmes which offer targeted support to a range of customer groups including young people in education who are risk of becoming NEET, young people identified as NEET and unemployed adults. Of the 1,139 people who are currently accessing support through these programmes, 3% have declared a physical

impairment and 15% have declared mental ill-health. All programmes involve personalised support delivered through a key worker model and thus are particularly appropriate for those experiencing complex and or enduring barriers to work.

- 3.13.4 The Employment and Skills has been awarded £2.91m to deliver an ESIF funded programme of support for young people with mental ill-health to commence in April 2020. This will support at least 1700 individuals across Leeds and Bradford and will build on existing local good practice to deliver a new integrated employability programme for jobseekers and inactive people. It will deliver flexible interventions to address complex barriers to employment; raise aspirations; deliver skills and training, and broker opportunities with local and national employers. There will be an emphasis on mental wellbeing in addition to general employability support recognising that health, including mental health are vitally important to creating a happy and productive workforce.
- 3.13.5 Employment and Skills commissioned Leeds MIND to deliver the Workplace Leeds contract across three Jobshops; Armley, Reginald and Dewsbury Road. The contract, which was for 18 months and ceased in April 2018 delivered specialist services to Jobshop customers presenting with low level mental ill-health but crucially, to deliver a programme of staff development to build and sustain the capacity of Jobshop staff to continue this service offer following cessation of the contract. Part of the contract legacy is restorative practice segments in team meetings, focusing on positive resolutions for customers. Adopting this model has enabled the wider team to discuss, and co- produce solutions for the more complex situations.
- 3.13.6 Jobshop services in Community Hubs have been accessed by 5,745 people over the last 12 months. Of those, 3% declared a physical impairment; 6% poor mental health; and 1% a longstanding health condition. 13% of customers stated that they preferred not to say and for 77% of customers their health status is unknown as they have declined to respond. This self-declaration picture has remained reasonably static over time but it does not reflect the experience of front line staff. This indicates a steady increase in the number of people presenting with poor mental health, estimated at nearer 50% which more closely mirrors the condition analysis of those benefit recipients receiving out-of-work benefits due to a health condition. The network of Community Hubs works in partnership with a number of specialist organisations supporting those people experiencing mental ill-health. The arrangements with some of these organisations - Remploy, Scope and Touchstone – include a presence within Hubs to make access to services more open and immediate.
- 3.13.6 Community Hubs are now formally part of the new city-wide Social Prescribing contract. The Reginald Centre is the city-wide base for the Wellbeing Coordinators who are linked to every GP practice and LCP in the city. The Coordinators support patients referred by the GPs who need support with any of the wider determinants of health, for example: housing, welfare and benefits, debt, and employment amongst other issues. This contract will run until 2022 with an option to extend for a further 2 years.
- 3.13.7 The Employment and Skills service is currently developing arrangements with two Local Care Partnerships (LCPs) in Harehills and Armley to support the better integration of health and work services. LCP's are clusters of locality services led by a GP Practice but include other health partners, for example mental health services, and a wider stakeholder network including Community Hubs and third sector delivery partners. Although primarily health focussed they are seeking to develop a broader

response to the health and social needs of the local population. The most developed of these is in the east of the city and a package of support, known locally as 'Developing You' has been devised by the service and will be piloted from January 2020. Recruitment will focus on patients registered at a local GP surgery who are presenting with poor mental health, social isolation and would benefit from an informal package of different interventions. Active Leeds, along with local third sector partners are pivotal to the delivery of Developing You. They will be delivering a number of health and wellbeing elements over the 12 week programme and central to the evaluation of the pilot. This is the first time such an initiative has been developed and delivered through this partnership and subject to positive evaluation outcomes will be rolled out across other LCP's. Key objectives are to raise self-awareness, self-confidence and self-esteem; increase coping, managing, goal-setting and job search skills and increase readiness to take up opportunities and open horizons.

3.13.8 The Mental Health services of the Adults and Health directorate has placed "recovery" at the heart of delivery with a view to shifting the focus from long term service use to active self-management through individually held budgets. This has resulted in improvements in care management, reduction in repeat crisis requests and reduced re-admissions. This has shifted the cultural emphasis away from a deficit model of what people find difficult to one which emphasises the positives with a focus on their abilities, aptitudes and potential i.e. an asset based approach to meeting needs.

3.13.9 The table below demonstrates the current number of people under age 65 accessing services for people with mental health needs delivered or commissioned by the Council's Adults and Health directorate

Current Numbers of People accessing support services for people with mental health needs	
Service	Number of People
Day Opportunities	365
Homeless Service and IMPACT	179
Transitional Housing Unit and	
Longer Term Accommodation	85
External Commissioned Services	937
Grand Total	1566

3.13.10 Workers also offer clients support with building and maintaining social networks. This can involve motivating clients to try out new or old activities to meet new people. An example is the Live Well Leeds Tech group - a six week programme aimed at entry level use of information technology (IT). The group was suggested by service users who have very limited IT knowledge who felt restricted by their lack of skills and confidence. Support to access further education and or employment is integral to this support offer.

4 Corporate considerations

4.1 Consultation and engagement

4.1.1 This is an information, rather than a decision-making report and therefore there are no requirements for consultation with the public. The Leader of the Council and the

Executive Member for Culture and Inclusive Growth and the Executive Member for Learning, Skills and Employment have been consulted on the contents of the report.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 This is an information, rather than a decision-making report and therefore there is no requirement to undertake an Equality, Diversity, Cohesion and Integration (EDCI) screening. The Strategy was subject to EDCI screening prior to approval.
- 4.2.2 The Council aims to improve the lives of all its citizens and foster good relations between different groups in the community. The Growth Strategy encourages inclusive growth, aiming to ensure that the benefits of a prosperous economy impact on all Leeds citizens, this includes supporting young people, people with disabilities and those suffering from mental health issues. Individual programmes of work under Big Idea 4 detailed in the report have been subject to EDCI screenings prior to their approval.

4.3 Council policies and the Best Council Plan

- 4.3.1 The Leeds Inclusive Growth Strategy approved by Executive Board on 27 June 2018 sets out how the Council and its partners in the city will work together to grow the Leeds economy, ensuring that everyone in the city contributes to, and benefits from, growth to their full potential. The Inclusive Growth Strategy, together with the Leeds Health and Wellbeing Plan, is a core strategy underpinning Leeds City Council policies. Inclusive Growth is also a key driver of the Best Council Plan for 2020/21.
- 4.3.2 Climate Emergency
The council declared a climate emergency in March 2019 with the stated ambition of working to achieve net zero carbon emissions by 2030 for the city. The delivery of the Leeds Inclusive Growth strategy already incorporate consideration of climate emergency interventions as highlighted in the One Year on report published in July 2019. Council services and delivering partner organisations will be encouraged to continue to consider additional actions in their work to deliver the Strategy as the city further develops its approach to responding to climate change and its mitigation.

4.4 Resources, procurement and value for money

- 4.4.1 There are no new resource requirements arising from this report.

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

- 4.5.1 This is an information, rather than a decision-making report and there are no legal implication raising from this report.

4.6 Risk management

- 4.6.1 There is a comprehensive risk management process in the council to monitor and manage key risks. Risks associated with progressing the implementation of the Leeds Inclusive Growth Strategy are reviewed quarterly through the directorate leadership team meeting and the corporate Inclusive Growth Delivery Officer Group.

5 Conclusions

- 5.1 The One Year On report on the implementation of the Leeds Inclusive Growth Strategy demonstrates considerable progress in implementing projects across the 3 themes of People, Place and Productivity and the governance and reporting arrangements to support continued engagement by partners and effective monitoring and review.
- 5.2 In addition to the strategic programmes of work, Scrutiny Board was keen to assess the degree to which these interventions would target and benefit residents furthest away from the labour market living in our most disadvantaged communities and Priority Neighbourhoods. The report summaries a wide range of targeted interventions and newly established programmes to meet this need delivered through effective cross service working that makes good use of shared intelligence and resources.
- 5.3 The report also highlights the work now being undertaken through the Leeds Anchors Network under Big Idea 4 of the Strategy and in particular how the Council's renewed approach to procurement activity is contributing to our Inclusive Growth objectives.

6 Recommendations

- 6.1 Members of Scrutiny Board are asked to note the progress made to date in implementing the recommendations of Leeds Inclusive Growth Strategy inquiry.

7 Background documents¹

- 7.1 There are background documents.

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

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

Report to: Scrutiny Board (Infrastructure, Investment and Inclusive Growth)

Date: 8th January 2020

Subject: Best Council Plan Performance Report Quarter 2 2019/20

Are specific electoral wards affected? If yes, name(s) of ward(s):	☐ Yes ☒ No
Has consultation been carried out?	☐ Yes ☒ No
Are there implications for equality and diversity and cohesion and integration?	☐ Yes ☒ No
Will the decision be open for call-in?	☐ Yes ☒ No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	☐ Yes ☒ No

Summary

This report provides a summary of performance at Quarter 2 2019/20 against the strategic ambitions, outcomes and priorities for the Council relevant to the Scrutiny Board (Infrastructure, Investment and Inclusive Growth) within the Best Council Plan 2019-21. As part of the remit of the Board, an update on City Region functions is also provided.

1. Main issues

- The report provides a summary of performance at Quarter 2, 2019/20 against the Best Council Plan.
- Performance against the key performance indicators relevant to the Board is included in the report as well as an update on City Region functions.

2. Best Council Plan Implications (click [here](#) for the latest version of the Best Council Plan)

- The report provides an update on performance in delivering the Council's strategic ambitions, outcomes and priorities, as contained within the Best Council Plan.

3. Resource Implications

- There are no specific resource implications from this report, although some performance indicators relate to financial and other value for money aspects.

Recommendations

- a) Note the Best Council Plan Quarter 2 2019/20 performance information and to consider if the Board wishes to undertake further scrutiny work to support improvement work in any of these areas.
- b) Note the narrative update provided on City Region functions and to consider if the Board wishes to undertake further scrutiny work to support improvement work in this area.

1. Purpose of this report

- 1.1 This report presents a summary of the Best Council Plan (BCP) performance data for Quarter 2, 2019/20 in relation to progress against the delivery of the strategic outcomes and priorities contained within the BCP 2019-21 relevant to the Scrutiny Board (Infrastructure, Investment and Inclusive Growth).
- 1.2 Also included is a narrative update on City Region functions, as a part of the remit of the Scrutiny Board (Infrastructure, Investment and Inclusive Growth).

2. Background information

- 2.1 This report has one appendix:

- Appendix 1: Best Council Plan Performance Summary Quarter 2 2019/20

3. Main issues

3.1 Best Council Plan Performance Quarter 2, 2019/20

- 3.1.1 The attached Best Council Plan (BCP) Performance Summary for Quarter 2, 2019/20 (Appendix 1) shows progress against the strategic outcomes and priorities relevant to the Scrutiny Board (Infrastructure, Investment and Inclusive Growth) within the BCP 2019–21.
- 3.1.2 Appendix 1, the BCP Performance Summary Quarter 2, 2019/20, shows the results of key performance indicators within the BCP 2019-21, together with red/amber/green (RAG) ratings. Appendix 1 also details annual results from 2018/19 which were not available in time for reporting to the Board's meeting on the 19th June 2019, and hence have been included here, together with the latest quarter 2 2019/20 results where available.
- 3.1.3 The Board's attention is drawn to the key performance indicators on Appendix 1 relating to:

3.2 Private sector employment in Leeds

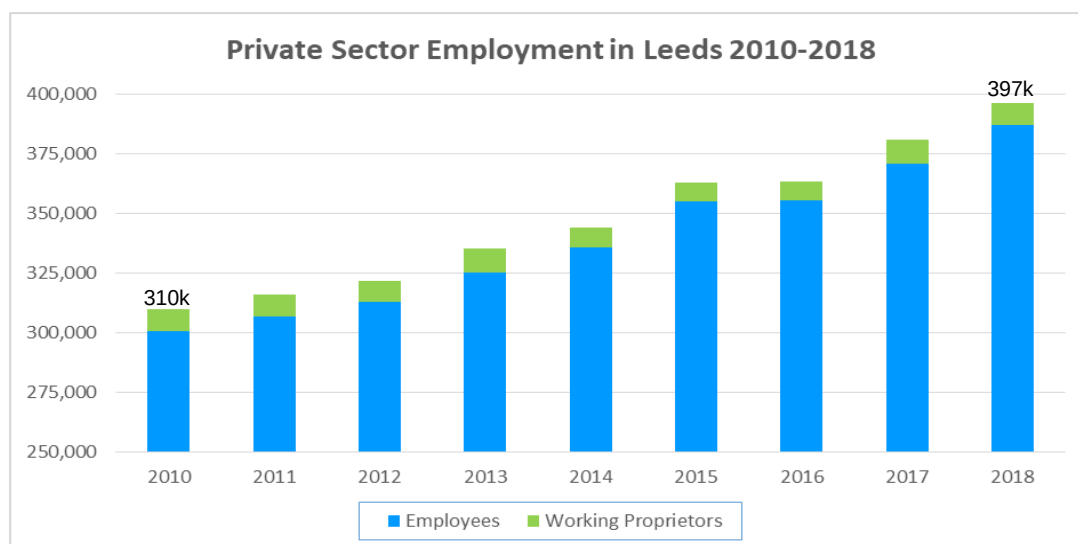
- 3.2.1 This annual indicator reports the number of people in employment i.e. employees and working proprietors within the private sector in Leeds using the Business Register and Employment Survey (BRES). This is the official source of employee and employment estimates and is conducted by the Office of National Statistics (ONS). The survey collects employment information from businesses across the whole of the UK economy for each site they operate, allowing the ONS to produce

estimates by detailed geography, industry (by using Standard Industrial Classification codes) split by full-time and part-time workers and public or private sectors.

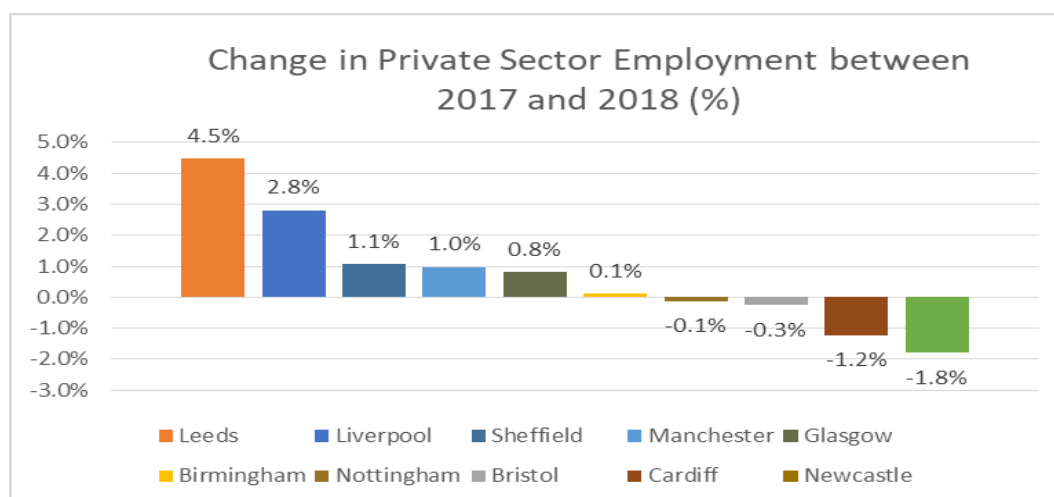
- 3.2.2 In September 2019 the confirmed result for the calendar year 2017 was released and this rose from the provisional 2017 result of 377,200 people in employment to 380,100 people (the 2017 confirmed result), thereby increasing the target for 2019/20 by almost 3,000 people.
- 3.2.3 Despite this, the provisional 2018 result (also released in September 2019) of 397,100 people demonstrated increased levels of private sector employment, showing growth of almost 4.5% compared with 2017. 70% of employees were full time, consistent with 2017, but there was a large increase in working proprietors of almost 10%.
- 3.2.4 The total growth since 2017 in employment of 17,000 comprises: 13,000 more full time employees, (5% rise); 3,000 more part time employees (2.7% rise); and 900 more working proprietors (9.8%% rise).

	Private Sector Employment in Leeds				
	Full Time Employees	Part Time Employees	Total Employees	Working Proprietors	Total Employment
2018 (provisional)	272,400	114,500	387,000	9,200	397,100
2017	259,400	111,500	370,900	10,100	380,100
Change	13,000	3,000	16,100	900	17,000
% Change	+5%	+2.7%	+4.3%	+9.8%	+4.5%

- 3.2.5 The graph below shows private sector employment in Leeds over the last 8 years to provide a longer term view. Overall, between 2010 and 2018, there was over 28% growth in private sector employment in Leeds.



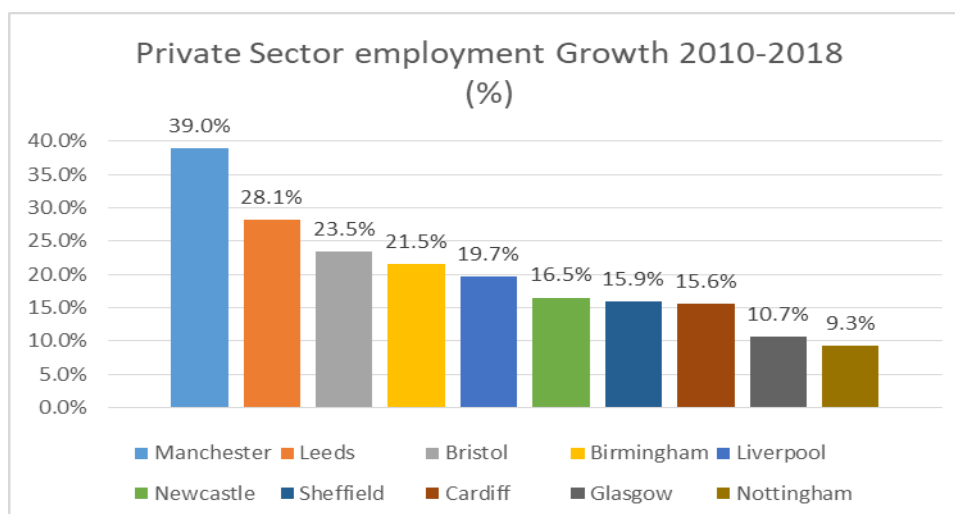
- 3.2.6 Private sector employment growth in Leeds outstripped all the core cities between 2017 and 2018, as shown below:



3.2.7 Considering the number of employees in both the public and private sectors outside of London, Leeds ranked first for these sectors in 2018: digital; export intensive; creative; other manufacturing; publishing and broadcasting; information and communication; software; financial and business services; other business services; professional, scientific and technical; and business administration and support.

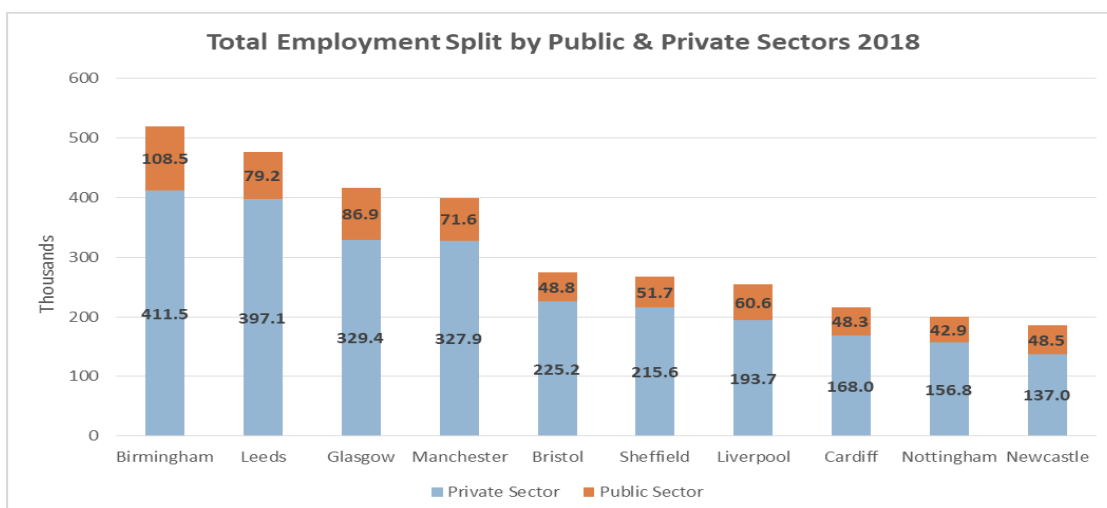
3.2.8 For employees in both the private and public sectors, between 2017 and 2018, the largest individual sector increases were for: software (52%); digital (39%); creative (35%); publishing and broadcasting (21%); and print and publishing (20%). Decreases were evident in: motor trades (16%); construction (10%); legal activities (10%); and engineering (5%). However, given the figures are survey based, changes within sectors (especially the smaller sectors) should be treated with caution.

3.2.9 Considering the longer term view of private sector employment across the core cities, the graph below highlights strong jobs growth in the private sector in Leeds between 2010 and 2018 when compared with other core cities. Overall during this period there was 28.1% growth in Leeds, with Leeds second amongst the core cities for the period with 87,000 new private sector jobs created in Leeds over these 8 years.



3.2.10 The graph below shows the total employment of all the core cities split by public and private sectors in 2018. Of note is that not only does Leeds have the second highest amount of employment by number, but it also continues to have the largest

amount of private sector employment as a proportion of total employment of all the core cities.



3.2.11 One of the principal interventions to support the growth of private sector employment has been the Business Growth Programme (BGP). This provides capital grants to support business investment which creates new jobs. Since 2015 the BGP has provided about £29m in capital grants to support £291m in private sector investment across the Leeds City Region, which in turn has created 4,365 new jobs to date. Leeds City Council originally designed the BGP and has been responsible for aspects of BGP delivery working with the Combined Authority. Since 2015, the BGP has supported 223 investment projects in Leeds which have to date created 1,043 new jobs.

3.3 **Gross Value Added (GVA) per filled job**

3.3.1 To measure how large an economy is, its total output is considered i.e. the total value of goods produced and services provided in a given time period. Gross Value Added describes the total size of an economy including both from the income generated from all activities which produce goods or services (GVA Income), and the net output generated (GVA Production). How this changes over time is generally regarded as the single most important indicator of the health of local and regional economies, how they grow over time, of productivity, incomes and the welfare of people living in a region.

3.3.2 The Gross Value Added (GVA) per head annual indicator is included in the current BCP 2019-21, and would have been reported to the Board at its meeting on the 8th January 2020. However, the Office of National Statistics (ONS) has taken the decision to stop reporting GVA per head by local authority. GVA per head was a measure of the productivity of all residents of the local authority including those not in work.

3.3.3 Therefore, in order to provide an indicative assessment of the productivity of businesses and individuals in Leeds, GVA per head has now been replaced with GVA per filled job. GVA per filled job is a measure of the productivity of those who are actually in work, as opposed to the per head calculation which used the number of residents of the local authority to provide the result. It is still based on the balanced GVA (B) figure and GVA per filled job apportions GVA to the number of jobs in the city, whether these are residents or commuters into Leeds.

- 3.3.4 The GVA per filled job result for the calendar year 2017 was published in Feb 2019, at £49,544 per filled job. This previous result will form the target for 2019/20, i.e. to increase GVA per filled job to greater than £49,544. The result for 2018 will be available in February 2020 and will be reported to the Board later in 2020.
- 3.3.5 This measure adjusts for commuting because the number of jobs in each area is not necessarily the same as the number of residents in work. This is especially important in London and in the main regional cities where there are large net inflows of commuters. In the cities, GVA per head is inflated because it counts all the production but not all the workers. GVA per filled job also adjusts for double-jobbing i.e. when some individuals hold two or more jobs.
- 3.3.6 There are nevertheless important shortcomings in GVA per filled job as a measure of productivity. Although it documents the value of production in relation to the number of jobs it does not say anything about the efficiency with which production takes place. A high GVA per filled job does not necessarily mean that the workers in that location are any more productive or efficient than workers doing the same tasks in other locations. To comment on 'efficiency' it is necessary to adjust for the mix of industries, the mix of occupations and hours worked.

3.4 Number of new business start-ups

- 3.4.1 This quarterly indicator reports business start-ups using figures from BankSearch which compiles information from Companies House and High Street business bank account openings data. The data is reported in calendar years and the target for 2019/20 is an increase against the number of start-ups reported for the calendar year 2018 i.e. greater than 4,277 start-ups.
- 3.4.2 Between January and July 2019, there were 2,726 start-up businesses in Leeds. Compared to the same period in 2018, there were 5% or 131 more business start-ups in Leeds. Growth in the number of start-ups across the whole of England rose by 2% during this period, and in Yorkshire and Humberside by 3.2%, demonstrating the strong start-ups position in Leeds of 5%. The North West (12.7%), East Midlands (5.6%) and East of England (4.6%) saw the strongest growth compared to 2018. The growth rate ranks Leeds 113th out of 326 English districts, an improvement from a ranking of 134th at the end of 2018/19.
- 3.4.3 Real estate, professional services and support activities; wholesale and retail trade; and recreational, personal and community services constituted the main types of business start-ups in the reporting period, and these three sectors accounted for 57.4% of all start-ups in Leeds.
- 3.4.4 Between January and July 2019, the wards with the greatest number of start-ups were City and Hunslet (311); followed by Gipton and Harehills (137); and Chapel Allerton (128); with the fewest start-ups in Bramley and Stanningley; and Ardsley and Robin Hood (both 44); followed by Rothwell and Kippax and Methley (both 45).
- 3.4.5 The Leeds City Region Ad:venture Programme offers support to new and young businesses trading for less than three years. Ad:venture was designed and developed by Leeds City Council working in partnership with all city region local authorities, three universities, the Chamber of Commerce and the Princes Trust. Since Ad:venture started in quarter 4 of 2016/17, the programme has delivered assistance to over 1,000 clients with 613 businesses and 846 individuals receiving intensive assistance of 12+ hours of support. To the end of quarter 2 2019/20, the

programme has supported £2.78m of business investment with £966k of grant support. This business investment is expected to create 509 new jobs of which approximately 35% are jobs created in Leeds.

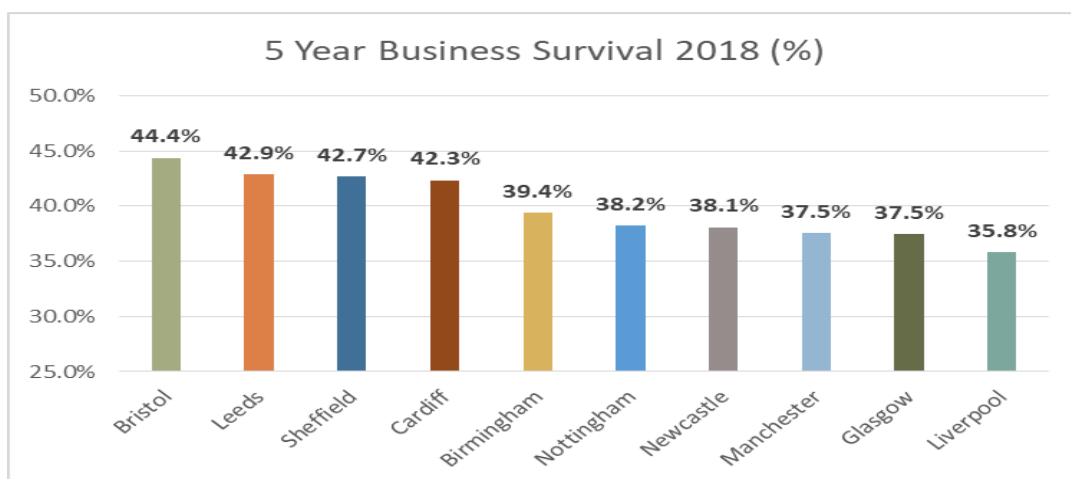
- 3.4.6 Start-up rates nationally remain challenging due to the current uncertain economic climate. It is worth noting that the start-up rate is often seen as a barometer of business confidence and this has been under pressure nationally since the EU referendum of 2016.
- 3.4.7 In November 2019, according to the Lloyds Bank Commercial Banking Business Barometer Survey, (a survey of 1,200 businesses across the UK), overall UK business confidence increased to 9% and economic optimism increased to 7%, the highest level of optimism seen since January 2019. UK Companies' assessment of their trading prospects for the next year remained relatively stable at 12%.
- 3.4.8 However, the survey found that this was not the case in Yorkshire and Humberside, and found that companies in the region reported lower confidence in their business prospects at 3% and combined with their views of the economy, gave an overall confidence of -2%.
- 3.4.9 Across the region, a net balance of 5% of businesses expect to decrease staffing levels during 2020, down by 1% on the previous month and a net balance of 8% of businesses said they felt that the UK's exit from the EU was having a negative impact on their expectations for business activity, down four points.

3.5 Number of business scale ups

- 3.5.1 The annual business scale ups indicator is calculated using the Mint BVD business demography product which uses the Inter-Departmental Business Register. The two main sources of input are the Value Added Tax (VAT) system from HMRC (Customs) and Pay As You Earn (PAYE) from HMRC (Revenue) with some additional data including from Companies House. Only limited companies with their registered addresses in Leeds (those registered elsewhere but with branches in Leeds are excluded) reporting over 20% growth in turnover or employment annually for three years are included. There is a reporting lag of over a year, due to delays in businesses submitting their final accounts which is when they can be considered as part of the data.
- 3.5.2 The annual result reported in 2019/20 is that 467 businesses scaled up in Leeds in 2017/18 i.e. had 20% growth in either turnover or employment over the previous three years. Scale ups have been sustained at a similar level to that previously reported i.e. 461 businesses scaled up in 2016/17, and is indicative of business confidence in the city at that time, although the time lag in the data should be noted. Also, given that the data set is largely limited to PAYE and VAT registered business, wider economic activity in the city is not captured within these results. Of the 467 businesses that scaled up in Leeds, 395 were in the main city area and 72 were in the city fringe areas of Pudsey, Wetherby and Otley.
- 3.5.3 As noted in section 3.4.6-9. above, business confidence and business investment is being significantly impacted upon by the current uncertain economic climate and the lack of clarity over the future trading arrangements with our principal trading partners in the EU.

3.6 **Business survival rate**

- 3.6.1 This new annual indicator reports the number of new businesses still trading after 5 years. The data comes from Business Demography which is an annual publication produced from the Inter-Departmental Business Register (IDBR), and reported via the ONS. The publication focuses on changes to the registered business population, i.e. those businesses registered at HMRC for Value Added Tax (VAT) and/or Pay As You Earn (PAYE) and at Companies House.
- 3.6.2 Business demography measures businesses that were active during the reference year, therefore the latest 2018 publication measures businesses that were active between December 2017 and December 2018, i.e. that the business had either turnover or employment at any time during that period, and is reported in November of the following year, i.e. a lag of 11 months.
- 3.6.3 The annual result reported in 2019/20 was released in November and is the latest available covering December 2017 to December 2018, and showed that 42.9% of businesses which started up during 2013 in Leeds were still trading after 5 years. This compares well with the current target of 41.9% of businesses (the previous year's result for December 2016 to December 2017).
- 3.6.4 The Leeds' 5 year business survival rate is second amongst the core cities, with only Bristol's rate higher at 44.4%, as shown in the graph below:



- 3.6.5 Business survival rates are one indicator of the enterprise dynamics of a local economy, the most dynamic economies in the UK have high business start-up rates and high rates of businesses closing, reflecting that entrepreneurs have confidence to start up and invest. The critical issue is does a local economy have a growing business stock (a positive net balance between business births and businesses which have stopped trading) and is there evidence that a proportion of that business stock is demonstrating high growth. Overall, relative to core city comparisons, Leeds has strong entrepreneurial performance but is below that seen in London and parts of the South East of England.
- 3.6.6 Of the 3,895 new businesses which started in Leeds in 2013, 2,225 businesses were not trading in 2018 i.e. 57.1%. Although this constitutes more than half of business started in 2013, Leeds still had the second lowest figure for business which had ceased trading after 5 years of all the core cities, behind Bristol at 55.6%.

	Births 2013 (No.)	Ceased Trading 5 Year (No.)	Ceased Trading 5 Year (%)	Survived 5 Year (No.)	Survived 5 Years (%)
Bristol	2,570	1,430	55.6%	1,140	44.4%
Leeds	3,895	2,225	57.1%	1,670	42.9%
Sheffield	2,145	1,230	57.3%	915	42.7%
Cardiff	1,665	960	57.7%	705	42.3%
Birmingham	5,285	3,205	60.6%	2,080	39.4%
Nottingham	1,335	825	61.8%	510	38.2%
Newcastle	1,195	740	61.9%	455	38.1%
Manchester	3,385	2,115	62.5%	1,270	37.5%
Glasgow	2,830	1,770	62.5%	1,060	37.5%
Liverpool	2,250	1,445	64.2%	805	35.8%

3.7 Change in business rates payable since 2017 revaluation

- 3.7.1 Business rates i.e. National Non-Domestic Rates (NNDR), underwent a revaluation applicable from the 1st April 2017 which means that the amount of gross NNDR payable in 2017/18 will constitute a baseline against which 2019/20 and future years' NNDR can be reported. The business rates growth indicator is reported gross of appeals, discounts and reliefs, in order that it is more reflective of the change in the absolute rateable value in Leeds and is more indicative of business and economic growth in the local economy.
- 3.7.2 As the final 2019/20 result for this annual indicator will only be available in April 2020, to provide an indication of growth in NNDR at quarter 2, 2019/20, the difference in the amount of business rates payable between the 1st April 2019 and the 30th September 2019 is reported i.e. the within year change, as stated with the impact of any decided appeals, discounts and reliefs removed. On the 1st April 2019, £457.2m (gross) NNDR was payable however by the 30th September 2019 this had risen to £461.7m an increase of £4.5m or 0.99% growth.
- 3.7.3 In the earlier part of the year, delays in the Valuation Office Agency's processing of new assessments, some of which had been outstanding for six months, translated into lower NNDR growth. However, this was rectified in quarter 2, and valuations for a number of new assessments were received in July.
- 3.7.4 The majority of growth during the period came from a number of new assessments (each with a rateable value of over £200k) largely from the new Spring Retail Park at Thorpe Park, but also from units at Wellington Place.
- 3.7.5 Leeds continues to work to attract new business investment from both indigenous and new inward investors. During 2019/20, the Combined Authority (who lead on Inward investment) are currently reporting 14 investment successes (7 of these are in Leeds). As noted in section 3.4.6-9 above, the economic climate remains challenging to attract new business investment, and the Council continues to work with other partners to attract new investment to Leeds.

3.8 Visitor economic impact for Leeds

- 3.8.1 This annual indicator reports the economic impact to the city of the visitor economy. The data is taken from the Economic Impact Report produced by Global Tourism Solutions (GTS), where particular local information and data is provided to GTS such as footfall; hotel occupancy and rates; events; attractions; and this is input into

the Economic Impact Model which provides data about the economic impact of various types of visitors in Leeds.

- 3.8.2 This indicator reports the economic impact of 'Day and Night Visitors' to the Leeds economy. The latest result from the annual 2018 Economic Impact Report for the Visitor Economy was received in July and therefore the result reported here is the annual result for 2019/20.
- 3.8.3 The Economic Impact Report indicates that the economic impact of the visitor economy in Leeds (day visitors and staying visitors) grew by almost 5% between 2017 and 2018, by an additional £87m to £1.832bn. In 2018, the city welcomed 29.17m day and staying visitors who spent a total of 32.42m days in the city, supporting 20,516 people in direct and indirect employment associated with the visitor economy.
- 3.8.4 Day visitors continue to make up the majority of visitors to Leeds accounting for 92% of visitors, but the staying visitor market has once again seen stronger annual growth (with a rise of 2.4%) than that of the day visitor sector which increased by 0.4%. Looking at cumulative data over the last five years from 2013; the city has seen a 17% growth in its visitor numbers and a 32% increase in the economic impact. The number of FTE jobs supported by the sector has similarly grown by 17%.
- 3.8.5 The focus on increasing the number of overnight visitors to the city will continue as this visitor group is associated with a greater spend per trip which ultimately drives a higher economic impact result.
- 3.8.6 The city's visitor economy experienced strong performance during 2019/20 with high profile events including Ed Sheeran concerts, Ashes Test Match Cricket and UCI Road Cycling Championships all having a positive impact. It is worth noting that visits to the Visit Leeds website reached over 1m visits during the last 12 months and increased by 15% when compared with quarter 2, 2018. Hotel performance was also particularly strong in August; as evidenced by the 20% increase in the average daily rate charged for city centre hotel rooms compared to August 2018.
- 3.8.7 This year saw the launch of the Visit Leeds China Forum and the group welcomed its first group of Chinese travel trade operators. A partnership was also secured with the University of Leeds' Chinese Students and Scholars Association and a Students' Ambassador Programme was launched in early November.
- 3.8.8 A product development initiative was undertaken providing some dedicated support to local suppliers and as a result the city welcomed a number of new visitor experiences been brought to the market. This included improving the offer around local attractions and the development of new tours, for example at Kirkstall Abbey a new guided tour experience has been developed to increase appeal to both national and international visitors.

3.9 Percentage of working age Leeds' residents with at least a Level 4 qualification

- 3.9.1 This annual indicator reports the percentage of Leeds' residents with at least a Level 4 qualification which is: a Certificate of Higher Education; Higher Apprenticeship; Higher National Certificate; Level 4 Award; Level 4 Certificate;

Level 4 Diploma; or Level 4 NVQ. The indicator uses data from the Office for National Statistics (ONS) Annual Population Survey and reports in calendar years.

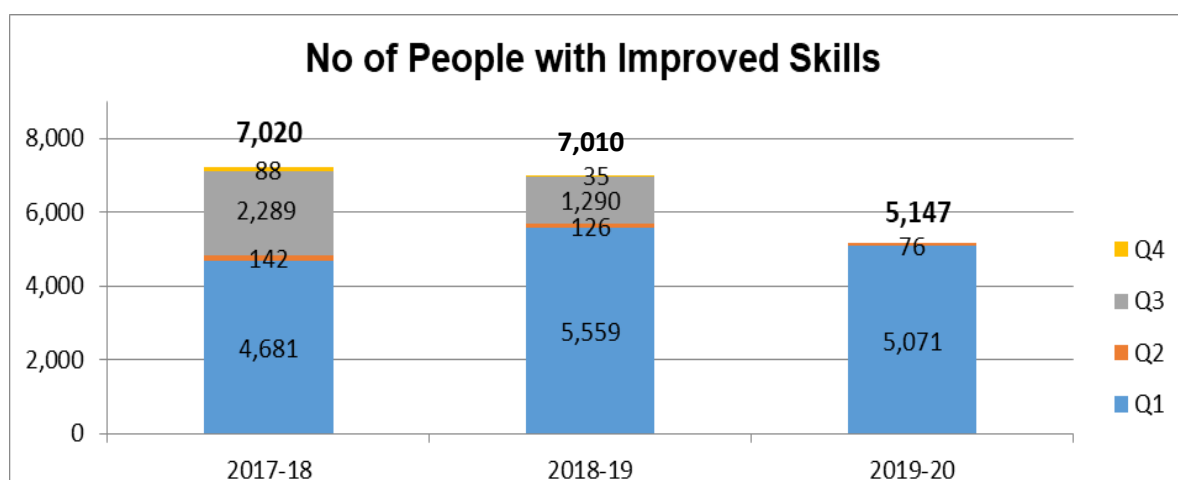
3.9.2 The ONS data for this indicator will be released in April 2020, and therefore the result will be reported to a later meeting of the Board.

3.10 Number of people supported to improve their skills

3.10.1 This indicator reports the number of people in Leeds supported by the Council to improve their skills through either accredited courses or non-accredited courses including work experience. Provision is largely through the Adult Learning Programme with the target set by the Education and Skills Funding Agency (ESFA) to reflect funding allocation levels and policy priorities.

3.10.2 The cumulative result at the end of quarter 2 is 5,147 people, achieving 69% of the annual target which reflects on-target performance at this point in time for delivery of a programme linked to the academic year. 3,116 (61%) customers improving their skills were from the 20% most deprived LSOA's on the Index of Multiple Deprivation. 2,519 (49%) were BAME, 544 (11%) had a physical disability and 738 (4%) had a mental health disability.

3.10.3 The percentage of the Leeds working age population (WAP) that do not have a Level 2 qualification is 24.0% which is better than the national average at 25.1%. 6.9% of the Leeds WAP have no qualifications which is lower than the national average at 7.8% and is concentrated in the most disadvantaged areas of the city.



3.10.4 The Adult Learning Programme actively targets learners who are: low skilled; have no or low level qualifications; are living in poverty; unemployed, workless or vulnerable to social exclusion; and individuals facing specific and often multiple barriers and disadvantage, e.g. adults with learning difficulties and/or disabilities; mental ill health; misusing substances; and people who are vulnerably housed, etc. Courses are shaped by learners' needs which are identified through work with learners, and effective networking and partnership arrangements which are in place across the city.

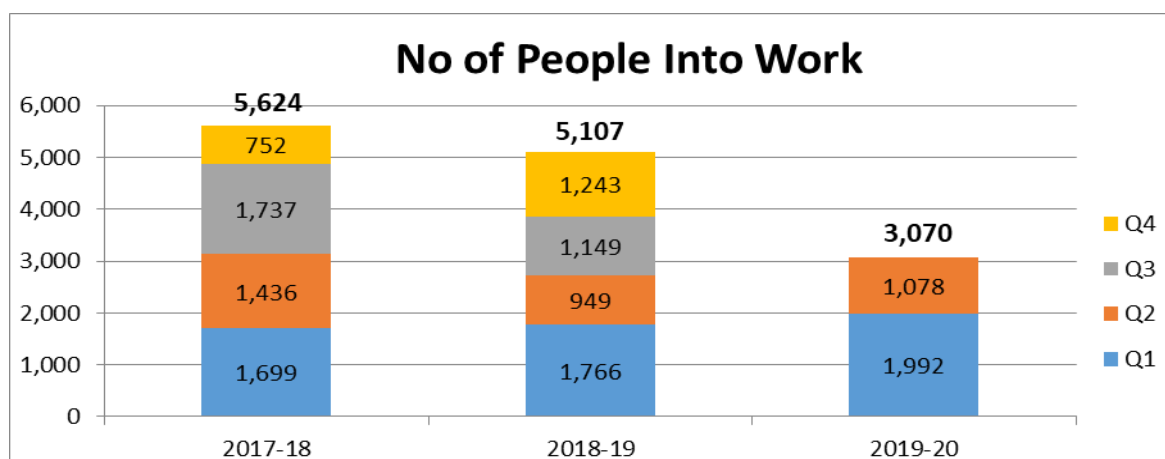
3.10.5 Adult Learning delivery for the current 2019-20 academic year includes ESOL (English as a second language), English, Maths, Employability, Health and Wellbeing programmes which provide support for targeted learners recovering from mental health issues and addiction issues. Delivery is focused on the key deprived areas within the city with particular emphasis on the six priority neighbourhoods.

3.10.6 The Adult Learning Programme is funded by the Department for Education from the Adult Education Budget with annual funding allocations notified and contract-managed by the ESFA. The number of people supported (target) is dependent upon the size of the budget allocation and the contract parameters which may vary from year to year to reflect national policy objectives and learner eligibility to access publicly funded provision. The budget allocation for the 2019/20 academic year is £2.18m. The provision is quality assured by Ofsted and is delivered by the Council, the Further Education sector, the third sector and commercial training providers.

3.11 Number of people supported into work

3.11.1 This indicator reports the number of people in Leeds supported by the Council into work through either directly delivered or commissioned employment support services and skills provision.

3.11.2 The cumulative result at the end of quarter 2 is 3,070 people supported into work. This represents 77% of the annual service target of 4,000 and is an increase of 13% on the same period in the previous year. 63% of residents securing employment were from the 20% most deprived LSOA's on the Index of Multiple Deprivation. 37% of the residents supported into work identified as BAME and 4% had a physical disability and a further 5% had a mental health disability.



3.11.3 Up to the end of quarter 2, 1,221 residents were supported into work through Jobshops in the Community Hubs; 1,035 of the residents participating in Adult Learning moved into work; 116 residents received tailored support through European Structural and Investment Funds (ESIF) funded programmes targeted at those furthest from the labour market; 353 residents accessed work through Employment and Skills obligations placed on Council contracts and s106 Planning Agreements; with the remainder from outreach programmes.

3.11.4 The service engaged with over 200 businesses up to the end of quarter 2 to support residents to secure employment, of which 47% were large employers and 53% were SMEs. This supported recruitment across all sectors to largely entry level roles in construction and infrastructure (20%); manufacturing and engineering (19%); finance and professional business services (15%); retail, hospitality and leisure (14%); digital & ICT (12%); and health and care, including childcare (6%).

3.12 Progress 8 score for Leeds at the end of Key Stage 4 (end of year 11)

3.12.1 Provisional Key Stage 4 results were published by the DfE in October. These figures will be updated in January 2020, when the confirmed results are published.

3.12.2 Leeds' provisional Progress 8 score for the 2018/19 academic year is +0.02, continuing the strong performance seen in 2017/18. This year's result is above all comparator groups (England: -0.03, statistical neighbours: -0.16, core cities: -0.10, Yorkshire and The Humber: -0.02) and is the second highest score of the core cities. Leeds remains in the second quartile nationally and is ranked equal 52nd out of 150 local authorities. This is an improvement on the previous year where Leeds' confirmed rank was 65th of 151 local authorities.

3.12.3 A Progress 8 score of +1.0 means pupils in the group make on average a grade more progress than the national average; a score of -0.5 means they make on average half a grade less progress than average. Progress scores are a measure of how cohorts have performed in relation to pupils with similar prior attainment nationally and should not be compared between years. The local authority ranking provides a better year on year indication of performance in this area.

3.13 Percentage and number of young people who are not in employment, education or training or whose status is 'not known' (NEET) The reported result of 9.9% (1,573 young people) is the three month average for December 2018 to February 2019. This can be disaggregated to young people not in employment, education or training (NEET): 2.0% (318 young people) and not known: 7.9% (1,255 young people).

3.13.2 The scale of the 'not known' part of the cohort was recognised as being related to data collection systems rather than changing patterns of young people's participation in education and training. Some of the young people included in the figure had left the authority area and others were found to be in learning or employment, for example in an educational provision in the city, or undertaking an apprenticeship. That the cohort is held nationally and has to be updated at the individual level, including with the agreement of other local authorities where a young person has moved, adds complexity. Leeds is one of a minority of authorities to have tracking cohorts greater than their ONS population estimates. The table below shows Leeds reported performance for Dec 2018-Feb 2019 compared to Core Cities, Leeds ranked 7 of 8 authorities given the issues with not-known.

LA name	NEET or not known % (age 16-17)	Rank (NEET or not known)	NEET % (age 16-17)	Not Known % (age 16-17)
Sheffield	6.1%	1	3.6%	2.6%
Newcastle	6.2%	2	4.9%	1.3%
Nottingham	6.6%	3	5.0%	1.6%
Manchester	7.6%	4	3.2%	4.5%
Bristol	7.7%	5	2.9%	4.8%
Birmingham	8.5%	6	2.6%	6.0%
Leeds	9.9%	7	2.0%	7.9%
Liverpool	10.7%	8	5.2%	5.5%
<i>Source: end 2018 NEET scorecard, Department for Education</i>				

3.13.3 Work is progressing with all relevant services who work with young people and with learning providers to resolve this issue. Immediate remedial action led to a reduction of the combined NEET figure to 6.7% by July 2019. Clearly, this is not where we want to be; in addition to immediate actions, we are concluding a wider review of our work in this area. This includes further strengthening our relationship

with schools around the exchange of information and the benefit of this has been evident in the collection of our September Guarantee figures for year 11. We will also use the partnerships we have in place with post-16 learning providers to add greater rigour to our post-16 tracking and we are reviewing our case management system.

- 3.13.4 The service is currently undertaking a review of the provision of youth work in the city. As part of this, the offer is being strengthened to young people who are NEET, or are at risk of becoming NEET. Leeds is part of a regional consortium and has been successful in securing ESIF for work with NEET young people.

3.14 Growth in new homes in Leeds

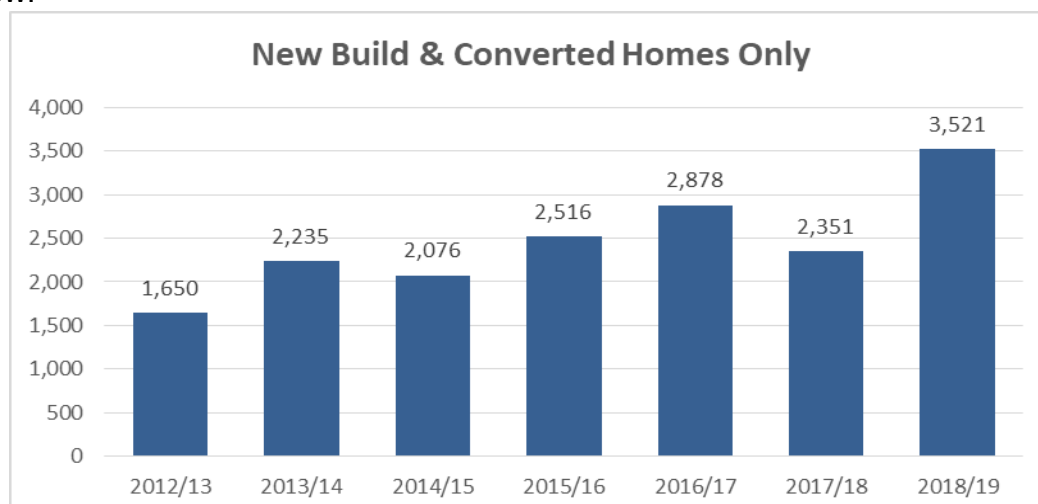
- 3.14.1 The annual growth in new homes performance indicator previously combined the net reduction in long term empty homes (empty for longer than 6 months) together with the number of newly built/converted homes and compared this with the Core Strategy target.

- 3.14.2 In July 2019, it was decided at Housing Growth Board that the net reduction in empty homes would no longer be counted within this indicator as it appeared to have become an exhausted source of supply of new homes. Therefore, only those homes in Leeds which have been newly built or converted into residential properties will now be included in this indicator.

- 3.14.3 Also, the Core Strategy Selective Review (CSSR) had been progressing through the plan making process, and was adopted at Full Council on the 11th September 2019. With adoption of the new CSSR, a new homes target became applicable from 1st April 2017 to the 31st March 2033. The new homes target fell from 4,700 new homes annually to 3,247 new homes, and it is this target that will be used in current and future reporting to the Board.

- 3.14.4 As the 2018/19 result for growth in new homes had not been available at the time of the Board's meeting on the 19th June 2019, for completeness the result has been provided on Appendix 1, i.e. there were 3,521 new homes built and converted during 2018/19. The 2018/19 result exceeded the new CSSR target of 3,247 by 274 new homes.

- 3.14.5 Considering the longer term view, and using only the figures for newly built and converted homes, there were more new homes developed in 2018/19 than at any time since the Core Strategy was adopted in April 2012, as shown in the graph below:



- 3.14.6 Following a strong year in 2018/19, the gross number of new homes developed up to quarter 2 2019/20 was 1,469 homes, Of these, 1,068 units were on brownfield (73%) and 401 (27%) on greenfield land.
- 3.14.7 The quarter 2 records reveal a reduction in the number of active sites since quarter 1 with 42 sites contributing to completions down from 61 sites in quarter 1. However, this is expected and consistent with seasonal construction activity shifting between summer and autumn. The largest contributor to housing growth in the period was the completion of the Vita Student Scheme for 112 studios at St Albans Place and Belgrave Gardens.
- 3.14.8 Whilst the figure of 1,469 new homes as the half-year position would suggest the target may not be met, a further 744 units that are ready for occupation at Leodis Square (Dandara) and which were anticipated in quarter 2, are now likely to be included in quarter 3 figures. These together with the 'business as usual' residential development activity, puts 2019/20 firmly on track to meet the 2019/20 target.
- 3.14.9 2019/20 has seen some of the strongest growth in new homes built and converted for the past 6 years. In addition, there were over 900 new starts recorded in both the city centre and across the city, demonstrating activity across all markets.
- 3.14.10 After many years of low activity, housing construction in the city centre is gaining renewed scale and pace with Dandara in Holbeck and the continuation of the development of Hunslet Mill. Over the past 2 years, over 20% of all new homes granted planning permission across Leeds have been in the city centre. There are over 60 schemes with planning permission in the city centre and fringe, which propose the development of over 8,000 new homes.
- 3.14.11 The outcome is awaited of the government's assessment of the bid for Leeds Living Housing Infrastructure Fund (HIF) for £55m of funding to deliver infrastructure and site enablement to unlock and accelerate development of up to 9,000 city centre homes. If successful, the Leeds Living HIF bid will target unlocking and accelerating delivery of some of these city centre and fringe permissions together with several sites that do not yet have permissions.
- 3.14.12 Through the Private Sector Acceleration Programme the service continues to make contact with landowners and development interests to broker development and site unlocking. The East of Otley funding agreement with Homes England for £6.318m of HIF grant to enable the development of 550 homes has been authorised and site investigations and other due diligence work is underway.
- 3.14.13 The supply of planning permissions is healthy and continues to increase with a large number of schemes approved in the city centre where greater build out rates could be achieved. The Housing Land Monitor for Spring 2019 highlights the greatest level of outstanding planning permissions for over a decade and reveals that 24,896 units have planning permission of which 20,211 have detailed planning permission. Considering that 4,997 units are under construction, this leaves 15,214 units with detailed planning permission that are yet to start. The total stock of houses with full permission now rests at 30,351 units with 20,211 outstanding across 386 sites.
- 3.14.14 New starts were recorded on 5,193 new plots across 101 sites in 2018/19. The Council continues to support housing development, demonstrated by the rate and

volume of planning permissions granted, but build out rates remain lower. The stock of permissions has grown around 400% since 2001, whereas completions only grew to 165% of the 2001 level. The ratio of permissions to completions has expanded from 3:1 or less in the 1990s to approximately 6:1 in 2008 and now stands at 8:1 in 2019.

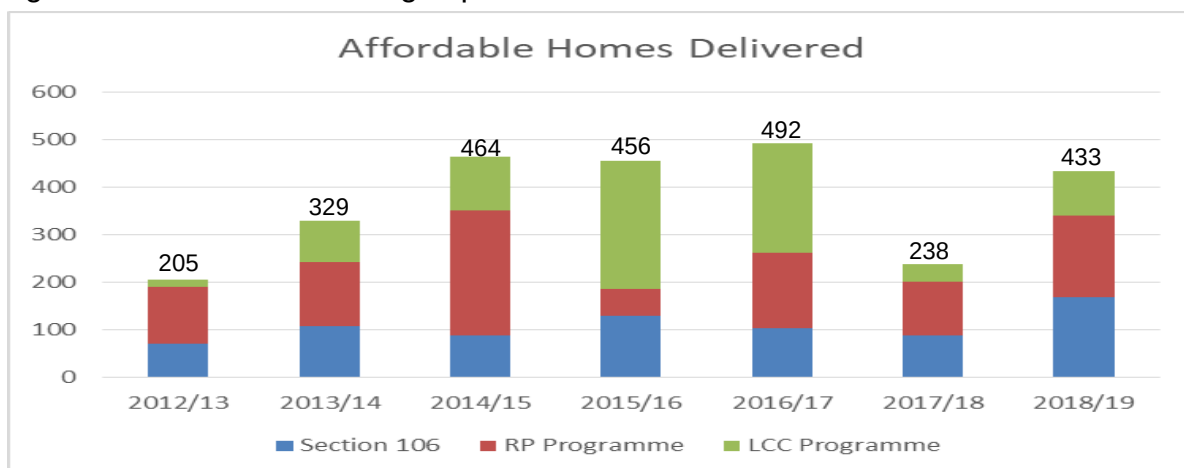
- 3.14.15 With the climate change emergency declared by the Council in March 2019, it is critical that the statutory plan-making process and the implementation of those plans contribute to the sustainable development of Leeds together with the ability to mitigate and adapt to the consequences of climate change (including the need for carbon reduction to meet agreed targets).
- 3.14.16 The Leeds Local Plan (and Supplementary Planning Documents and Guidance), including the adopted Natural Resources and Waste Plan, Core Strategy, Aire Valley Leeds Area Action Plan, Core Strategy Selective Review and the Site Allocations Plan (which is at an advanced stage), have a positive impact on reducing carbon emissions and protecting and enhancing biodiversity. A consequence of not having these plans in place and ensuring they are delivered is poorly planned, uncoordinated and ad-hoc development proposals, being determined on their merits outside an integrated planning framework.
- 3.14.17 A fundamental purpose of a plan-led approach is to plan spatial and inclusive growth in Leeds, with regard to the longer term strategic imperatives of sustainable development and climate change. Consequently, the integration of land use allocations and transport planning; the provision of renewable energy and sustainable infrastructure for new development; the protection and enhancement of green infrastructure and the management of waste flows; and the consumption of natural resources, are integral to the policy framework for influencing investment decisions and the determination of planning applications.

3.15 Number of affordable homes delivered

- 3.15.1 The indicator counts completed affordable homes (AH) which are ready for habitation and is calculated from a number of sources:
- via the Planning system:
 - delivered as a condition of planning, i.e. via a Section 106 agreement.
 - Affordable Housing Providers:
 - delivered by Registered Providers (RP) from Homes England (HE) grant funding utilised for new build, acquisition and refurbishment schemes
 - delivered through Providers programmes with no grant funding input
 - delivered with support from the Right to Buy (RtB) Replacement Programme by affordable housing providers for new build, acquisition and refurbishment schemes
 - Leeds City Council:
 - delivered through the Housing Revenue Account (HRA) new build programme
 - delivered through HE grant funding used for new build, acquisition and refurbishment schemes
 - delivered by the Council via RtB grant funding and used for new build, acquisition and refurbishment schemes
- 3.15.2 Similarly to the growth in new homes indicator above, with the adoption of the Core Strategy Selective Review (CSSR) at Full Council on the 11th September 2019, a new AH target became applicable from 1st April 2017 to the 31st March 2033.

3.15.3 The new AH target increased from 1,158 to 1,230 annually. This is broken down into two targets, the annual in-year need target for AH of 434 and an additional annual requirement of 776 AH to contribute towards historical under-provision.

3.15.4 Since the 2018/19 result for the number of affordable homes delivered had not been available at the time of the Board's meeting on the 19th June 2019, for completeness the result has been provided on Appendix 1, i.e. there were 433 AH delivered during 2018/19. Compared with the new CSSR target of 434 AH in-year needs target, the result fell short by only 1 AH, although no AH were delivered against the historical backlog in provision.



3.15.5 By the end of quarter 2, 2019/20, 133 AH were delivered compared with 210 by quarter 2 in 2018/19. The performance of each delivery channel was: 93 through s106 planning obligations (86 by quarter 2 2018/19); 39 through direct delivery by RPs (64 by quarter 2 2017/18); and 1 through the Council Housing New Build Programme (60 by quarter 2 2018/19).

3.15.6 Based on performance at quarter 2 and current understanding of both the RP and Council delivery programmes, it is likely that performance will continue below the requirements of the 2019/20 target to address the backlog target as well as in-year need. This is a reflection of the complex challenges around sites, procurement and planning, and work is underway to consider developing the city's capacity as a whole with new tools, funding and partners in place to increase and maximise AH delivery.

3.15.7 The Council has committed to direct delivery of at least 300 new build Council homes per annum over the next 5 years and beyond and, therefore, a substantial work programme of new build Council housing is in place. The Council currently has 765 new homes at various stages of development including 188 Extra Care homes, 561 general needs and 16 working age adult bungalows. Of the 765 AH: 59 units are on site currently; 30 are preparing for planning submissions; 227 units are in mid-procurement; and an additional 449 units are in pre-procurement. The current pipeline of 765 new Council homes represents significant progress towards the target of 1,500 new homes over the next 5 years, and additional sites are continuing to be sought to bring into the programme. All Council new build homes will be offered at rents that are genuinely affordable for tenants, and well below market rates.

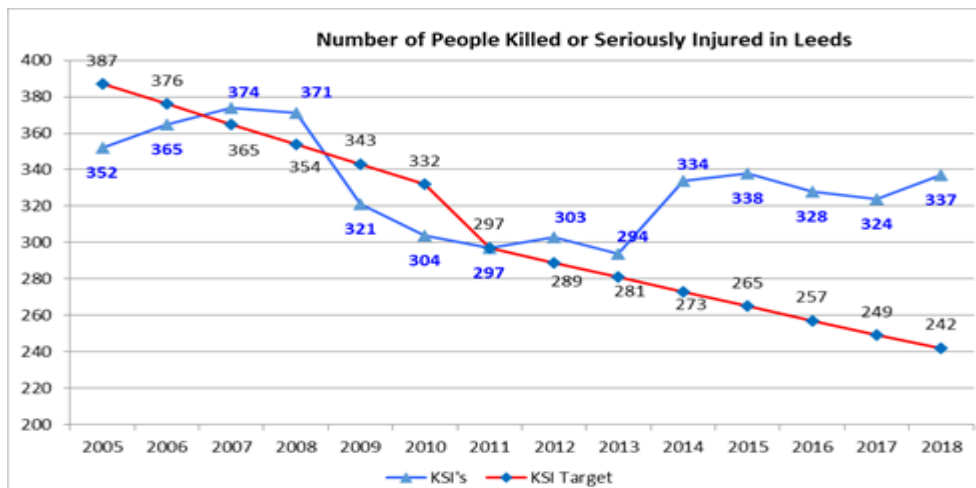
3.15.8 Full Council approved an injection of £90.9m into the Council Housing Growth Programme on 27th February 2019; £22.5m of this was set aside to support a 2-3

year property acquisitions/buyback programme, which will deliver c150-200 properties back into council stock. The initial focus of the programme has been on former council properties bought under the right to buy regime, including those to which the statutory right of first refusal regime applies. However, the programme is also considering options for potential expansion of the project to include non-council properties, identified for example by the Empty Homes Team, where these are aligned to meeting local housing need. A detailed report was provided to Executive Board in June 2019 setting out the approach and progress to date.

- 3.15.9 When the authority sells a property through RtB, a proportion of the receipt, the '1-for-1' receipt, must be spent on Housing Growth within three years, otherwise the authority must hand back the receipts to central government, plus interest. The property buyback programme is one way that the council is currently utilising its retained RtB receipts, and thereby helps mitigate the amounts at risk of handback to central government. The council is also working with RP partners via the RtB Replacement Programme which has to date committed £17.4m of RtB receipts on replacement housing, with a further £34.4m of receipts remaining available to spend.
- 3.15.10 The Council continues to lobby Government to change the rules which govern RtB receipts' usage, and an extension to 5 years for using available receipts was requested but rejected, which would have allowed funds to be applied to the Council's pipeline schemes.
- 3.15.11 With regards to future delivery through RPs, a number of organisations are negotiating with or have entered into strategic partnerships with HE enabling greater flexibility in grant allocations, contingent upon exceeding their baseline Business Plan delivery targets by 20%. The benefits for Leeds are already being evidenced as some RPs are submitting planning applications for significant developments or acquiring large sites from private sources. The most significant of these is the acquisition by the Guinness Partnership Trust of a large site in South Bank with planning permission for over 1,000 new homes, around 40% of which will be delivered as affordable rent through a Strategic Partnership with HE. Site remediation and preparation has already started for this scheme.

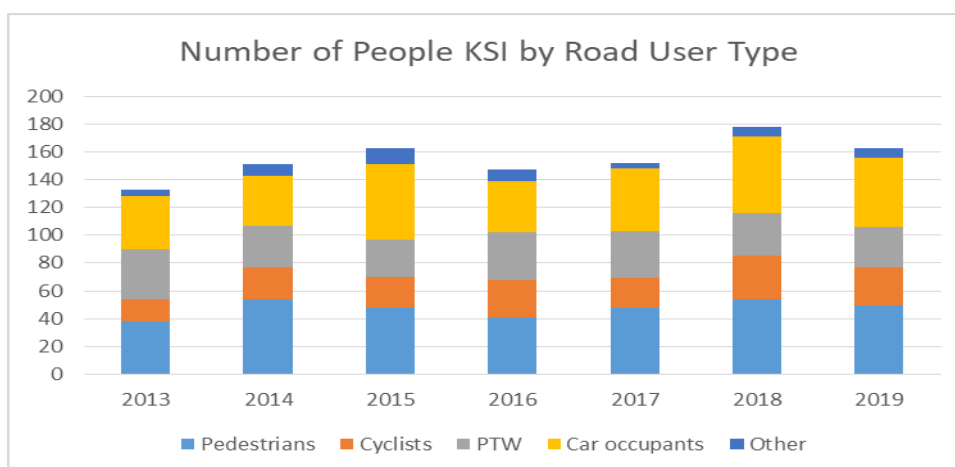
3.16 Number of people killed or seriously injured (KSI) in road traffic collisions

- 3.16.1 This indicator reports the number of people who have been killed or seriously injured (KSI) in road traffic collisions (RTC) in Leeds during 2019 i.e. by calendar year. The 2019/20 target of no more than 234 people KSI is derived from the Local Transport Plan i.e. a reduction by 50% in the number of people KSI relative to the average for 2005-09 and to be delivered between 2011 and 2026. The graph below shows the number of people KSI between 2005 and 2018 compared to the KSI target, i.e. those years for which full year data is available.



3.16.2 Between January and June 2019, 163 people were KSI in Leeds, an 8% reduction compared with the same point in 2018 (178). Of the 163 people KSI, 50 were car drivers/passengers (54 in 2018), 49 were pedestrians (53 in 2018), 29 were powered 2 wheeler riders/passengers (31 in 2018) and 28 were cyclists (30 in 2018). There were 15 fatalities between January and June 2019 (16 in 2018), these were made up of 5 powered two wheelers riders/passengers, 5 car occupants (of which 1 was a driver), 3 pedestrians and 2 cyclists.

3.16.3 The graph below shows the comparative position i.e. January to June, for the last 6 years. Of note is the reduction in people KSI across all groups of travellers between 2018 and 2019 at the mid-year point.



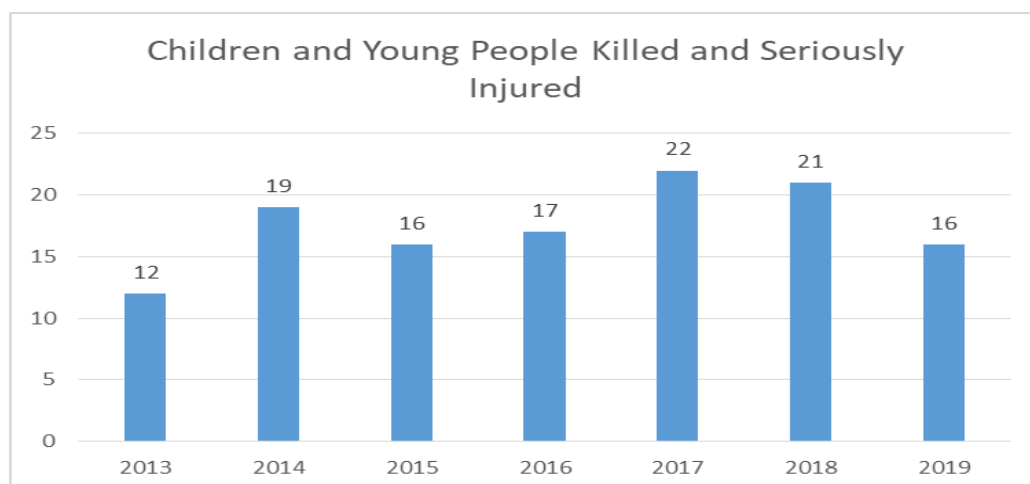
3.16.4 Vulnerable road users (pedestrians, cyclists and motorcyclists) accounted for approximately two thirds of all people KSIs so far in 2019; broadly consistent with figures for previous years. Despite this largely flat trend, pedestrian casualties as well as those KSI decreased compared with the rise reported in 2018. Three pedestrians were killed in the first 6 months of 2019, compared with 9 in the same period in 2018. Similarly cyclist casualties of all severities fell in 2019, reversing the increase recorded in January to June 2018. The KSI total for motorcyclists also fell compared with 2018, but 5 motorcyclists were killed so far in 2019, none in 2018.

3.16.5 A two year traffic management programme of engineering works (developed following analysis of RTCs and casualties) is being implemented along with targeted education, training and publicity programmes delivered by the West Yorkshire Safer Roads Delivery group and LCC officers.

- 3.16.6 The West Yorkshire Camera Partnership are commencing a review of the criteria for the location of cameras including the deployment of mobile cameras to allow them to be deployed more responsively and widely than is currently allowed.
- 3.16.7 The West Yorkshire Safer Roads Executive Group of senior officers continues to provide overall leadership to joint road safety activities. A desktop study commissioned in collaboration with the Police, into fatal collisions is nearing completion and, once completed, will be shared with the West Yorkshire Safer Roads Steering Group.
- 3.16.8 A proposal is being drawn up to run a 12 month pilot of enhanced police enforcement targeting offences most closely associated with serious and fatal injuries (speed, impairment, seat belt use and mobile phones) as well as tackling anti-social driving. Also, a study evaluating the effectiveness of a range of traffic management road safety schemes has been commissioned by West Yorkshire Combined Authority (WYCA).
- 3.16.9 A Police web-based system which will allow the public to upload footage of dangerous and anti-social driving is due to be launched in January 2020. Associated publicity and promotion will be co-ordinated through the West Yorkshire Safer Roads Delivery Group and local partners.
- 3.16.10 More locally in Leeds, multi-agency steering groups continue to lead the co-ordination and delivery of interventions including Operation Amberland (Police focusing on anti-social driving/drivers) and Close Pass (to ensure cyclists are given adequate room when being overtaken by cars) as well as inputs in educational establishments.

3.17 Number of children and young people (C&YP) killed and seriously injured

- 3.17.1 This indicator reports the number of children and young people (C&YP) who have been killed or seriously injured (KSI) in road traffic collisions in Leeds during 2019 i.e. by calendar year. The 2019/20 target of no more than 40 CYP is derived from the 2018 result, in order to achieve a year on year reduction.
- 3.17.2 Between January and June 2019, 16 children and young people (C&YP) were KSI compared with 21 in 2018, a reduction of 31% at the half year point. During the January to June period, there have been no C&YP killed in road traffic collisions compared with 1 in 2018. The graph below shows the mid-year position for C&YP KSI for the last six years, and a reduction in 2019 can clearly be seen.



3.17.3 Road safety education continues to be a priority; and between April and September 2019 Bikeability Training levels 1, 2 and 3 were delivered to 3,850 pupils, whilst Pedestrian Skills Training was delivered to 2,993 children. Delivery of the Scooter Training Programme, covering both training in the playground and training on the road, was delivered to 2,079 children during this period. It is recognised that both education and enforcement (as well as many of the ongoing road engineering schemes) have a significant influence on vulnerable road users, and whilst the Educational Programme continues to be rolled out successfully, the enforcement aspect is impacted upon by the availability of Police resources.

3.17.4 The programme to deliver 20mph zones to appropriate residential streets continues this year with a number of schemes complete, on site or in the planning or consultation phase. In addition, the Council has an ambition to introduce a city centre 20 mph limit before the end of the financial year.

3.18 Satisfaction with a range of transport services

3.18.1 Data for this annual indicator is provided by the WYCA from the annual Tracker Survey carried out early in 2019. The survey data is collected from around 1,500 participants across West Yorkshire, although the data reported here is only from those people who are resident in Leeds. 300 Leeds' surveys are conducted as part of the Tracker Survey, however, an additional 300 Leeds' surveys are commissioned making a total of 600 people surveyed. The result is reported as a score out of 10.

3.18.2 The specific objectives of the annual tracker survey are:

- To build on and continue with the work already established to track user and non-user perceptions, attitudes and satisfaction relating to local transport and travel;
- To measure satisfaction with a range of individual transport provision;
- To identify major issues and/or trends;
- To track changing travel behaviours;
- To identify areas for service improvement and satisfaction within the different service areas.

3.18.3 During 2018, WYCA reviewed whether to continue with the current in-house survey or to commission an alternative provider. The final decision taken was to retain the current survey provider, however no sampling was undertaken in 2018, but the survey was undertaken earlier in 2019 and a result was provided by WYCA in autumn 2019.

3.18.4 As the 2018/19 result for satisfaction with a range of transport services had not been available at the time of the Board's meeting on the 19th June 2019, for completeness the result has been provided on Appendix 1, i.e. 6.7 out of 10.

3.18.5 The combined satisfaction result of 6.7 out of 10 improved when compared to 6.3 out of 10 in the previous 2017 survey and 6.5 out of 10 in the 2011 survey baseline year, representing a small overall upward trend.

3.18.6 The indicator provides the result of the Customer Satisfaction aspect of the Tracker Survey and is represented as a score 'out of 10' against a selection of 14 questions concerning attitudes about travel provision and travel infrastructure, where

customers provide both a 'rating' out of 10 and an 'importance' score out of 10. These responses are then combined and weighted to provide a single overall score.

3.18.7 The following tables show the 2018 score compared to the 2017, and the 2018 score compared to the 2011 score

Indicator	2017 Rating	2018 Rating	2017-2018 Difference
Community Transport	5.8	6.8	1.0 ↑
Condition of Roads	5.0	5.9	0.9 ↑
Local Bus Services	6.1	6.8	0.7 ↑
Affordability of Motoring	5.5	6.2	0.7 ↑
Cycle Routes & Facilities	5.3	5.9	0.6 ↑
Pavements & Footpaths	5.8	6.4	0.6 ↑
Affordability of Public Transport	5.6	6.2	0.6 ↑
Local Bus Station	7.0	7.3	0.3 ↑
Street Lighting	7.4	7.7	0.3 ↑
Levels of Congestion	5.2	5.4	0.2 ↑
Local Rail Station	6.9	7.1	0.2 ↑
Local Rail Services	6.7	6.6	-0.1 ↓
Local Taxi Services	7.5	7.4	-0.1 ↓
Overall Score	6.3	6.7	0.4 ↑

3.18.8 Since the survey was first conducted in its current form in 2011, there has been an overall increase or no change in satisfaction levels in 9 of the indicators, and a fall in satisfaction levels in 4 of the indicators as shown in the table below:

Indicator	2011 Rating	2016 Rating	2017 Rating	2018 Rating	2011-2018 Difference
Affordability of Public Transport	4.9	6.0	5.6	6.2	1.3 ↑
Local Bus Services	5.5	6.5	6.1	6.8	1.3 ↑
Affordability of Motoring	5.2	5.7	5.5	6.2	1.0 ↑
Condition of Roads	5.0	5.2	5.0	5.9	0.9 ↑
Local Rail Services	5.8	6.6	6.7	6.6	0.8 ↑
Pavements & Footpaths	6.3	5.7	5.8	6.4	0.1 ↑
Local Bus Station	7.2	7.2	7.0	7.3	0.1 ↑
Local Rail Station	7.1	7.2	6.9	7.1	0.0 ↔
Community Transport	6.8	5.9	5.8	6.8	0.0 ↔
Street Lighting	7.8	7.9	7.4	7.7	-0.1 ↓
Local Taxi Services	7.8	7.3	7.5	7.4	-0.4 ↓
Cycle Routes & Facilities	6.3	5.2	5.3	5.9	-0.4 ↓
Levels of Congestion	6.9	4.9	5.2	5.4	-1.5 ↓
Overall Score	6.5	6.4	6.3	6.7	0.2 ↑

3.18.9 A rating score of 7 or above is considered by WYCA to be good, a score of 6 is seen as acceptable and a score of 5 or below is an area of concern. However it is worth noting that the 300 additional respondents included in the 2017 survey were surveyed during the winter period (Nov/Dec) when customer's responses may have been influenced by the weather and the associated traffic issues, whilst the 2016 and previous surveys were carried out during the summer.

- 3.18.10 The survey results show an increase in overall satisfaction of 0.4 since 2017, now once again above the 2011 baseline figure of 6.5. There have been increases in satisfaction levels since 2017 for all areas except Local Rail Services and Local Taxi Services. The rail result may be a reflection of the timetable problems encountered since May 2018 whilst the other area (Taxi Services) although falling this year remains among the highest scorers (alongside Street Lighting which saw a 0.3 point increase).
- 3.18.11 The improvement to affordability of motoring (arguably not a sustainable trend) suggests that people are finding it cheaper to travel by car than previously, though it also mirrors the improvement in public transport affordability both of which were rated 6.2, which is seen as 'acceptable'.
- 3.18.12 Notwithstanding the improved ratings, congestion, condition of roads and cycle routes all remain in the bottom three (as they were in 2017). It is anticipated that the ongoing construction of Leeds Public Transport Investment Programme schemes and the consequent disruption across a number of transport areas including buses, roads and rail will have a negative impact on some satisfaction levels while work is in progress.

3.19 Number of passengers boarding buses in the Leeds district

- 3.19.1 The Leeds Public Transport Investment Programme (LPTIP) target is to double bus patronage from 2016 levels within 10 years i.e. from 67m in 2016 to 134m passengers by 2026. Data for this annual indicator is based upon ticket machine data provided by bus operators to WYCA, for the number of passengers boarding buses within the Leeds district. Results are provisional and are normally finalised the following year.
- 3.19.2 As the 2018/19 result for number of bus passenger had not been available at the time of the Board's meeting on the 19th June 2019, for completeness the result has been provided on Appendix 1, i.e. there were 66.5m bus passenger recorded boarding buses in Leeds in 2018 (based on provisional data). The result for 2019/20 will be reported to a later meeting of the Board in 2020.
- 3.19.3 The 2018 result fell by 0.8% below the 2016 baseline figure of 67.1m bus passengers, whilst the ambition is to double bus patronage to 134 m passengers by 2026. Given there was a decrease in bus passenger numbers of 558k between the 2016 result and the 2018 result, the indicator did not meet the target.
- 3.19.4 However, during 2018 there were 122k more passengers boarding buses than in 2017, which represents an increase of 0.2% compared with the previous year, a small annual improvement and positive direction of travel, although still below the 2016 baseline figure.
- 3.19.5 It is anticipated that an increase in bus passenger numbers may not be immediate and that any disruption caused by the construction of various LPTIP schemes may initially have a negative impact on bus passenger numbers, but that as LPTIP schemes are finalised more people will then move to bus travel as journey times reduce and services and facilities improve.
- 3.19.6 Delivery of a number of initial LPTIP schemes is underway following design, planning, consultation and approval processes and a number have started on site in 2019.

- Construction of the Elland Rd Park & Ride Phase 3 commenced in May 2019.
- Temple Green Park & Ride received approval from WYCA in October 2019. Detailed design work is underway, with a start on site planned for May 2020.
- Headrow Gateway works started on site in August 2019.
- The enabling works package for Stourton Park & Ride commenced in August 2019.
- Design work for the A61 south corridor is ongoing and enabling works began in November 2019.
- Corridor improvement works are currently underway as part of the ELOR advance works on the Outer Ring Road at Harrogate Rd at Moortown.
- Work on the Bus Corridors continues as part of the LPTIP; design of the A61(S) corridor is ongoing with a construction starting in November 2019.
- Executive Board approval was given for the A65 signals upgrade scheme and A61 North Bus Corridor improvement scheme.

3.19.7 Other work underway as part of the LPTIP programme to improve bus transit times and reliability includes significant bus company investment in new more efficient buses with improved facilities and lower emissions.

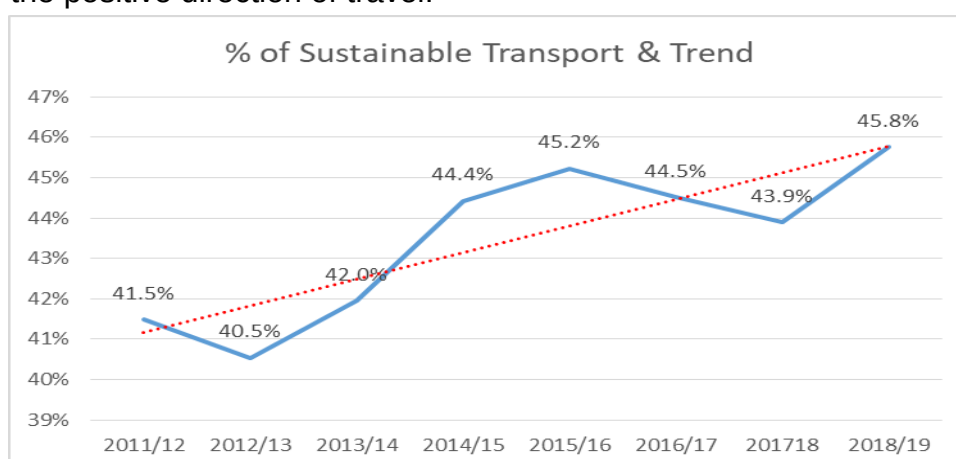
3.19.8 The service is working to identify areas where the climate emergency and effects of climate change may impact the city's transport infrastructure

3.20 Increase in city centre travel by sustainable transport (bus, train, cycling, walking)

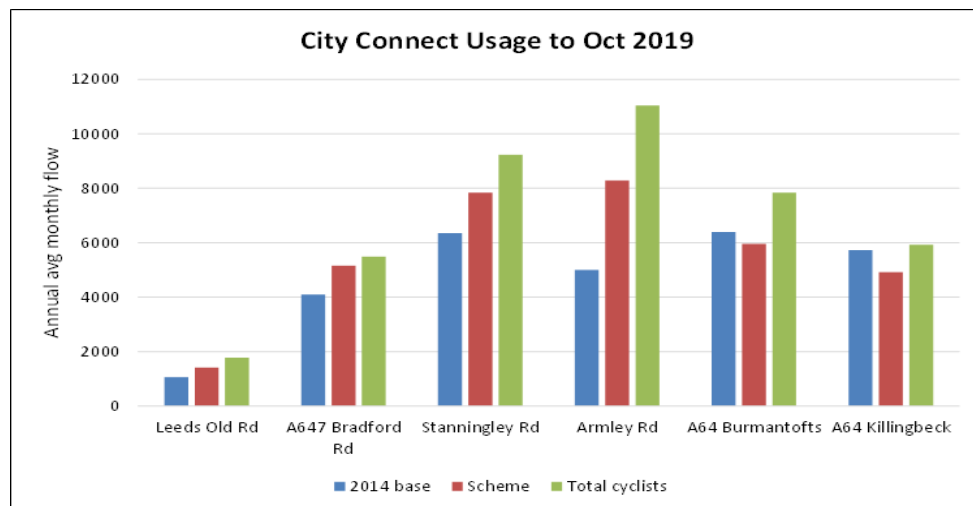
3.20.1 Data for this annual indicator is collected via annual road side counts at various points on a cordon around the city centre over four days each spring, except for train data which is collected and averaged over a longer six month period.

3.20.2 As the 2018/19 result for increase in city centre travel by sustainable transport had not been available at the time of the Board's meeting on the 19th June 2019, for completeness the result has been provided on Appendix 1, i.e. 45.8% of city centre journeys used sustainable transport methods i.e. bus, train, walking and cycling. The result for 2019/20 will be reported to a later meeting of the Board in 2020.

3.20.3 Following the last two years which showed a small reduction, sustainable travel increased during 2018/19 and is now at its highest level since the baseline year of 2011/12. The following graph reflects the annual changes in sustainable transport usage between 2011/12 and 2018/19 together with the trend line in red which reflects the positive direction of travel.



- 3.20.4 When compared with 2017, the number of people observed cycling increased by 12%, the number walking was up a substantial 53% and the number of people using trains increased by 4% over the same period. These results will have been influenced by the very good weather last year, nevertheless it is hoped that this growth will carry through as commuters get used to the benefits of travelling by these sustainable modes of travel. Bus and car usage, as recorded by the mode split survey, was unchanged from 2017.
- 3.20.5 Evidence from CityConnect reveals that the growth in cycling usage during the summer of 2018 carried through into the autumn and winter, with usage up by 9% and 14% respectively on the previous year.
- 3.20.6 The Council continues to maintain and promote further sustainable travel through: use of the City Connect Cycle Superhighway and Phase 2 in the city centre was completed in June 2019; a bike share scheme continues to be explored and a new partner is expected to be announced soon; new rolling stock is being introduced by the rail operators which will increase capacity at peak times; and parking capacity at Park & Ride (P&R) sites is being increased as mentioned above; as well as proposals put forward for an additional P&R at Alwoodley Gates. Other LPTIP schemes to improve bus journey times and reliability are either underway or planned as part of the LPTIP ambition to double bus patronage, support sustainable travel and contribute to the consequent improvement in air quality.
- 3.20.7 The graph below shows the overall increase in cycling compared to the 2014 baseline, this shows there are across-the-board increases in numbers at all sites through a combination of both superhighway and road usage. Overall usage of the superhighway was 3% higher in Aug-Oct 2019 compared with the same period in 2018, with annual average weekday cycling levels in total up by 48% since 2014 (superhighway plus road).



- 3.20.8 It is worth noting that a significant proportion of the car usage counted during the city centre cordon count used the Inner Ring Road as a way to cross Leeds and did not access the city centre.
- 3.20.9 In addition, a number of other schemes are either planned or under construction which aim to reduce use of unsustainable transport and increase sustainable transport take up.

3.21 Number of residential and commercial properties moved to a lower level of flood risk

3.21.1 This annual indicator reports the number of commercial and residential properties moved to a lower level of flood risk by both the Flood Alleviation Scheme (FAS) and non-FAS local schemes. The methodology used to calculate the result is that used by the Environment Agency (EA) for the purposes of funding bids and post-project delivery evaluation.

3.21.2 The reported result for 2019/20, the cumulative number of properties moved to a lower level of flood risk between April 2017 and September 2019, was 3,171 residential and 501 commercial properties. Specific sites moved to a lower flood risk were located at:

- 1 at Rydale Ave, Garforth
- 10 at Church Hill, Thorner
- 3 at Westfield Ln, Kippax
- 1 at St. Helens Ln, Adel
- 12 at Kingsway and Alandale Cres, Garforth
- 4 at Sandways, Seacroft
- 2 at Springbank Ave, Gildersome
- 4 at Radcliffe Ln, Pudsey

3.21.3 The majority of properties reported were as a result of FAS1, the additional properties included here are as a result of ongoing local schemes.

3.21.4 FAS Phase 2 is progressing a two-step approach, with step 1 set to deliver a 1 in 100yr event scheme, and step 2 (which is not yet fully funded) will upgrade the scheme to a 1 in 200yr event scheme. Planning approval for step 1 has been given and the contract award for design is now complete with construction due to begin in December 2019. Progress on step 2 is dependent on further funding and more certainty on this is needed early in 2020 to allow further contracts to be awarded. It is expected that construction will be complete by 2025.

3.21.5 The Otley FAS scheme modelling is complete, preferred options identified, outline design work undertaken and a draft outline business case prepared for a £3m+ scheme to complete in 2020. Executive Board gave approval to submit the business case to the EA and an application for planning permission has been submitted. Work is expected to start in the Spring/Summer of 2020.

3.21.6 Another key scheme is the Killingbeck Meadows £3m FAS which is also in progress, and due to be completed in early 2020.

3.22 City Region and Devolution

3.22.1 Local Enterprise Partnership (LEP) Review

The Board was previously updated on the Government's desire to strengthen LEPs, including requiring changes to their leadership, accountability and geography. The LEP Review resulted in Government publishing a paper on '*Strengthened Local Enterprise Partnerships*' on the 24th July and was clear about the opportunities available to those LEPs that are able to move forward in line with its recommendations.

3.22.2 The LEP Board continues to work to ensure that the LEP arrangements in the City Region will meet Government's requirements as set out in the '*Strengthened Local*

Enterprise Partnerships' paper and thereby not have an impact on future investment. These requirements include the following:

- To remove geographical overlaps between LEPs
- That by spring 2020 there will be improved gender balance on boards with an aim that women make up at least one third of LEP boards, at least two thirds of members should come from the private sector and the Board should otherwise reflect the diversity of the City Region.

3.22.3 Due to the restrictions of the pre-election “purdah” period, the LEP Board was not in a position to take a decision on geography at the Board’s recent meeting on 21st November 2019, and a decision has been deferred until a future LEP Board meeting.

3.22.4 The LEP will continue to take appropriate steps to ensure that it is fully compliant with the Strengthening LEPs guidelines, with a recruitment exercise live and applications invited before the deadline of 6th January 2020.

3.22.5 Devolution

Members have previously been updated on developments regarding Devolution including at the most recent Full Council Meeting on 13th November 2019.

3.22.6 Following constructive discussions between West Yorkshire Chief Executives, Ministry of Housing, Communities and Local Government and HM Treasury (HMT) officials, and West Yorkshire Leaders with the then HMT Minister, Robert Jenrick MP, One Yorkshire Leaders wrote to the Prime Minister at the end of July 2019, outlining new devolution proposals. On 29th July 2019, the proposals were published. These included that a series of interim devolution deals would be agreed across Yorkshire to run in parallel with the existing Sheffield City Region (SCR) agreement. Negotiations would continue with Government to have a One Yorkshire devolution agreement completed by 2022, the end of the current SCR Mayor’s term. At this point, any SCR authorities wishing to be part of the wider Yorkshire deal would be allowed to do so. The proposals outline how a One Yorkshire devolution deal could deliver economic benefits worth £30bn a year, or £5,400 per person.

3.22.7 The letter further states that proposals also outline how devolution in Yorkshire is critical to delivering shared objectives, which cross political divides and are about growth in a post-Brexit world. It aligns to the Government’s priorities of: more investment in much needed transport and full fibre digital infrastructure; increased inward investment and help for companies to export; the delivery of more houses to meet the acute national shortage; speeding up of the progress being made in sustainable energy generation and carbon capture; better addressing of the skills shortages in the workforce; and helping to tackle deprivation within communities.

3.22.8 At his speech at the Convention of the North in Rotherham on 13th September 2019, the Prime Minister made the following statement: “And I know there is real enthusiasm for devolution in Yorkshire and I welcome the establishment of a Yorkshire Committee as a practical step for facilitating greater collaboration on a Yorkshire-wide basis...In the meantime, we are committed to getting the Sheffield City Region done – and I also want to open up negotiations with Leeds and West Yorkshire so we can make a mayor work there too, whatever the nature of any longer term arrangements in Yorkshire.”

3.22.9 The Secretary of State for Housing, Communities and Local Government, Robert Jenrick MP, also committed to working with Leaders to bring forward plans for a devolution deal. On 26th September 2019, West Yorkshire Leaders met with Government Ministers to discuss proposals for devolution. Discussions continue to progress with Ministers and officials to explore a potential devolution deal.

4 Corporate considerations

4.1 Consultation and engagement

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

4.2 Equality and diversity / cohesion and integration

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

4.3 Council policies and the Best Council Plan

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

4.3.2 Climate Emergency

The Council declared a climate emergency in March 2019 with the stated ambition of working to achieve net zero carbon emissions by 2030 for the city. The delivery of the strategic ambitions, outcomes and priorities contained within the BCP 2019-21, as indicated by the performance of the key performance indicators (KPI's reported above, already incorporate consideration of climate emergency interventions. Services will continue to consider additional actions in the work they deliver to support the BCP as they further develop their approach to responding to climate change and its mitigation. Reference is made to climate emergency actions where appropriate within the KPI updates above.

4.4 Resources, procurement and value for money

4.4.1 There are no specific resource implications from this report.

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

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

4.6 Risk management

4.6.1 There is a comprehensive risk management process in the Council to monitor and manage key risks. The Council's most significant risks are available and can be accessed via the Council's website.

5 Conclusions

- 5.1 This report provides a summary of performance against the BCP objectives for the Council related to the Scrutiny Board (Infrastructure, Investment and Inclusive Growth).

6 Recommendations

- 6.1 Note the Best Council Plan Quarter 2 2019/20 performance information and to consider if they wish to undertake further scrutiny work to support improvement work in any of these areas.
- 6.2 Note the narrative update provided on City Region functions and to consider if they wish to undertake further scrutiny work to support improvement work in this area.

7 Background documents¹

- 7.1 The Best Council Plan 2019-21
- 7.2 Corporate Risk Map August 2019

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

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APPENDIX 1: Best Council Plan Performance Summary Quarter 2 2019/20							
No	We want everyone in Leeds to...	Priorities	Best Council Plan Key Performance Indicators (KPI) *= cumulative	2018/19 Result	2019/20 Target	Quarter 2, 2019/20 Result	RAG
1	Earn enough to support themselves and their families	Inclusive Growth •Supporting growth and investment helping everyone benefit from the economy to their full potential •Supporting businesses and residents to improve skills, helping people into work and into better jobs	Private sector employment in Leeds		>380,100 people (2017 result)	397,100 people 4.5% growth (2018 provisional)	
2			Gross Value Added (GVA) per head filled job		>£49,544 per job (2017)	Due Feb 2020	
3			Number of new business start-ups* (calendar year)		>4,277* start ups (2018)	2,726* start ups (Jan-July 2019)	
4			Number of business scale ups (3 years of 20% growth in turnover or employment)		>461 scale ups (2016/17)	467 scale ups (2017/18)	
5			New: Business survival rate (5 year survival rate of businesses started in 2012)		>41.9% of businesses (2017)	42.9% of businesses (2018)	
6			Change in business rates payable since 2017 revaluation*		>£446,130,102 (uprated revaluation figure)	0.99%* increase £4.5m growth (since 1 st April 2019)	
7			Visitor economic impact for Leeds		>£1.745 billion (2017)	£1.832 billion £87m growth (2018)	
8			Percentage of working age Leeds' residents with at least a Level 4 qualification		>38.2%of residents (2018)	Due Apr 2020	
9			Number of people supported to improve their skills*		>=7,500 people (2019/20 contracted provision)	5,147* people	
10			NEW: Number of people supported into work*		>=4,000 people (2019/20 service provision)	3,070* people	
11	Do well at all levels of learning and have the skills they need for life	Child-Friendly City •Improving educational attainment and closing achievement gaps for children and young people vulnerable to poor learning outcomes	Progress 8 score for Leeds at the end of Key Stage 4 (end of year 11)			+0.02	
12			Percentage and number of young people who are not in employment, education or training (NEET) or whose status is 'not known'	6.7% (July 2019)		9.9% (1,573 young people)	
13	Live in good quality, affordable homes in clean and well cared for places	Housing • Housing of the right quality, type, tenure and affordability in the right places	Growth in new homes in Leeds* (new & converted homes only)	3,521* homes	>=3,247 homes (CSSR target)	1,469 homes	
14			Number of affordable homes (AH) delivered*	433* AH	>=434 AH Annual Target (and 776 pa backlog) (CSSR target)	133* AH	
15	Move around a well-planned city easily	21st Century Infrastructure •Improving transport connections, safety, reliability and affordability •Improving the resilience of the city's infrastructure and the natural environment, reducing flooding and other risks from future climate change	Number of people killed or seriously injured (KSI) in road traffic collisions* ((calendar year)		<=234 people (Local Transport Plan target)	163* people (Jan-Jun 2019)	
16			Number of Children & Young People (CYP) killed or seriously injured (KSI)* ((calendar year)		<=40 CYP (2018)	16* C&YP (Jan-Jun 2019)	
17			Satisfaction with a range of transport services	6.7 out of 10 (2018/19)	>6.7 out of 10 (2018/19)	Due Q4	
18			Number of passengers boarding buses in the Leeds district (calendar year)	66.5m passengers (provisional 2018)	>67.1m passengers (2016 result)	Due Q4	
19			Increase in city centre travel by sustainable transport (bus, train, cycling, walking)	45.8% of journeys (2018/19)	>45.8% of journeys (2018/19)	Due Q4	
20			Number of residential and commercial properties moved to a lower level of flood risk*		>3,134 residential properties >501 commercial properties (Apr- Sept 2018)	3,171* residential properties 501* commercial properties (Apr 2017- Sep 2019)	

Report of the Head of Democratic Services

Report to Scrutiny Board (Infrastructure, Investment and Inclusive Growth)

Date: 8 January 2020

Subject: Financial Health Monitoring 2019/20 – Month 7 (October)

Are specific electoral wards affected?	☐ Yes	☒ No
If yes, name(s) of ward(s):		
Has consultation been carried out?	☒ Yes	☐ No
Are there implications for equality and diversity and cohesion and integration?	☐ Yes	☒ No
Will the decision be open for call-in?	☐ Yes	☒ No
Does the report contain confidential or exempt information?	☐ Yes	☒ No
If relevant, access to information procedure rule number:		
Appendix number:		

1. Purpose of this report

- 1.1 The purpose of this report is to provide members of the Scrutiny Board (Infrastructure, Investment and Inclusive Growth) with information regarding the projected 2019/20 financial health position of those service areas that fall within the Board's remit at Month 7 (October).

2. Background information

- 2.1 The net revenue budget for the general fund for 2019/20 was set at £516.7m.
- 2.2 Following the closure of the 2018/19 accounts, the Council's general fund reserve stands at £28.0m. The 2019/20 budget assumes a further contribution of £4.5m to this reserve during the current financial year, which will contribute towards ensuring that the Council continues to be financially resilient and sustainable.
- 2.3 Financial monitoring continues to be undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget that are judged to be at risk, for example the implementation of budget action plans, those budgets which are subject to fluctuating demand and key income budgets. This risk-based approach has again been reinforced through specific project management based support and reporting around the achievement of the key budget actions plans.

3. Main issues

- 3.1 Details of the Council's overall projected 2019/20 financial health position at Month 7 (October) was reported to the Executive Board at its meeting on 7 January 2020. The Executive Board report is attached at Appendix A for the Board's consideration.
- 3.2 The Board will also consider the initial budget proposals for 2020/21 at the meeting, which are presented elsewhere on the agenda.
- 3.3 Appropriate senior officers have been invited to attend the meeting to discuss the attached report and address any issues raised by the Scrutiny Board.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 The Council's financial health monitoring is a factual report and is not subject to consultation.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 The Council's revenue budget for 2019/20 was subject to Equality Impact Assessments where appropriate and provided as part of the papers presented to Council on 27 February 2019.

4.3 Council policies and the Best Council Plan

- 4.3.1 The 2019/20 budget targeted resources towards the Council's policies and priorities as set out in the Best Council Plan. The attached Executive Board report comments on the financial performance against the agreed budget, supporting the Best Council ambition to be an efficient and enterprising organisation.

Climate Emergency

- 4.3.2 As a factual report detailing the Council's financial position for 2019/20 there are no specific climate implications identified in the attached Executive Board report.

4.4 Resources, procurement and value for money

- 4.4.1 All resources, procurement and value for money implications are detailed in the main body of the attached Executive Board report.

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

- 4.5.1 There are no legal implications arising from the attached Executive Board report.

4.6 Risk management

- 4.6.1 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 in place for 2019/20.

5. Conclusions

- 5.1 The attached Executive Board presents the Council's overall projected 2019/20 financial health position at Month 7 (October). The Executive Board report also reiterates that there is a risk that not all of the assumed capital receipts will be receivable in 2019/20. Savings to date identified by directorates to address this risk are incorporated into the position outlined in the Executive Board report.

6. Recommendations

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

7. Background documents¹

- 7.1 None

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

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Report of the Chief Officer Financial Services

Report to Executive Board

Date: 7th January 2020

Subject: Financial Health Monitoring 2019/20 – Month 7 (October)

Are specific electoral wards affected?	☐ Yes	☒ No
If relevant, name(s) of ward(s):		
Has consultation been carried out?	☐ Yes	☒ No
Are there implications for equality and diversity and cohesion and integration?	☐ Yes	☒ No
Will the decision be open for call-in?	☒ Yes	☐ No
Does the report contain confidential or exempt information?	☐ Yes	☒ No
If relevant, access to information procedure rule number:		
Appendix number:		

Summary

1. Main issues

- 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 six months of the financial year.
- The 2019/20 financial year is the fourth and final 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 2019/20 requires the Council to deliver a further £22.6m of savings.
- 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.
- This is the fifth budget monitoring report of the year, and Executive Board will recall that the 2019/20 general fund revenue budget, as approved by Council, provides for a variety of actions to reduce net spend through the delivery of £22.6m of budget action plans by March 2020. At this stage of the financial year, it is forecast that the majority of these actions are on track to be delivered.

- At October 2019 (Month 7) it is forecast that by the end of the financial year there will be a balanced budget position, however this assumes that a number of proposed measures are implemented successfully to ensure that a balanced budget position can be delivered.
- This position includes actions identified by directorates to date to contribute towards dealing with the uncertainty surrounding the timing of realising capital receipts, as first noted in the October report to this Board. To manage this risk and deliver a balanced budget position the Council will continue to work to identify areas where spend could be reduced or stopped.
- Members will be aware that the updated Medium Term Financial Strategy, received at July's Executive Board, assumes a balanced budget in 2019/20. Any variation to this assumption will have implications for the level of general reserve available to the Council.
- A deficit of £5.6m is currently projected on the authority's Collection Fund in respect of business rates. Whilst this position is volatile, if any such deficit is declared in December 2019 this will have implications for the revenue funds available to the Council in 2020/21.
- At October 2019 (Month 7), the Housing Revenue Account is projecting a balanced budget position.

2. Best Council Plan Implications (click [here](#) for the latest version of the Best Council Plan)

- The 2019/20 budget targeted resources towards the Council's policies and priorities as set out in the Best Council Plan. This report comments on financial performance against this budget, supporting the Best Council ambition to be an efficient and enterprising organisation.

3. Resource Implications

- At Month 7 (October) a balanced budget position is projected against the approved 2019/20 budget.
- The position takes into consideration the pressures identified in the Children and Families Directorate and the Strategic budget as discussed below. The Council's Medium Term Financial Strategy assumes a balanced budget position for 2019/20. Should an underspend be realised, this would be used to help mitigate the forecast pressure in regard to capital receipts.
- Any shortfall in the assumed level of capital receipts receivable has implications for the delivery of a balanced budget in 2019/20 and therefore will necessitate the implementation of contingency arrangements to deliver this requirement. Savings to date identified by directorates are incorporated into the balanced position shown in this report.
- Any business rates deficit declared in December 2019 will have implications for the revenue funds available to the Council in 2020/21.

Recommendations

- a) Executive Board are asked to note the projected financial position of the authority as at Month 7 (October).
- b) In regard to the risk that the budgeted level of capital receipts may not be receivable in 2019/20, Executive Board are asked to note progress to date and that work is ongoing to identify budget savings proposals that will contribute towards the delivery of a balanced budget position in 2019/20.

1. Purpose of this report

- 1.1 This report sets out for the Executive Board the Council's projected financial health position for 2019/20 at Month 7 (October).
- 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 seven months of the year.

2. Background information

- 2.1 Executive Board will recall that the net revenue budget for the general fund for 2019/20 was set at £516.7m.
- 2.2 Following the closure of the 2018/19 accounts, the Council's general fund reserve stands at £28.0m. The 2019/20 budget assumes a further contribution of £4.5m to this reserve during the current financial year, which will contribute towards ensuring that the Council continues to be financially resilient and sustainable. This budgeted contribution includes repayment of £1.7m which was released from the general fund general fund reserve to Children & Families in 2018/19 to address the income pressure arising within the Directorate as a consequence of the re-profiling of the final payment of the Partners in Practice Project by the DfE.
- 2.3 Financial monitoring continues to be undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget that are judged to be at risk, for example the implementation of budget action plans, those budgets which are subject to fluctuating demand, key income budgets, etc. This has again been reinforced through specific project management based support and reporting around the achievement of the key budget actions plans.

3. Main Issues

- 3.1 At Month 7 (October) a balanced budget position is projected, as shown in Table 1.

Table 1

Summary Position - Financial Year 2019/20 Month 7

Directorate	Director	(Under) / Over spend for the current period				Previous month's Position
		Staffing	Total Expenditure	Income	Total (under) / overspend	
		£000	£000	£000	£000	£000
Adults & Health	Cath Roff	(687)	1,278	(1,278)	0	0
Children and Families	Steve Walker	(500)	1,075	(600)	475	525
City Development	Martin Farrington	(1,661)	(1,873)	1,523	(350)	(350)
Resources & Housing	Neil Evans	982	2,541	(2,865)	(324)	(260)
Communities & Environment	James Rogers	1,727	2,981	(3,069)	(88)	(88)
Strategic	Victoria Bradshaw	(61)	831	(544)	287	(62)
Total Current Month		(200)	6,833	(6,833)	0	(235)
Previous month (under)/over spend		65	5,831	(6,066)	(235)	

3.2 The major variations are outlined below, with additional detail provided on the Directorate dashboards which are appended to this report;

3.2.1 **Adults & Health** - The directorate is projected to deliver a balanced position. Budget Action Plans are required to deliver £13.1m of savings. At Period 7, 84.2% are effectively delivered and it is assumed that whilst there will be slippage in some plans, compensating overachievement in others will ensure delivery of the target.

£1.6m of pressures are projected within the community care demand based budgets, principally within Learning Disability, Home Care and Supported Accommodation. Underspends are projected within residential and nursing care and direct payments as numbers continue to fall; there are also demand based savings within Commissioning.

Other key variances include a projected staffing underspend of £0.7m; though there are pressures within Provider Services overall, underspends within the rest of the directorate - particularly Service Transformation, Resources and Commissioning - more than mitigate these pressures.

Income is projected to be £1.3m above target due to additional client contributions and additional external income in particular the additional £0.5m receivable as an inflationary uplift from the Better Care Fund.

The projections include a contribution to reserves of £0.9m representing a one-off benefit of early debt repayment, underspends within a number of back-office budgets and the in-year receipt of the additional inflationary uplift for the Better Care Fund referenced above.

3.2.2 **Children & Families** – At Month 7 it is projected that the Directorate will have a year-end overspend of £0.475m. This is a reduction of £0.05m from the Month 6 position and reflects the ongoing work in the Directorate to deliver a balanced budget by the end of the financial year with a further saving of £0.05m now anticipated on the staffing budget.

There are risks that the level of planned savings are not achieved, but the Directorate continues to review all areas and will look to further reduce the projected overspend over the coming months whilst still recognising that there are still a number of high risk areas that could worsen the financial position.

As reported previously, the main areas of overspend are forecast to be on Children Looked After (CLA), financially supported Non-CLA and the passenger transport budget. The Directorate is working with the Passenger Transport Service on an action plan to mitigate the pressures on the transport budget but an overspend of £0.6m is still currently projected. There is a risk that the proposed actions do not deliver the expected level of savings and the overspend increases.

Since Month 6 there has been a small increase in both External Residential (ER) and Independent Fostering Agency (IFA) placements, with the number of ER placements at 62 compared to the budget of 58 placements. The number of IFA placements is 207 against the budget of 184. The Directorate is undertaking a number of actions including reviewing ER placements in order to ensure that

placements are still appropriate. The projected overspend on CLA is still £1.9m, although there are some minor variations since Month 6 amongst the different placement types reflecting the latest placement numbers. It is anticipated that there will be a further small reduction in numbers over the remainder of the year due to the various actions being pursued by the Directorate with another children's home due to re-open in early 2020. There remains a risk that overall CLA numbers remain above these assumptions.

Other significant variations include an overspend of £0.4m on Learning for Life. This comprises a projected shortfall in fee income in Children Centres of £1.0m offset by savings within Family Services and Early help. There is a risk that the income position worsens and the autumn term nursery numbers will be key to determining the outturn position. The service is working on a number of actions to mitigate the income shortfall.

The 2019/20 budget included saving plans of £1.8m. All the actions are being implemented and are expected to deliver the required level of savings.

On the 17th April 2019 the Department for Education confirmed that Leeds was successful in the Strengthening Families Protecting Children Programme bid worth £8.3m over five years, with 2019/20 the first year and potential spend of up to £1.5m. Leeds is committed to work with up to six local authorities over the next five years to help them improve practice and outcomes based on the innovative practice already established in Leeds. The Directorate has already commenced initial work and is currently establishing the revised staffing structures required to deliver the programme.

At the end of 2018/19 there was a surplus balance of £1.1m on general Dedicated Schools Grant (DSG). It is currently projected that there will be an overall overspend of £5.3m on general DSG in 2019/20, leaving a deficit balance of £4.2m at the end of 2019/20. As in previous years there are significant pressures on spend in the High Needs Block (HNB). On the main areas of spend of outside placements, top-up payments and place funding for Specialist Inclusion Learning Centres (SILCs) there is a significant increase in costs this year, with an overall forecast overspend on the HNB of £7.2m. This is expected to be partly offset by an underspend of £1.1m on the Early Years Block and £1.0m on the Schools Block. There is a risk that the overspend on the HNB increases further during the year due to increases in outside placements and top-up payments.

- 3.2.3 City Development –** At Period 7 the City Development Directorate is forecasting to deliver a £350k underspend despite two significant pressures in relation to Kirkgate Market and the Strategic Investment Fund.

The Markets Service faces another challenging year for a number of reasons, including continuation of the ongoing adverse retail climate and uncertain future for retail on the high street, growth in e-commerce and changing consumer spending preferences.

There are also 2 major building projects at the Market, one to build a hotel (2 year build) and the other to refurbish unlettable historic units and replace the roof in the 1875 block shops. The vacant units required for this work equate to £0.45m in lost revenue and the level of disruption to tenants has led to an increase in demand for rent concessions. The current 20% rent concession (April 2019 to October 2019)

equates to a further pressure on income of £0.2m. There is a £100k Action Plan to reduce expenditure and increase income.

The Directorate's Strategic Investment Fund requires further acquisitions in order to achieve the net budgeted return of £3.36m. The current shortfall is circa £0.6m. Further viable investment opportunities with the right risk profile continue to be sought and financially appraised. The impact of the recent 1% increase in the rate of borrowing from the Public Works Loan Board (PWLb) on this target is being assessed.

The Street Lighting LED conversion programme was planned to start in September 2019 however the Deed of Variation for the PFI contract is not expected to be signed off until January 2020 and full commencement of works cannot proceed until then. However some 'small works' instructions for lantern swaps have been issued to ensure energy savings are realised and at present there is no budget pressure arising from this delay.

Planning & Sustainable Development are projecting a £159k underspend this is the net position of vacancy savings, increased CIL administration income, and the SAP Inspector costs of £120k.

There is a £250k action plan in Highways to review and redress the projected overspend in Civil Engineering, and a further £514k Budget Action Plan to balance the Directorate budget - via careful vacancy management (Not all Saf release requests are approved, and as standard, non-grant funded or income earning posts are now questioned as to their need, which results in a time delay), reviewing and restricting other operational expenditure, additional one off income, and review and application of appropriate balances.

Finally there is a savings target of £350k on operational expenditure for the remainder of 2019/20 to support the General Reserves position.

- 3.2.4 Resources & Housing** – At Month 7 the Directorate is projecting an underspend of £0.32m, a slight increase on the previous month. There are savings on business rates following the valuation of Merrion House being confirmed. The effect of the lower valuation and backdated refunds will deliver an in year saving of around £0.6m and as previously reported to the Board, there are forecasted savings in DIS of £0.37m primarily related to Microsoft costs. In addition, savings in Democratic Services of £0.1m are projected, mainly in Members Allowances.

However, offsetting these projected budget savings are pressures of £0.39m within Corporate Property Management, £0.15m in the Catering service and a sum of £0.15m (1.3%) in LBS due to the under-recovery of overheads from vacant posts.

- 3.2.5 Communities & Environment** – the Directorate is projecting an overall underspend of £0.1m at this stage of the financial year. Within Customer Access there are pressures of £0.29m due to additional staffing costs associated with the improvement in call answer rates at the Contact Centre and additional premises costs including security costs at Hub sites. Partially offsetting these pressures is a forecast net saving of £0.13m within Car Parking services, mainly due to staffing and other expenditure variations, and a net saving of £0.1m within Welfare and Benefits, mainly reflecting additional grant income within the Benefits service.

Within the Waste Management service there are a number of pressures mainly in respect of the ongoing Refuse review which is progressing well, combined with additional costs relating to recovery. However these pressures are anticipated to be offset by net savings on waste disposal contracts and the service is forecasting a balanced position by the year end. There are also minor underspends within Electoral and Regulatory Services (mainly Environmental Health), Safer Leeds and Cleaner Neighbourhood Teams, contributing a further £0.15m to the overall projected underspend for the directorate.

- 3.2.6 Strategic & Central Accounts** - At Month 7, the Strategic & Central budgets are projecting an overspend of £0.29m. The key variations are a projected shortfall of £0.7m in New Homes Bonus which is offset by S31 grant income for small business rates relief projected to exceed budget by £0.9m. A potential shortfall of £0.5m in the target for general capitalisation has also been recognised, to reflect the risk in this area.

It should also be noted that there is a projected additional use of £0.9m from the Insurance reserve as a result of a small number of high value claims. This is a volatile budget and continues to be closely monitored.

The 2019/20 revenue budget assumes the generation of capital receipts from property and land sales will be utilised to offset PFI liabilities, repay MRP and fund redundancy payments. As discussed in the Month 5 report to this Board, there is a risk that not all of these assumed capital receipts will be receivable in 2019/20. Any shortfall will have implications for the delivery of a balanced revenue budget in this financial year.

In response to this identified risk, work continues to identify areas where spend could be reduced or stopped to manage this position. Initial savings identified are incorporated into directorate positions in this report.

3.3 Other Financial Performance

3.3.1 Council Tax

The Council Tax in-year collection rate at the end of October was 63.28% which is slightly behind performance in 2018/19. At this stage the forecast is to achieve the 2019/20 in-year collection target of 96.1% collecting some £363m of income.

3.3.2 Business Rates

The business rates collection rate at the end of October was 65.95% which is 0.66% behind performance in 2018/19. The forecast is to achieve the 2019/20 in-year collection target of 97.7%, collecting some £383m of income.

The total rateable value of business properties in Leeds has increased from £930.2m at 1st April to £936.6m at the end of October, an increase of £6.4m. To calculate Leeds' actual income from business rates this total rateable value is multiplied by the national business rates multiplier (49.1p in the pound). After reliefs and adjustments this amount is then shared between Leeds City Council (74%), Central Government (25%) 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 currently projected to be in the region of £273.71m, which is £0.16m above budgeted expectations.

3.3.3 Business Rates Appeals

The opening appeals provisions for 2019/20 are £21.0m, made up of £13.8 relating to appeals received against the 2010 ratings list and £7.2m estimated costs in relation to the 2017 ratings list. Under the 75% Business Rates Retention pilot, Leeds' budget is affected by 74% of any appeals provision made in this year but provisions brought forward from 2018/19 were made at 99%.

On the 1st October 2019, there were 1,117 appeals outstanding against the 2010 ratings list. During October 20 appeals have been settled, of which 11 have not resulted in changes to rateable values. 5 new appeals were received in October, this low number received reflecting that appeals are no longer accepted against the 2010 list except in very specific circumstances. At 31st October there are 1,102 outstanding appeals in Leeds, with 10.8% of the city's total rateable value in the 2010 list currently subject to at least one appeal.

Only 2 appeals have been received to date against the 2017 list, with only 3.7% of the city's total number of hereditaments in the 2017 list currently subject to either an appeal or a 'check' or 'challenge', the pre-appeal stages of the new appeals process introduced in 2017.

3.3.4 Business Rates Surplus/Deficit

At Month 7, a deficit of £5.6m is projected on the authority's Collection Fund in respect of business rates. This figure will be volatile throughout the year as a consequence of changes in the city's rateable value and the impact of appeals. The Collection Fund allows the authority time to deal with any deficit rather than having to absorb it in year. As such, any such deficit declared in December 2019 will have implications for the revenue funds available to the Council in 2020/21.

4. Housing Revenue Account (HRA)

- 4.1 At the end of Month 7 the HRA is projecting a balanced position against the 2019/20 Budget.
- 4.2 Estimated Right to Buy sales for 2019-20 are 645 and this is contributing to a forecast reduction in rental income of around £0.4m compared to the budget, which had assumed 530 sales. However, the additional usable capital receipts generated by the sales will result in a projected saving of £1.6m in the revenue contribution to the Major Repairs Reserve (MRR).
- 4.3 Repairs, including disrepair, are forecast to be £1.4m over the budget based on year to date spend.
- 4.4 These pressures are offset by staffing savings from vacant posts and turnover, forecast at a net £0.9m.
- 4.5 To recognise the investment in the contact centre resource to improve call answering times in relation to tenants' calls, an additional £0.3m will be spent and a

further £0.1m will be incurred to support the commitment to pay the Leeds Living Wage by the horticultural maintenance contractor.

- 4.6 All other variations within the £250m budget amount to around £0.2m under 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 2019/20 was subject to Equality Impact Assessments where appropriate and these can be seen in the papers to Council on 27th February 2019.

5.3 Council policies and the Best Council Plan

- 5.3.1 The 2019/20 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 Climate Emergency

- 5.4.1 Since this is a factual report detailing the Council's financial position for 2019/20 there are no specific climate implications.

5.5 Resources, procurement and value for money

- 5.5.1 This is a revenue financial report and as such all resources, procurement and value for money implications are detailed in the main body of the report.

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

- 5.6.1 There are no legal implications arising from this report.

5.7 Risk management

- 5.7.1 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 such as 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 is in place for 2019/20.

6. Conclusions

- 6.1 This report informs the Executive Board of the Month 7 position for the Authority in respect of the revenue budget which currently projects a balanced budget position. The Housing Revenue Account is also projecting a balanced budget position.

- 6.2 The report reiterates that there is a risk that not all of the assumed capital receipts, which are used to offset PFI liabilities, repay MRP and fund redundancy payments, will be receivable in 2019/20. Savings to date identified by directorates to address this risk are incorporated into the position in this report.

7. Recommendations

- 7.1 Executive Board are asked to note the projected financial position of the authority as at Month 7 (October).
- 7.2 In regard to the risk that the budgeted level of capital receipts may not be receivable in 2019/20, Executive Board are asked to note progress to date and that work is ongoing to identify budget savings proposals that will contribute towards the delivery of a balanced budget position in 2019/20.

8. Background documents¹

None.

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

ADULTS AND HEALTH

Financial Dashboard - 2019/20 Financial Year

Month 7 (October 2019)

The directorate is projected to deliver a balanced position.

Budget Action Plans are required to deliver £13.1m of savings. At Period 7, 84.1% are effectively delivered and it is assumed that most plans will be delivered by the end of the year with some slippage in the demand and partner income BAPS. There is evidence of over achievement in several plans which should see the overall savings target achieved.

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

Staffing (-£0.7m)

There are pressures within Provider Services but overall underspends within the rest of the directorate particularly Service Transformation, Resources and Commissioning more than mitigate these.

Community Care Packages (+£1.6m)

Pressures are expected within Learning Disability, Home Care and Supported Accommodation. Underspends are projected within residential and nursing care and direct payments as numbers continue to fall. There are also demand based savings within Commissioning.

Public Health Commissioning (+£0.3m)

The Public Health grant underspend from last year of £185k will be used to cover fluctuations arising from the prescribing and dispensing costs for drug treatment following the introduction of a new tariff for the drug buprenorphine in April 2018. £102k will be used for children's bereavement programmes (funding is shown within the appropriation account).

General Running Costs (-£0.3m)

Due to early repayment of debt there are savings of £0.3m. In addition increased transport costs of £0.2m, which are the impact of higher priced tenders for private hire routes are mitigated by savings within non-front line budgets.

Appropriation Accounts (£0.3m):

a) Leeds Adults Safeguarding Board (£0.1m) - an in year underspend due to staff savings within Leeds Adult Safeguarding is projected and, in line with the Board's ring-fenced status, it is planned to be carried forward into the next financial year.

b) Winter Pressures Funding (£0.2m) – CCG funding that was brought forward from 2018/19 to fund intensive support for patients leaving hospital.

c) Recognising the pressures facing the authority and the directorate in 2020/21 it is intended that the £0.3m saving from the early repayment of debt will be carried forward via reserves to be utilised in the next financial year.

d) Public Health (-£0.3m) – representing underspends from last year to be spent in this year: the Public Health grant (£0.2m) and children's bereavement programmes (£0.1m).

e) An additional £0.5m is receivable from the Better Care Fund representing a late agreement on the level of inflation to be applied to the sum the Council receives. In line with directorate plans this sum will be transferred to balances to mitigate future pressures.

Income (-£1.3m)

Income is above target due to additional client contributions and additional external income in particular the additional £0.5m receivable as an inflationary uplift to the Better Care Fund.

Budget Management - net variations against the approved budget

	PROJECTED VARIANCES														Total (under) / overspend
	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	£'000
Health Partnerships	1,535	(994)	541	(63)	0	3	(3)	(8)	0	0	0	0	(70)	38	(33)
Access & Care Delivery	273,246	(47,934)	225,312	(117)	8	32	(5)	107	3,529	(1,756)	0	48	1,845	(884)	961
Service Transformation Team	1,508	(15)	1,493	(226)	0	0	0	0	14	0	0	0	(212)	(133)	(345)
Commissioning Services	28,559	(54,597)	(26,038)	(226)	0	(167)	0	0	(200)	0	0	498	(95)	(297)	(392)
Resources and Strategy	5,734	(841)	4,894	7	0	(140)	0	(79)	0	0	0	23	(189)	(3)	(192)
Public Health (Grant Funded)	43,886	(43,542)	344	(62)	0	0	0	0	348	0	0	(287)	(1)	1	0
Appropriation Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	354,468	(147,923)	206,545	(687)	8	(272)	(7)	20	3,691	(1,756)	0	282	1,278	(1,278)	(0)

Key Budget Action Plans and Budget Variations:

		Lead Officer	Additional Comments	RAG	Action Plan Value	Forecast Variation against Plan/Budget
A. Key Budget Action Plans					£m	£m
1.	Additional funding	S Hume	iBCF, Spring Budget, Advonet Grant, Social Care Grant	B	7.3	0.0
2.	Demand Based Savings - Ld	S McFarlane		G	0.3	0.0
3.	Demand Based Savings - Mental Health	S McFarlane		G	0.1	0.0
4.	Demand Based Savings - Telecare	S McFarlane		R	0.1	0.1
5.	Demand Based Savings - Reablement	S McFarlane		R	0.1	0.1
6.	Demand Based Savings - Chc / 117	S McFarlane		G	0.3	(0.1)
7.	Prudential Borrowing - Recovery Hubs	S McFarlane		B	0.2	0.0
8.	Ld - Funded Nursing Care Paid By Lcc On Chc Funded People	S McFarlane		G	0.1	0.0
9.	Premises Running Cost Savings	S McFarlane		G	0.1	0.0
10.	Demand Based Savings - Demand Mgt	S McFarlane		A	0.3	0.0
11.	Managing Budget Reductions	S Hume		G	0.1	0.0
12.	Demand Budgets (Commissioning)	S Hume		G	0.2	0.0
13.	Staffing	Various	primarily use of vacancy factors	B	0.8	(0.2)
14.	Income	Various	better collection of assessed income and recovery of monies from partners	G	2.2	(0.4)
15.	Public Health	I Cameron	review of commissioned services and use of reserves	B	1.0	0.0
B. Other Significant Variations						
1.	Staffing	All	relating to staffing turnover and slippage in employing new staff			(0.5)
2.	Community care packages	Various	anticipated variation			1.8
3	General running costs	All	non-spend of debt related budget saving reduced by transport cost increases			(0.3)
4	Use of reserves	All	net contribution to reserves (Leeds Adults Safeguarding Board and debt savings offset by transfers from reserves for Community Beds and Public Health and carry forward of debt underspend)			0.3
5	Income	S. McFarlane	client contributions and CCG contribution to CHC transport costs			(0.9)
				Adults and Health Directorate - Forecast Variation		
				0.0		

CHILDREN & FAMILIES 2019/20 FINANCIAL YEAR

FINANCIAL DASHBOARD - Period 7

Overall Summary - The 19-20 budget for C&F addressed the underlying 18-19 key budget pressures, with the following additional resources reflected in the 19-20 C&F budget; £4m pay, £4m fallout of grant (DfE PIP Innovation 2016-18, School Improvement and Brokerage and Special Education Needs grant), £2m Children Looked After (CLA) demand, £0.7m Passenger Transport costs. At period 7 the directorate is projecting an overspend of **£0.475m** against a gross expenditure budget of £293m which equates to an overspend of under 0.2%. This is an improvement of £0.05m from the reported Period 6 position and reflects the on going work by the Directorate to reduce the projected overspend. The Directorate has identified a number of actions to help offset the projected overspend on demand-led budgets with a total of £2.3m in savings and additional income being proposed so far. The Directorate will continue to identify potential options to manage the overspend. Pressures at P7, £1.90m CLA and Financially Supported Non-CLA pressures, £0.625m Passenger Transport, £0.4m Learning for Life (LFL) net pressure principally due to Children Centre fee income and £0.25m shortfall in Adel Beck income. These pressures are expected to be partly offset by additional £1.415m income; UASC grant income of £0.3m, School Improvement and Brokerage Grant £0.415m, DfE Innovation (SFPC) grant £0.3m, Youth Service £0.3m and Partnership & Health grant & other income £0.1. An underspend on staffing of £0.5m, release from the Strategic budget for Children Service **£0.5m**. Other planned service action plans **£0.135m** and savings on Supplies & Services and Internal Charges of £0.15m. There is a risk that the projected overspend worsens, with action being required to contain the CLA, LFL Nursery fee income, savings target for Staffing and Passenger Transport pressures at this reported position.

Children Looked After (CLA): - The Children Looked After budget (CLA) was increased by £1.5m to £42.4m in the 2019/20 budget. The budget took into account the level of supported children in the autumn of 2018, 1,284 and there are currently 1,319; increase of 11 from the reported position at Period 6. This has resulted in significant pressures on the 19-20 External Residential (ER) and Independent Fostering Agencies (IFA) budgets although both placement numbers have remained steady since the previous month. Current ER numbers are 58 compared to the budgeted number of 58, whilst the number of Independent Fostering Agencies (IFA) is 204 compared to the budgeted number of 184 leaving the overall reported pressure at **£1.70m**. The reconfiguring of the LCC run children homes and their current limited capacity continues to impact on the CLA demand budgets; although Luttrell Children's Home has now reopened. This is further compounded with barriers in education provision within the city preventing CLA children being placed back into Leeds. There is still a risk that there will be further budget pressure increases in 2019-20.

Non CLA Financially supported: - The non-CLA financially supported budget was increased by £0.5m to £12.9m in the 2019/20 budget. Budgeted 19-20 numbers are 867 placements; current numbers are 871; increase of 11 from the reported position at Period 6. A new pressure of **£0.2m** relating to Special Guardianship Orders and Staying Put Arrangements is now reflected.

Staffing: - The staffing budget for 19-20 is £87.4m. At P4 the Directorate made a commitment to deliver savings of £0.40m on the pay budget. Additional to this, via scrutiny of all post releases, a further saving of £0.05m is now reflected. Total projected pay saving at Period 7 is **£0.45m**. This reflects some one-off funding from the carry forward of DfE PIP monies and Troubled Families Earned Autonomy. The directorate is strictly controlling all post releases and DDN requests to achieve this position and mitigate any potential pay pressures. The Directorate is also reviewing and controlling the use of Overtime and Agency staff. A new saving of **£0.05m** for Teachers Ongoing Pension Costs in Resources & Strategy - Central Overheads is now reflected in the overall saving savings making total savings of £0.5m.

Transport: - The overall budget for Passenger Transport is £14.7m; an increase of £0.65m from 18-19. The budget for CEL Passenger Transport has increased by £0.95m and the budget for WYCA reduced by £0.3m; net £0.65m. There has been a notable increase in the number of children requiring transport during 18-19 and a significant increase in contract prices over the increase allowed for in the 2019/20 budget. The actual increase in demand will be clearer at the start of the autumn'19 academic term but at this stage an increase in costs for CEL Passenger Transport of **£0.625m** are projected. This assumes that a number of actions are progressed to reduce costs and the Directorate is working with CEL to mitigate the demand and cost pressures, for example; route rationalisation, Independent travel Training and switch from Private Hire to In-House fleet transportation. There is a risk that demand continues to increase and unit costs increase further during the year.

Trading and Commissioning: - Although the Trading areas of the directorate collectively underachieved their income targets in 2018/19, action plans have been developed for the areas where income was below budget in 2018/19. An action plan has been developed to look at maximising income from Learning for Life, but a shortfall of **£0.4m** against net managed budget is now projected; £1m shortfall on Children Centres FEE income offset by other savings within LFL Services. Again there is a significant risk that the projected level of nursery fee income is not achieved. Occupancy levels within the Little Owls nurseries at September'19 (start of the new academic year) will be crucial to determining the financial projection for 19-20 financial year.

Supplies & Services & Internal Charges: - The S&S budget for C&F directorate is £61.4m, of which £52.8m relates to PFI payments and £1.0m for food costs for LCC run homes and nurseries. A savings target of **£0.05m** is now reflected. Controls will need to be put in place to ensure only essential expenditure on controllable S&S is committed for the remainder of the year. **£0.1m** savings on Legal Disbursement charges is also now projected.

Other Income / Projects: - On the 17th April 2019 the DfE announced that the authority was successful in its bid, Strengthening Families Protecting Children (SFPC). The award is for £8.24m over 5 years, with £1.58m being awarded for 2019/20 financial year. Plans are being developed to deliver the outcomes of the grant and deliver further **£0.3m** contribution to current costs. Delivery of the Troubled Families - Earned Autonomy Project continues to be implemented. The impact of the realignment of grant funding within Early Help service continues to be reviewed to ensure no overall financial impact of delivering the programme. UASC Home Office announcement re introduction of new flat rate of £114 per day for each eligible UASC child; impact additional **£0.3m** Home Office grant income. **£0.415m** School Brokerage Grant contribution to current costs; covers the first 2 terms of the 19-20 academic year. The Government had previously indicated that funding would cease at the end of August 2019. A detailed review of income at P6 identified additional net income of **£150k**; Youth Service £300k, Partnership & Health £100k offset by income pressure of £250k for Adel Beck.

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

Budget Management - net variations against the approved budget

				PROJECTED VARIANCES											Total (under) / overspend
	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	£'000
Demand Led Budgets:															
In House placed CLA	20,352	(3,648)	16,704	0	0	0	0	0	(450)	0	0	0	(450)	0	(450)
Independent Fostering Agency	7,546		7,546	0	0	0	0	0	1,300	0	0	0	1,300	0	1,300
External Residential	11,913		11,913	0	0	0	0	0	500	0	0	0	500	300	800
Other Externally placed CLA	2,566		2,566	0	0	0	0	0	100	0	0	0	100	0	100
Non CLA Financially Supported	12,883	(3,514)	9,369	0	0	0	0	0	150	0	0	0	150	0	150
Transport	15,062	(617)	14,445	0	0	0	625	0	0	0	0	0	625	0	625
Sub total Demand Led Budgets	70,322	(7,779)	62,542	0	0	0	625	0	1,600	0	0	0	2,225	300	2,525
Other Budgets															
Partnerships & Health	4,977	(1,231)	3,746	(50)	0	0	0	0	0	0	0	0	(50)	(235)	(285)
Learning	31,500	(26,906)	4,594	(100)	0	0	0	0	0	0	0	0	(100)	(415)	(515)
Social Care	123,422	(77,400)	46,022	(250)	0	(50)	0	(100)	0	0	0	(500)	(900)	(250)	(1,150)
Resources and Strategy	65,291	(60,427)	4,864	(100)	0	0	0	0	0	0	0	0	(100)	0	(100)
Sub total Other Budgets	225,190	(165,964)	59,226	(500)	0	(50)	0	(100)	0	0	0	(500)	(1,150)	(900)	(2,050)
Total	295,512	(173,743)	121,769	(500)	0	(50)	625	(100)	1,600	0	0	(500)	1,075	(600)	475

Key Budget Action Plans and Budget Variations:		Lead Officer	Additional Comments		Action Plan Value	Forecast Variation
A. Significant Variations				RAG	£m	£m
	Children Looked After & Financially Support Non-CLA Demand Budgets.	Steve Walker / Sal Tariq	The budget supports an average of 58 ER and 184 IFA Placements. Currently at 58 ER and 204 IFA Placements. Partly impacted due to reduced capacity in LCC run homes; currently at 23 against potential 28 when 7 mainstream homes operational. Luttrell Children Home reopened beginning of October. At P6 revised the CLA and Financially Support non-CLA demand pressures; however the overall pressure remained the same.	R		1.900
	Staffing Related Costs	C&F Leadership Team	£0.8m High Level Action Plan target savings (£0.4m Social Care, £0.1m Learning and £0.3m Attendance). Close control of recruitment & post releases and potential impact of any DDN's need to be monitored and actioned to deliver the projected savings of £0.4m. Also control use of Agency and Overtime costs. Further pay saving of £0.05m from controlling all post releases. Central Overheads £0.05m saving on Teachers Ongoing Pension Costs (v047).	G		(0.500)
	Learning For Life - Early Start & Youth Services	Sal Tariq / Andrea Richardson	Net pressure of £0.4m explained by £1m shortfall in Children Centres income, offset by savings within Family Services, Early Help and Youth services. Impact of numbers on roll at the start of the new academic year will be crucial for determining the level of nursery fee income for 19-20.	R		0.400
	Passenger Transport	Sue Rumbold	Continuation of increasing demand within LCC run Passenger Transport. Whilst the strategy provided £0.7m additional funding, there is a further pressure of £0.625m due to increasing demand and prices via commissioning. Impact of new demand and tenders for private hire arising from the commencement of the academic year will be crucial.	R		0.625
	Income (Incl. Grants)	C&F Leadership Team	£0.3m Home Office announcement re new funding formulae for councils looking after asylum seeking children (UASC) and implementation of a flat standard rate of £114 per day. £0.415m School Brokerage grant income for the autumn and spring terms of the 19-20 academic year and £0.3m from slippage of spend on externally funded programmes. £0.3m Youth Service additional income from Other LA's and West Yorkshire Police, £0.1m Partnership & Health income offset by income pressure of £0.25m for Adel Beck.	G		(1.165)
	Supplies & Services and Internal Charges	C&F Leadership Team	£0.05m savings target from S&S budget. To put in place controls to reduce overall spend. £0.1m savings re Legal Disbursement charges reflecting lower in-year demand.	A		(0.150)
B. Key Budget Action plans (BAP's)						
Transport	Pasenger Transport - Other Transport savings	Sue Rumbold	Savings from WYCA and additional schools swimming income	G	(0.30)	0.000
Social Care	Achieve running cost savings from former Partner in Practice funded activities	Sal Tariq	review non-staffing expenditure previously funded through the PiP grant	G	(0.15)	0.000
Social Care	Make savings on Independent Support workers within CHAD.	RuthTerry	Based on 2018/19 spend this should be achievable	G	(0.05)	0.000
Social Care	Achieve running cost savings in Learning for Life	Andrea Richardson	cease commissioned service with ASHA - saving £50k	G	(0.05)	0.000
Resources & Stratgey	Reduction in Prudential borrowing charges	Tim Pouncey	Savings achieved - borrowing repaid	G	(0.05)	0.000
Social Care	Achieve increased charges at Adel Beck	Sal Tariq	Increases in charges agreed, overall position will depend on the placements.	G	(0.20)	0.000
Social Care	Achieve other additional income targets	All COs	Includes £0.2m secured from Housing capital for the capitalisation of part of the costs of the CHAD team	G	(0.40)	0.000
Social Care/Transport	Additional income from moving towards full the recovery of appropriate costs from the Dedicated Schools Grant	Tim Pouncey	Should be achievable depending on the total costs incurred	G	(0.60)	0.000
C. Contingency Plans						
	Use of strategic contingency fro Children Services.	Steve Walker	Request release from strategic budget to support the directorates financial position			(0.500)
	Further service action plans	Steve Walker & Leadership Team	To identify additional income or further savings on expenditure.			(0.135)
Children and Families Directorate - Forecast Variation						0.475

CHILDREN & FAMILIES 2019/20 FINANCIAL YEAR

DEDICATED SCHOOLS GRANT FINANCIAL DASHBOARD - PERIOD 7

Overall Summary - The Dedicated Schools Grant (DSG) is made up of 4 separate blocks - the Schools Block, Central School Services Block, Early Years Block and High Needs Block.

At month 7 there is a projected in year overspend of £5,261k on general DSG and an in year underspend of £124k on de-delegated services. This position includes the impact of the additional funding for the high needs block announced by the Secretary of State for Education on the 17th December 2018.

Schools Block - This is the largest element of the DSG and mostly consists of delegated funding to local authority maintained schools. When a school becomes an academy, funding payments are made directly by the ESFA and not paid to local authorities to distribute. When this happens, there is a reduction in grant income which is largely matched by reduced expenditure, though overall there is an underspend as a result of recoupment adjustments on NNDR and growth funding in respect of schools which have converted to academies during 2019/20. There are a number of de-delegated services where schools have agreed for the local authority to retain funding to cover some costs centrally which otherwise would need to be charged to schools (such as maternity costs, trade unions costs and the libraries service). There is additional de-delegated income of £242k due to the way de-delegated budgets are dealt with when a school becomes an academy and this is partly offset by increased costs on maternity pay and SIMS licences. The Growth Fund budget is part of this block and is currently projected to be £1,067k underspend which means that the £400k of the DSG surplus brought forward from 2018/19 which had been earmarked for this, is no longer needed.

Schools Forum have previously queried the significant level of reserves on de-delegated budgets and have requested a payment be made to schools from this reserve. A proposal was taken to the October Schools Forum to repay the 2018/19 underspend of £462k back to schools pro-rata to the amount of de-delegated funding paid in that year.

Central School Services Block

This block covers costs such as prudential borrowing repayment, equal pay costs, the admissions service and the retained duties element of what used to be the Education Services Grant (which covers statutory and regulatory duties, asset management and welfare services). There are no overall variances currently projected on these services.

Early Years Block - This element is concerned with provision to pre-school children. The final grant amount received is largely based on the January 2020 census and so will not be confirmed until the 2020/21 financial year. Following the significant underspend in the past 2 years, the unit rates paid to providers has been increased for both 2 year old and 3 & 4 year old providers. However based on the summer term activity, it is still expected that there will be an underspend of £1,072k. This is due to an expected difference between the number of hours funded and the number of hours paid to providers.

High Needs Block - This element is used to support provision for pupils and students with special educational needs and disabilities. This block is currently experiencing increasing costs due to high levels of demand and increasing complexity of cases. The main variances in this block are:-

- a lack of suitable places in Leeds is expected to result in an overspend on outside placements of £2,300k.
- an increase in special school places required from September 2019 is expected to result in an overspend of £820k on SILC funding.
- a general increase in the FFI top-up to mainstream schools and academies is projected to result in an overspend of at least £2,586k based on the FFI database at the end of August. There is a risk that costs increase over the remainder of the year.
- the North West SILC is expected to become an academy during 2019/20 which means that additional funding will be needed to ensure that NW SILC is in a sustainable financial position going forward. It is expected that additional costs associated with this will be £1,497k.

There is also a risk around a disapplication request which is to be submitted around top-up funding in respect of the SEMH provision. If unsuccessful, there is a potential additional cost of approximately £0.9m which is not included in the above projections.

Reserves - There is a surplus reserve brought forward from 2018/19 of £1,097k and a de-delegated reserve of £587k. As a result of the variations detailed above, there is expected to be an overall in year overspend of £5,261k which means that there is a projected deficit on general DSG carried forward to 2020/21 of £4,164k. Following the repayment of part of the accumulated reserves, the de-delegated reserves are expected to be a surplus of £249k.

Latest Estimate
Balance b/fwd from 2018/19
Net contribution to/from balances
Balance c/fwd to 2020/21

Projected Outturn
Balance b/fwd from 2018/19
Projected in year variance
Net contribution to/from balances
Balance c/fwd to 2020/21

General £'000	De-delegated £'000	Total £'000
(1,097) 400	(587) 0	(1,684) 400
(697)	(587)	(1,284)
(1,097) 5,261 0	(587) (124) 462	(1,684) 5,137 462
4,164	(249)	3,915

Lead Officer	Additional Comments
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Key Budget Action Plans and Budget Variations.			Lead Officer	Additional Comments	RAG	Action Plan Value	Forecast Variation against Plan/Budget
A. Key Budget Action Plans						£m	£m
Transfer funding to High Needs Block		Transfer of £1.5m from the schools block and £800k from the central school services block to the high needs block as detailed in report to Schools Forum in January 2019.		B	2.30	0.00	
B. Significant Variations							
Schools Block		Projected underspend on Growth Fund (net of reduced call on reserves)				(0.67)	
Schools Block		Underspend due to adjustments made as part of the academy conversion process				(0.21)	
Schools Block		Net underspend on de-delegated services.				(0.12)	
Early Years Block		Projected underspend on early years block mainly as a result of funding received for additional hours.				(1.07)	
High Needs Block						2.30	
High Needs Block		Increase in funding to special schools				0.82	
High Needs Block		Increase in FFI top-up to mainstream schools and academies				2.59	
High Needs Block		Additional cost relating to NW SILC academy conversion				1.50	

Dedicated Schools Grant - Forecast Variation

5.14

CITY DEVELOPMENT 2019/20 BUDGET FINANCIAL DASHBOARD - MONTH 7 (APRIL - OCTOBER)

At Period 7 the City Development Directorate is forecasting to deliver an underspend of £350k despite two significant pressures in relation to Kirkgate Market and the Strategic Investment Fund.

At Kirkgate Market traders have been granted a 20% rent discount for 7 months (April to October) as footfall continues to be an issue in the market, which comprises £200k of the forecast £674k shortfall in income, the rest is due to vacant and unlettable units within the market. This projection reflects the implementation of the £100k Action Plan to reduce expenditure and increase income.

The Strategic Investment Fund requires further acquisitions to be made in order to achieve the net income target of £3.36m, the current shortfall is circa £592k. Further investment opportunities continue to be sought and financially appraised. The impact of the 1% PWLB increase in funding rates on this target is currently being assessed.

The Street Lighting LED conversion programme was planned to start in September 2019 however the Deed of Variation for the PFI contract is not expected to be signed off until January 2020 and full commencement of works cannot proceed until then. However some 'small works' instructions for lantern swaps have been issued to ensure energy savings are realised and at present there is no budget pressure arising from this delay.

Planning & Sustainable Development are projecting a £159k underspend this is the net position of vacancy savings, increased CIL administration income, and the SAP Inspector costs of £120k.

There is a £250k action plan in Highways to review and redress the projected overspend in Civil Engineering.

Finally there is a £514k Budget Action Plan to balance the Directorate budget - via careful vacancy management (Not all Saf release requests are approved, and as standard, non grant funded or income earning posts are now questioned as to their need, which results in a time delay), reviewing and restricting other operational expenditure, additional one off income, and review and application of appropriate balances.

Budget Management - net variations against the approved budget

				PROJECTED VARIANCES										Total (under) / overspend £'000	
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure		Income
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		£'000
Planning & Sustainable Development	9,465	(7,519)	1,946	(122)	(20)	72	(1)	0	0	0	0	0	(71)	(88)	(159)
Economic Development	2,194	(521)	1,673	36	(1)	(0)	2	10	0	0	0	0	47	(7)	40
Asset Management & Regeneration	17,314	(20,571)	(3,257)	(664)	100	(186)	3	83	0	0	0	0	(664)	1,024	359
Employment & Skills	6,238	(4,544)	1,694	(15)	0	0	0	15	0	0	0	0	0	0	0
Highways & Transportation	65,348	(48,236)	17,111	(1,066)	(454)	705	56	168	0	0	0	0	(591)	665	74
Arts & Heritage	19,548	(8,678)	10,870	97	(69)	(56)	(5)	16	12	0	0	0	(5)	(5)	(10)
Active Leeds	25,570	(20,431)	5,139	124	(63)	(177)	0	10	0	0	0	0	(105)	25	(80)
Resources & Strategy	1,008	0	1,008	(57)	0	(375)	0	0	0	0	0	0	(433)	(764)	(1,197)
Markets & City Centre	3,410	(3,702)	(292)	6	15	(73)	0	0	0	0	0	0	(52)	674	622
Total	146,684	(114,203)	35,891	(1,661)	(492)	(90)	55	303	12	0	0	0	(1,873)	1,523	(350)

Key Budget Action Plans and Budget Variations:				RAG	Action Plan Value	Forecast Variation against Plan/Budget
					£'000	£'000
A. Budget Action Plans						
1.	Asset Management & Regeneration	Angela Barnicle	Purchase of commercial assets to generate additional rental income over and above the annual costs of borrowing and other land-lord related costs	R	(1,000)	592
2.	Asset Management & Regeneration	Angela Barnicle	Asset Rationalisation	G	(250)	0
3.	Highways & Transportation	Gary Bartlett	LED Street Lighting Conversion	G	(700)	0
4.	Highways & Transportation	Gary Bartlett	Fees Capitalisation	G	(400)	74
5.	Active Leeds	Cluny MacPherson	Sport Income	G	(220)	25
6.	Active Leeds	Cluny MacPherson	Sport Efficiencies	G	(150)	(105)
Total Budget Action Plan Savings					(2,720)	586
B. Other Significant Variations						
1.	Markets & City Centre		Markets net rental income re 20% rent reduction and loss of income re vacant/unlettable units			622
2.	Asset Management & Regeneration	Angela Barnicle	Vacancy savings net of income generating posts			(235)
3.	Planning & Sustainable Development	David Feeney	Vacancy savings and additonal CIL administration fees partially offset by SAP Inspector Fees			(159)
4.	All	All	Other minor variations			(50)
C. In Year Budget Action Plans						
3.	Resources & Strategy	Ed Mylan	Action Plan to balance Directorate budget - via careful vacancy management, reviewing and restricting other operational expenditure, additional one off income, and review and application of appropriate balances.			(514)
4.	All	All	Savings target of £350k on operational expenditure for the remainder of 2019/20 to support the General Reserves position.			(350)
2.	Highways	Gary Bartlett	Civil Engineering - action plan to review and redress projected overspend			(250)
City Development Directorate - Forecast Variation						(350)

RESOURCES AND HOUSING

FINANCIAL DASHBOARD - 2019/20 FINANCIAL YEAR

PERIOD 7

Overall

The Directorate is now projecting an underspend of £324k, an improvement of £58k from the position reported at month 6 and this is mainly due to additional refunds received for Merrion House business rates. Further work is being completed to assess the potential for additional savings through turnover of posts and a review of operational expenditure which could improve the position further and will be reported accordingly. Budget pressures remain within Corporate Property Management (CPM) and LBS. However, these are more than offset by savings in business rates following the confirmation of the business rates valuation and a backdated refund at Merrion House.

Resources

The budget requires the delivery of over £3.2m of savings in this area of which approximately £2m are staffing savings. After a number of years of reductions in support services, this figure is becoming increasingly challenging to achieve without fundamental change to the way some of these services are provided. There may be a timing issue to deliver all the savings as planned. There are likely to be overall pressures in Shared Services of £0.3m. This figure assumes continuing savings through staff turnover in the second half of the year. Offsetting this are savings from a review of accruals, forecast to be (£0.2m). There are also forecast savings within Digital and Information Services relating to expenditure on Microsoft licences of £320k and a further £50k from other expenditure and in Democratic services, savings in Members Allowances and general running costs of £100k.

Leeds Building Services

The budget assumes delivery of an £11m surplus with a turnover of just under £70m. At Period 7, it is projected that forecast that the service will be around £150k (1.3%) short of the budgeted surplus. This is mainly due to front line vacant posts which will affect the overall recovery position. It is assumed that work will be sub contracted to deliver the business plan turnover levels.

Housing and Property Services

There are continuing pressures within the CPM function which are estimated at around £0.4m. This is after assuming additional capitalisation of building maintenance and staffing costs. At this stage there are no variations to report within the remainder of the Housing General Fund and Supporting People services.

Civic Enterprise Leeds (CEL)

Within Facilities Management, there is now a projected saving of £600k due to savings in business rates following the confirmation of the valuation of Merrion House by the VOA. This saving is partly offset by a £150k pressure in the Catering service covering income and staffing across elements of the service. Within School Crossing Patrol savings on staffing mean that the service is projecting a £20k saving and the remaining services within CEL are expected to be in line with the budget.

Budget Management - net variations against the approved budget

				PROJECTED VARIANCES											Total (under) / overspend £'000
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Resources	98,339	(31,125)	67,214	2,013	(43)	(588)	(34)	37	0	0	0	74	1,459	(1,843)	(384)
LBS	58,336	(69,345)	(11,009)	(1,257)	0	1,539	0	(132)	0	0	0	0	150	0	150
Housing & Property	25,889	(12,545)	13,344	74	799	(2)	17	0	0	0	0	0	888	(509)	379
CEL	80,845	(68,219)	12,626	152	(563)	(119)	562	12	0	0	0	0	44	(513)	(469)
Directorate Action Plan				0		0							0	0	0
Total	263,409	(181,234)	82,175	982	193	830	545	(83)	0	0	0	74	2,541	(2,865)	(324)

Key Budget Action Plans and Budget Variations:

				RAG	Action Plan Value	Forecast Variation against Plan/Budget
Service	Budget Action	Lead Officer	Comments		£m	£m
HOUSING						
Leeds Building Services	To deliver an improved surplus of £1.4m from additional turnover; efficiencies and productivity.	Simon Costigan	Forecat shortfall of surplus manly due to vacant front line posts. (Permanent advert is out for these trades)	A	(1.40)	0.15
Housing	Review of housing general fund staffing costs	Jill Wildman	To be controlled through effective management of vacancies; No issues currently anticipated	G	(0.10)	
CEL						
Cleaning /Catering	Additional income	Sarah Martin	Awarded window cleaning contract for Barnsley Council & headquarter clearance of Harrogate Council. Plans to expand Civic Flavour.	G	(0.07)	
Facilities Management	Review of Entry systems at Civic Hall	Sarah Martin	Quotes obtained for installation of speedgates from LBS, awaiting a slot from LBS for the work to be done. This will enable a review of staffing levels.	G	(0.04)	
Facilities Management	Energy savings	Sarah Martin	More timely meter readings, use of energy efficient lighting & movement sensors & better use of Trend system to remotely control heating systems.	G	(0.03)	
Facilities Management	In-sourcing of Waste and Voids contracts	Sarah Martin	Proposals to vire budgets have been submitted to HoF. Virement codes received and virement to be completed.	G	(0.06)	
CEL Management	Staffing restructure	Sarah Martin	ELI case has been completed which will partially deliver savings	G	(0.08)	
Fleet Services	Operational Savings	Sarah Martin	Plans being developed and implemented to use capital funding to reduce spend on operational spend	G	(0.05)	
RESOURCES						
DIS	Procurement efficiencies targeted to deliver £0.5m of contract savings	Dylan Roberts	£346k secured and savings realised; £180k under review; £20k pressure re HYDRA to be found	G	(0.55)	
DIS	Staffing reductions	Dylan Roberts	£245k savings completed; Remaining £75k relates to review of App Support team	G	(0.32)	
DIS	Secure net additional income from charges to Capital and external income	Dylan Roberts	External income has been completed; Capital programme reflects these proposals - staff have been recruited to PM roles. Ongoing review of activity	G	(0.40)	
Financial Services	Deliver £0.3m staffing savings to balance the 19/20 budget	Victoria Bradshaw	Total staffing pressure circa £500k; Some savings from maternities and leavers since budget. Projected £260k over on staffing, offset by £180k income; Expected to balance	G	(0.30)	0.07
HR	Deliver £0.09m staffing savings to balance the 19/20 budget	Andrew Dodman	Budget should be delivered through management of releases	G	(0.09)	(0.07)
HR	Development of ULEV scheme	Andrew Dodman (Alex Watson)	Initial Communications and promotion has gone out;	A	(0.06)	
HR	Secure £150k of income chargeable to the Apprentice Levy	Andrew Dodman (Alex Watson)	Income not achievable through this plan, but service budget is expected to be balanced for 19-20 from savings in other areas.	R	(0.15)	0.15
Legal Services	To identify £206k of external legal costs that can be brought in house	Catherine Witham (Nicole Walker)	Delivered through staffing savings 19/20; Virement for 20/21 required	G	(0.21)	
Shared Services	Deliver £0.79m staffing savings to balance the 19/20 budget	Helena Phillips	Requires around 8% VF to deliver; Current staffing levels suggests £600k pressure after additional income for funded posts; Careful management of turnover required.	A	(0.79)	0.15
Shared Services	Electronic Processing of Invoices	Helena Phillips	Unlikely to deliver project this Financial Year.	A	(0.15)	0.15
Strategy and Improvement	Deliver £0.255m staffing savings to balance the 19/20 budget	Mariana Pexton	Potential to use some new one off external funding to help offset pressures - circa £100k; Balance to be delivered through management of vacancies.	G	(0.26)	0.01
1	CPM	Simon Costigan	Pressures on the maintenance budget (net of £0.4m additional capitalisation)	R		0.38
2	Finance -Court Fees	Victoria Bradshaw	Budget reduced to £2m in 19/20. No significant variation at Month 7	G		0.00
3	Resources - Schools Income	All	No variation assumed from traded income with schools	G		0.00
4	Facilities Management	Sarah Martin	VOA - Valuation of Merrion House finalised - in year saving £600k from 18/19 accrual and some backdating	G		(0.60)
4	All Other Variations	All	£370k savings mainly from DIS relating to Microsoft; £100k projected savings in Democratic Services , £150k Catering pressure; Review of accruals £200k and other minor variations	G		(0.72)

Resources and Housing Directorate - Outturn Variation**(0.325)**

COMMUNITIES & ENVIRONMENT DIRECTORATE SUMMARY

FINANCIAL DASHBOARD - 2019/20 FINANCIAL YEAR

Period 7 (October 2019)

Overall Position (£88k Under budget)

Communities (Nil variance)

The service is projecting a nil variance.

Customer Access (£293k Overspend)

The service is currently projecting an overspend of £293k which is attributable to additional staffing costs within the Contact Centre (£450k) due to recruitment to improve call answer rates. This has been partially offset by funding of £300k secured from Housing Leeds in respect of Housing enquiries. In addition additional premises costs of £143k are projected which includes increased security costs and business rates at Hubs.

Electoral and Regulatory Services (£70k Under budget)

Elections, Licensing and Registrars (£1k Over budget)

The service is projecting an minor overspend of £1k across the service.

Environmental Health (£71k Under budget)

The Environmental Health service is projecting a saving of £71k, due to both staffing and operational savings across the service.

Welfare and Benefits (£105k under budget)

The service is currently projecting an underspend of £105k. This saving is mainly due additional grant funding within the Benefits service, partially offset by staffing variations within Council Tax. There remains an ongoing area of risk around the achievement of the budgeted level of overpayment income.

Parks and Countryside (Nil variance)

The service is projecting a balanced position. Although there is currently a net pressure across Attractions and the Arium of £0.3m, it is anticipated that these pressures will be offset by expenditure savings and additional income in other areas of the service.

Car Parking (£131k Under budget)

The service is currently projecting a saving of £131k. This saving is mainly due to staffing and other expenditure variations. In addition, based on current trends, there is a projected shortfall against budget on the levels of 'on street' parking income (+£348k), although this is offset by additional income including 'off street' parking income and PCNs

Cleaner Neighbourhoods Teams (£36k Under budget)

The service is projecting a net saving of £36k which is due to projected staffing savings, partially offset by additional vehicle costs.

City Centre (£16k Under budget)

The service is projecting an under spend of £16k due to additional income across the service offset by increased staffing costs including the cost of covering events.

Waste Management (Nil variance):

Pressures within the Refuse service relating to the ongoing Refuse review combined with additional costs of recovery are anticipated to be offset by residual waste disposal contract savings. Other staffing pressures, mainly within Waste Operations, are assumed to be offset by other savings across the service. There are also pressures on the SORT disposal contract (£112k), mainly due to market income prices, and also pressures on a number of recently re-let waste stream contracts due to price increases (£112k), although these are largely offset by volume trend variations across waste streams.

Community Safety (£22k Under budget)

Community Safety is currently projecting an underspend of £22k which is mainly due to staff savings across the service.

Budget Management - net variations against the approved budget;

Summary By Service

			Period 7 Projected variances											Total (under) / overspend £'000
Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income	
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
17,436	(12,080)	5,356	0	0	(86)	0	21	0	0	0	0	(65)	65	0
24,294	(4,282)	20,012	448	133	245	(17)	0	0	0	0	0	809	(516)	293
8,327	(5,913)	2,414	(76)	18	(36)	(2)	20	0	0	0	36	(40)	(31)	(71)
265,394	(260,867)	4,527	74	(12)	11	(1)	91	0	0	0	0	163	(268)	(105)
4,874	(13,155)	(8,281)	(68)	25	(70)	0	20	0	0	0	0	(93)	(38)	(131)
8,735	(6,342)	2,393	(307)	0	145	7	65	0	0	0	0	(90)	68	(22)
42,737	(7,693)	35,044	1,843	41	(365)	232	(365)				0	1,386	(1,386)	0
33,164	(25,896)	7,268	(91)	135	854	(31)	(10)	0	0	0	0	857	(857)	0
2,079	(427)	1,652	50	1	(1)	(1)	(5)	0	0	0	0	44	(60)	(16)
12,662	(4,176)	8,486	(146)	(11)	(140)	307	0	0	0	0	0	10	(46)	(36)
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
419,702	(340,831)	78,871	1,727	330	557	494	(163)	0	0	0	36	2,981	(3,069)	(88)

Key Budget Action Plans and Budget Variations:

		Lead Officer	Additional Comments	RAG	Action Plan Value (£000s)	Forecast Variation against Plan/Budget
Communities						
Communities team	Achievement of staffing efficiencies	Shaïd Mahmood	£40k of this to be delivered by the saving of 2 posts through ELI.	G	(75)	0
Community Centres	Asset transfer savings and general efficiencies within the service	Shaïd Mahmood	Asset transfers should generate £70k. Delivery of additional savings targets are to be considered by Facilities Management.	G	(100)	0
Community Centres	Achievement of base income pressure	Shaïd Mahmood	The actual pressure at outturn 18/19 was £40k, options remain to review and increase prices. This will be reviewed alongside the Facilities Management savings.	G	(100)	0
Third Sector Infrastructure Fund	10% saving on Third Sector Infrastructure Fund	Shaïd Mahmood	Agreed to taper the relief over the year with Voluntary Action Leeds.	G	(30)	0
Communities	Achievement of base budget vacancy factor	Shaïd Mahmood	Service to review current staffing arrangements and look at where they can offset existing staffing costs against grant income. Service may also consider holding some posts vacant.	G	(175)	0
Customer Access						
Libraries	Staffing efficiencies achieved through the planned restructure of the Libraries and Information service	Lee Hemsworth	Structure to be agreed with the Unions. Currently have a significant number of vacant posts.	G	(200)	0
Libraries	Review and reduce the provision of publications in Libraries	Lee Hemsworth	Awaiting outcome of review regarding what publications should be available at Library sites. Any shortfall in savings will be delivered from elsewhere within the budget.	G	(40)	0
Libraries	Retender Library management system contract as single contract (18/19 saving)	Lee Hemsworth	Retender process has now taken place and forecast savings will be delivered in year. A data Migration process is required to facilitate the new support contract, this should be funded out of savings delivered but may also need some capital resource.	G	(50)	0
Customer Access	Achievement of base budget vacancy factor	Lee Hemsworth	Most of this has already been delivered but there is some concern about achievability in Hubs.	G	(646)	0
Customer Access	Achievement of base budget efficiencies (18/19 channel shift saving)	Lee Hemsworth	Agreed additional funding with HRA of £300k to improve performance. May potentially overspend by £150k.	R	(310)	150
Welfare & Benefits						
Welfare and Benefits	Achievement of staffing efficiencies	Lee Hemsworth	The pending restructure of the benefits team which is still subject to approval may impact on the delivery of this efficiency. To be monitored.	A	(150)	0
Welfare and Benefits	Local Welfare Support Scheme - passport the costs of carpets / flooring	Lee Hemsworth	On target to deliver	G	(100)	
Welfare and Benefits	Achievement of base budget vacancy factor	Lee Hemsworth	On target to deliver but will be affected by a restructure.	G	(47)	0
Elections, Licensing, Regulatory Services (incl Environmental Health)						
Registrars	Implement fee review in respect of non-statutory charges	John Mulcahy	Fee review implemented - to be monitored in year.	G	(100)	
Elections	Shared cost of local elections in 19/20	John Mulcahy	To be delivered.	G	(100)	
All	Achievement of base budget vacancy factor (including Environmental	John Mulcahy	To be delivered.	G	(100)	0
Waste Management						
Refuse	Progress route review to deliver £1.1m savings in the base budget	Helen Freeman	Route review ongoing, anticipated to be offset by other savings across the service.	A	(1,100)	0
Waste Management - all services	Achievement of base budget vacancy factor	Helen Freeman	Progress to be monitored in year.	G	(83)	0

Environmental Action Services (incl Parking)						
Car Parking	Increase charges at Woodhouse Lane car park by 50p for a full day	Helen Freeman	Increase has been implemented mid April 19. Need to monitor income levels during the year.	G	(110)	0
Car Parking	Increase Sunday / Evening charges by 10%	Helen Freeman	Price increases including Sunday / evening charges are currently under review.	G	(60)	0
Environmental Action Services (incl Parks and Countryside)	Achievement of vacancy factor (Car parks £145k, CC £23k, CNT £139k)	Helen Freeman	Progress to be monitored in year.	G	(310)	0
Parks and Countryside				G		0
Parks and Countryside	Maximise further commercial income generating opportunities	Sean Flesher	Progress to be monitored in year.	G	(50)	0
Parks and Countryside	Review and standardise leedscard discounts at Attractions	Sean Flesher	Following initial review and implementation the decision to standardise the leedscard discounts has now been reversed pending further review.	R	(30)	30
Parks and Countryside	Identify appropriate staffing costs to charge to Capital	Sean Flesher	Progress to be monitored in year.	G	(65)	0
Parks and Countryside	Staffing savings - achievement of vacancy factor (5% all services, 9% Parks Operations)	Sean Flesher	Progress to be monitored in year.	G	(1,181)	0
Community Safety						
Community Safety	Identify efficiencies in use of external funding (£50k 18/19 + £60k 19/20)	Paul Money	Use of external funding has identified £80k to contribute to savings, further work to identify the remaining £30k is on going.	G	(110)	
Community Safety	Replacement of CCTV infrastructure	Paul Money	Delays in the project.	R	(50)	50
Community Safety	PCSO staffing savings - achievement of vacancy factor above base	Paul Money	Will be based on actuals once quarterly invoices are received	G	(10)	0
Community Safety	Achievement of base vacancy factor	Paul Money	Progress to be monitored in year	G	(312)	
Directorate Wide						0
Other Significant Variations						
Other services			Other expenditure variations		(318)	
Communities & Environment - Forecast Variation (88)						

STRATEGIC & CENTRAL ACCOUNTS - 2019/20 FINANCIAL YEAR
FINANCIAL DASHBOARD - PERIOD 7

Overall :

At month 7 Strategic & Central Accounts are projected to show an overspend of £0.29m. The main factors within this are :

- There is a projected shortfall in the New Homes Bonus grant of £0.76m
- The current projection for Section 31 grant income is £0.92m higher than budget
- The debt budget is forecast to be on target, after taking into account the release of £1m from reserves to fund a move from short term to long term borrowing in order to take advantage of comparatively low long term rates
- It should also be noted that there are risks associated with both the general and schools capitalisation budgets. A potential shortfall of £0.5m has been recognised to reflect this.
- It is anticipated that the procurement exercise for insurance cover will generate savings of £0.64m to offset projected overspend of £1.98m on insurance claims.

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Budget Management - net variations against the approved budget

				PROJECTED VARIANCES											Total (under) / overspend £'000
	Expenditure Budget £'000	Income Budget £'000	Latest Estimate £'000	Staffing £'000	Premises £'000	Supplies & Services £'000	Transport £'000	Internal Charges £'000	External Providers £'000	Transfer Payments £'000	Capital £'000	Appropriation £'000	Total Expenditure £'000	Income £'000	
Strategic Accounts	(3,829)	(18,998)	(22,827)			500							500		500
Debt	20,859	(17,376)	3,483			27							27	(60)	(33)
Govt Grants	6,001	(36,209)	(30,208)										0	(159)	(159)
Joint Committees	35,902	(7)	35,895						(2)				(2)		(2)
Miscellaneous	5,836	(833)	5,003	(61)		1							(60)	41	(19)
Insurance	10,470	(10,470)	0			1,987		(648)				(973)	366	(366)	0
Total	75,239	(83,893)	(8,654)	(61)	0	2,515	0	(648)	(2)	0	0	(973)	831	(544)	287

STRATEGIC & CENTRAL ACCOUNTS - 2019/20 FINANCIAL YEAR

Key Budget Action Plans and Budget Variations:

				RAG	Budget	Forecast Variation against Budget
					£m	£m
A. Major Budget Issues						
1.	Debt Costs and External Income	Victoria Bradshaw	Minor variation anticipated at Period 7 plus replacement of short term with long term borrowing to take advantage of low long term interest rates	G	18.6	0.0
2.	Minimum Revenue Provision	Victoria Bradshaw	No variation anticipated at Period 7	G	1.0	0.0
3.	New Homes Bonus	Victoria Bradshaw	Still expected to be £762k less than budgeted	R	(9.9)	0.8
4.	Business Rates (S31 Grants & retained income)	Victoria Bradshaw	Expected to be £960k more than budgeted	G	(26.0)	(1.0)
5.	S278 Contributions	Victoria Bradshaw	A couple of new £m schemes due to start soon so expect to achieve budget.	G	(3.5)	0.0
6.	General capitalisation target	Victoria Bradshaw	Capitalisation of eligible spend in directorate/service revenue budgets. Based on 2018/19 outturn there is a risk that this target may not be met.	A	(4.1)	0.5
7.	Schools capitalisation target	Victoria Bradshaw	Capitalisation of eligible spend in school revenue budgets. Based on 2018/19 outturn there is a risk that this will not be met.	A	(4.0)	0.0
8.	Joint Committees	Victoria Bradshaw	Minor variation anticipated at Period 7	G	35.9	0.0
Other Significant Budgets						
1.	Insurance	Victoria Bradshaw	6 new large claims with an estimated cost of £1,615k plus cost of general insurance claims partially offset by lower external premiums and higher schools income	A	0.0	0.0
2.	Prudential Borrowing Recharges	Victoria Bradshaw	Current forecast is (£408k) above budget	G	(16.1)	0.0
3.	Miscellaneous	Victoria Bradshaw	Cost of unfunded pensions is forecast to be £18k below budget.	G	5.0	0.0
Strategic & Central Accounts - Forecast Variation						0.3

Housing Revenue Account - Period 7

Financial Dashboard - 2019/20 Financial Year

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

Directorate	Current Budget	Projected Spend	Variance to budget
	£000	£000	£000
Income			
Rents	(209,496)	(209,093)	403
Service Charges	(7,976)	(8,065)	(89)
Other Income	(34,083)	(33,679)	404
Total Income	(251,556)	(250,837)	719
Expenditure			
Disrepair Provision	1,400	2,400	1,000
Repairs to Dwellings	44,791	45,201	410
Council Tax on Voids	680	680	-
Employees	30,806	29,515	(1,290)
Premises	8,716	8,742	26
Supplies & Services	4,100	4,118	18
Internal Services	41,451	42,135	684
Capital Programme	62,441	60,882	(1,559)
Unitary Charge PFI	9,685	9,685	-
Capital Charges	44,776	44,857	81
Other Expenditure	6,192	6,193	1
Total Expenditure	255,037	254,408	(629)
Net Position	3,481	3,571	90
Appropriation: Sinking funds	(2,345)	(2,457)	(112)
Appropriation: Reserves	(1,137)	(1,115)	22
(Surplus)/Deficit	(0)	(0)	(0)
Proposed New Reserves			-
Transfer to Capital Reserve			-
Total Current Month	(0)	(0)	(0)

Comments

19/20 budgeted RtB sales were 530. 18/19 Outturned 615 and assuming 645 19/20.
 £125k Sheltered budget assumed 3.3% uplift - charge same as 18/19. [£-60k] Multi Story Flats. [£-140k] Leaseholder income based on 1819 outturn.
 £241k Reduced capitalisation due to staffing savings, £118k Reduction in Telecom Income - Lease renewals and £40k reduction in Switch 2 income

Projected overspend based on period 1-7 actuals.

£330k based on 18/19 Outturn. £80k for Mears overhead.

Assumed small saving based on 18/19 outturn but removed as actuals charges in line with budget.
 £65k Technical, [£-708k] Housing Management, [£-247k] Housing Growth and [£-400k] Property and Contracts. Saving partly offset by reduced capitalisation showing in "Other Income".
 £42k Lease for Navigation House extended.

£300k Contact Centre staffing, £300k Disrepair legal (inc £100k for external outsourcing to Swinburne Maddison), £100k Horticultural Maintenance. £136k Environmental services. £115k Community safety. £103k Community Hubs. [£-136k] Use of additional usable capital receipts from RtB sales.

Additional interest payments to GF as per period 6 Treasury report.

LLBH PFI

Previous period variance

£000

383

(91)

291

583

1,000

410

(85)

(955)

85

63

495

(1,643)

-

186

1

(443)

140

(112)

(28)

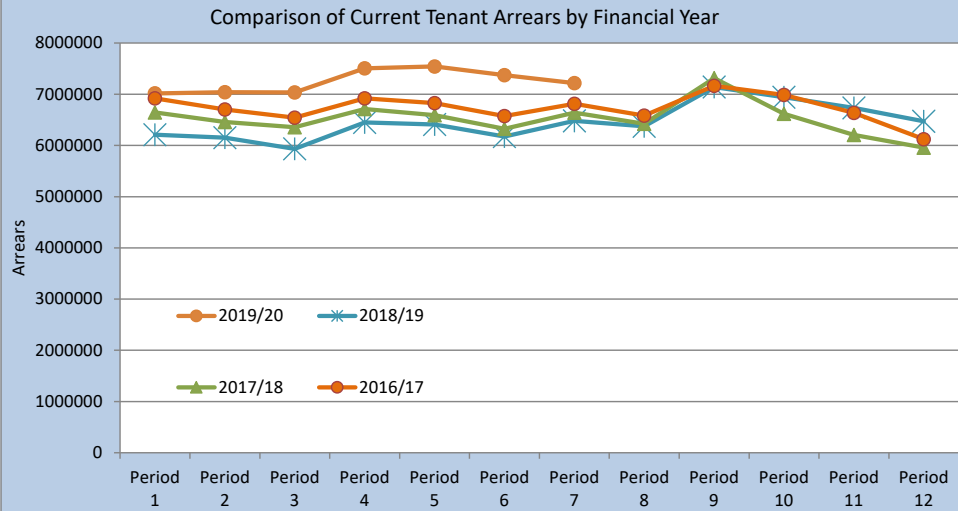
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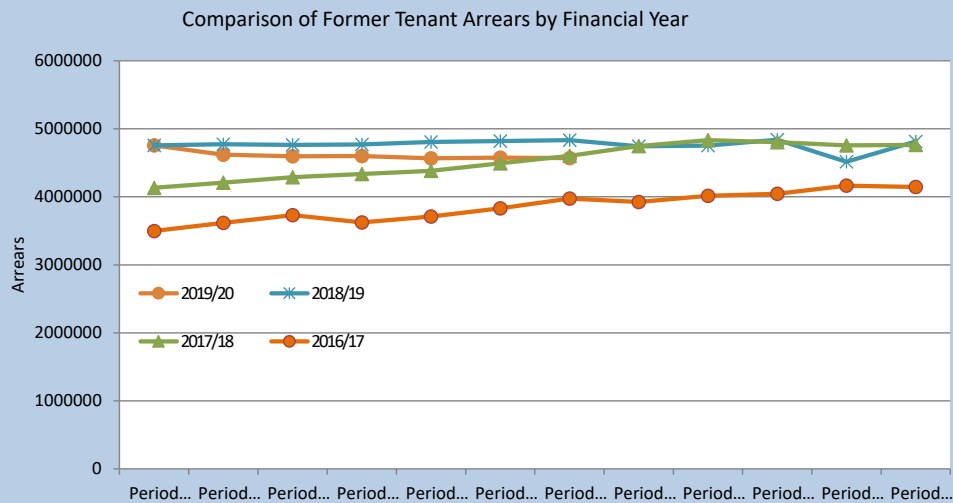
Housing Revenue Account - Period 7 Financial Dashboard - 2019/20 Financial Year



Change in Stock	Budget	Projection
Right to Buy sales	(530)	(645)
Right of First Refusals/ Buybacks	0	56
New Build (Council House Growth)	0	0
Total	(530)	(589)

Right to Buy Receipts	2018/19 Actual	2019/20 Projection
Total Value of sales (£000s)	32,969	35,814
Average Selling Price per unit (£000s)	53.6	55.5
Number of Sales*	615	645
Number of Live Applications	1,428	1,567
Sales to end P7: 330		

Arrears	2018/19	2019/20	Variance
	£000	£000	£000
Dwelling rents & charges	2018/19 Week 26	2019/20 Week 27	
Current dwellings	6,175	7,371	1,195
Former Tenants	4,808	4,576	(231)
	10,983	11,947	964
Under occupation	2018/19 Week 52	2019/20 Week 27	
Volume of Accounts	3,650	3,326	(324)
Volume in Arrears	1,316	1,292	(24)
% in Arrears	36.1%	38.9%	2.8%
Value of Arrears	295	220	(75)
Collection Rates	2018/19 Week 52	2019/20 Week 27	
Dwelling rents	97.27%	96.37%	-0.9%
Target	97.50%	97.50%	0.0%
Variance to Target	-0.23%	-1.13%	-0.9%



Housing Revenue Account - Period 7

Financial Dashboard - 2019/20 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	(6,495)			(6,495)
Earmarked Reserves				
Welfare Change	(1,372)	589		(783)
Housing Advisory Panels	(410)			(410)
Sheltered Housing	(2,921)			(2,921)
Holdsforth Place - land purchase	(64)	64		0
Early Leavers' Initiative	(408)			(408)
Wharefedale View	(15)			(15)
Changing the Workplace	(235)	86		(149)
ERDMS	(262)			(262)
	(5,687)	739	0	(4,948)
PFI Reserves				
Swarcliffe PFI Sinking Fund	(5,092)	3,902		(1,190)
LLBH&H PFI Sinking Fund	(4,617)		(1,445)	(6,062)
	(9,709)	3,902	(1,445)	(7,252)
Capital Reserve				
MRR (General)	(19,920)	376		(19,544)
MRR (New Build)	(4,072)			(4,072)
	(23,992)	376	0	(23,616)
Total	(45,883)	5,017	(1,445)	(42,311)

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Report author: Steven Courtney
Tel: 0113 37 88666

Report of the Head of Democratic Services

Report to Scrutiny Board (Infrastructure, Investment and inclusive Growth)

Date: 8 January 2020

Subject: Initial Budget Proposals for 2020/2021

Are specific electoral wards affected? If yes, name(s) of ward(s):	☐ Yes ☒ No
Has consultation been carried out?	☐ Yes ☒ No
Are there implications for equality and diversity and cohesion and integration?	☒ Yes ☐ No
Will the decision be open for call-in?	☐ Yes ☒ No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	☐ Yes ☒ No

1. Purpose of this report

- 1.1 The purpose of this report is to provide members of the Scrutiny Board (Infrastructure, Investment and Inclusive Growth) with the Executive Board's initial budget proposals for 2020/21 for consideration, review and comment on matters and proposals relating to service areas that fall within the Scrutiny Board's remit.
- 1.2 The Executive Board's initial budget proposals report for 2020/21, considered at its meeting on 7 January 2020 is attached to this report. Other Scrutiny Boards will be considering elements of the budget proposals relevant to their terms of reference.

2. Background information

- 2.1 A range of background information is set out in the attached Executive Board report that provides the context in which the Initial Budget Proposals for 2020/21 have been prepared.

3. Main issues

- 3.1 In accordance with the Council's Budget and Policy Framework, the Chief Officer – Financial Services submitted the attached report to the Executive Board, which sets out the Initial Budget Proposals for 2020/21. The proposals are subsequently submitted to Scrutiny for consideration, review and comment.

- 3.2 The attached report to the Executive Board sets out the Initial Budget Proposals for 2020/21, set within the context of the:
- The Medium Term Financial Strategy (approved by Executive Board in July 2019);
 - The Revenue Budget Update report for 2020/21-2024/25 (received at Executive Board in October 2019);
 - The Technical Consultation in respect of the 2020/21 Local Government Finance settlement; and,
 - Proposed budget savings proposals to bridge the estimated budget gap for 2020/21
- 3.3 The proposals are submitted to Scrutiny for consideration, review and comment; and the Scrutiny Board (Infrastructure, Investment and Inclusive Growth) is asked to consider matters and proposals relating to service areas that fall within its remit. Other Scrutiny Boards will be considering elements of the budget proposals relevant to their terms of reference.
- 3.4 Any comments or recommendations made by the Scrutiny Board will be submitted to the Executive Board for consideration at its meeting in February 2019; prior to submission of the proposed budget to full Council on 26th February 2019.
- 3.5 As in previous years, it is intended to produce a summary of the discussion and comments from all Scrutiny Boards in order to make a single submission to Executive Board.
- 3.6 Relevant Executive Members senior officers have been invited to attend the meeting to discuss the attached report and address any issues raised by the Scrutiny Board.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 Consultation is an ongoing process and residents are consulted on many issues during the year. Further to this, it is proposed to consult around the principles and high level proposals in this report through a wider consultation survey. Fuller details are provided in the attached Executive Board report.
- 4.1.2 In addition, in line with the Council's Budget and Policy Framework, the proposals are submitted to Scrutiny for consideration and review.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 The Equality Act 2010 requires the Council to have "due regard" to the need to eliminate unlawful discrimination and promote equality of opportunity. The law requires that the duty to pay "due regard" be demonstrated in the decision making process. Assessing the potential equality impact of proposed changes to policies, procedures and practices is one of the key ways in which public authorities can show "due regard"

- 4.2.2 The proposals within the attached Executive Board report have been screened for relevance to equality, diversity, cohesion and integration and a full strategic analysis and assessment will be undertaken on the 2020/21 Revenue Budget and Council Tax report which will be considered by Executive Board and subsequently by Full Council in February 2020.
- 4.2.3 Fuller details are provided in the attached Executive Board report.

4.3 Council policies and the Best Council Plan

- 4.3.1 The Best Council Plan sets out the Council's ambitions and priorities. The Plan's development and implementation continues to inform, and is informed by, the authority's funding envelope and by staffing and other resources. The current Plan and its proposed update for 2020/21 is therefore aligned with both the Council's Medium-Term Financial Strategy and its annual budget. The proposed Best Council Plan refresh is also presented elsewhere on the Scrutiny Board's meeting agenda.

Climate Emergency

- 4.3.2 In conjunction with inclusive growth and health and wellbeing, the proposed Best Council Plan update report recommends that the climate change emergency becomes the third 'pillar' underpinning the Council's Best City ambition to tackle poverty and reduce inequalities. A specific focus on this emergency aims to embed sustainability considerations into all aspects of the authority's decision-making.
- 4.3.3 As such, whilst there are no implications for the climate emergency resulting from this report, should any specific service and budget proposals that emerge through the development of the Council's 2020/21 Budget create potential climate emergency issues or opportunities, these will be addressed in the final Budget reports to Executive Board and Full Council in February 2020.

4.4 Resources, procurement and value for money

- 4.4.1 All resources, procurement and value for money implications are detailed in the main body of the attached Executive Board report.

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

- 4.5.1 The attached Executive Board report has been produced in compliance with the Council's Budget and Policy Framework. In accordance with this framework, the approved initial budget proposals are submitted to Scrutiny for review and consideration. The outcome of the Boards review, through a collated Scrutiny Board report, will be presented to the February 2020 meeting of Executive Board at which proposals for the 2020/21 budget will be considered prior to submission to Full Council on the 26th February 2020.
- 4.5.2 Fuller legal implications associated with the proposals presented are detailed in the attached Executive Board report.

4.6 Risk management

- 4.6.1 The Council's current and future financial position is subject to a number of risk management processes. Not addressing the financial pressures in a sustainable way is identified as one of the Council's corporate risks, as is the Council's financial

position going into significant deficit in the current year resulting in reserves (actual or projected) being less than the minimum specified by the Council's risk-based reserves policy. Both these risks are subject to regular review

- 4.6.2 Failure to address these issues will ultimately require the Council to consider even more difficult decisions that will have a far greater impact on front-line services including those that support the most vulnerable and thus on our Best Council Plan ambition to tackle poverty and reduce inequalities.
- 4.6.3 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. This risk-based approach will continue to be included in the in-year financial reports presented to Executive Board.
- 4.6.4 Risks identified in relation to specific proposals and their management will be reported to relevant members and officers as required. Specific risks relating to some of the assumptions contained within the initial budget proposals are detailed in the attached Executive Board report.

5. Conclusions

- 5.1 The attached Executive Board presents the Initial Budget Proposals for 2020/21 and the projected budgets for 2021/22 and 2022/23. The proposals need to be seen in the context of significant inherent uncertainty for the Council in respect of future funding and spending assumptions. Specifically the implications of the Government's future spending plans with regard to local government and other areas of the public sector after 2020/21 remain unknown. To compound this uncertainty the Government remains both committed to move to 75% business rate retention nationally and implementing the Fair Funding review of the methodology which determines current funding baselines which are based on an assessment of relative needs and resources. The outcome of both these changes, and the subsequent implications for Leeds, will not be known until the autumn of 2020.
- 5.2 In addition it remains uncertain how the Government intend to fund social care in future years and the implications of the UK leaving the EU are as yet unknown.
- 5.3 As set out in the attached Executive Board report, in determining the initial budget proposal and the forecast position for 2021/22 and 2022/23 a number of assumptions have been made as to the level of resources available to the Council. These assumptions are under constant review to reflect any changes in circumstances or if further information emerges in respect of known risks.
- 5.4 Again, as set out in the attached Executive Board report, the initial budget proposals for 2020/21, subject to finalisation of the detailed proposals in February 2020, will still require savings and additional income of £23.2m to produce a balanced budget.

6. Recommendations

- 6.1 That the Scrutiny Board considers the relevant information within the attached Executive Board report and identifies any specific comments and/or recommendations for consideration by Executive Board as it prepares its final proposals for consideration by full Council in February 2020.

7. Background documents¹

7.1 None

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

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Report of the Chief Officer – Financial Services
Report to Executive Board
Date: 7th January 2020

Subject: Initial Budget Proposals for 2020/21

Are specific electoral wards affected? If relevant, name(s) of ward(s):	☐ Yes	☒ No
Has consultation been carried out?	☐ Yes	☒ No
Are there implications for equality and diversity and cohesion and integration?	☒ Yes	☐ No
Will the decision be open for call-In? Recommendations 16.4 and 16.5 are eligible for call in; 16.1, 16.2 and 16.3 are not eligible.	☒ Yes	☐ No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	☐ Yes	☒ No

Summary

1. Main issues

- The purpose of this report is to both set out the Council's initial budget proposals for 2020/21 and to note the provisional budgets for 2021/22 and 2022/23.
- These budget proposals support the Council's Best City/Best Council ambitions, policies and priorities aimed at tackling poverty and reducing inequalities as set out in the Best Council Plan. (Please refer to the proposals to refresh the Best Council Plan for 2020/21 to 2024/25, elsewhere on today's agenda.)
- These budget proposals are set within the context of the 2020/21 – 2024/25 Medium Term Financial Strategy which was approved by the Executive Board on the 24th July 2019, the Revenue Budget 2020/21-2021/22 update report which was received at Executive Board on the 16th October and the Government's technical consultation in respect of the 2020/21 Local Government Finance Settlement.

- The technical consultation in respect of 2020/21 Local Government Finance settlement provides some certainty with regard to the level of resources available to the Council for the forthcoming financial year only and this has informed the assumptions contained in this report. A letter from MHCLG to the Chief Executive/Chief Finance Officer dated 5th November stated that a provisional settlement will not be possible before the General Election on the 12th December. However the department (MHCLG) “anticipates that the provisional settlement will be a priority for Ministers to consider after the General Election” and that MHCLG will “take all possible steps to ensure that the final settlement aligns with local authority budget setting timetables.” In the meantime local authorities “should take account of the proposals the Government has published in the technical consultation in drawing up draft budgets for next year.” We expect the provisional Settlement in early January 2020 and any announcements following publication of this report will be tabled at the meeting of Executive Board.
- The current financial climate for local government continues to present significant risks to the Council’s priorities and ambitions and this report has been prepared against a background of uncertainty with regard to the Government’s spending plans from April 2021. The Council continues to make every effort possible to protect the front line delivery of services and to avoid large scale compulsory redundancies. It is clear from the size of the estimated budget gap for the period 2020/21 to 2024/25 that was reported to Executive Board in October 2019 that the position is becoming increasingly challenging to manage and therefore it will be increasingly difficult to maintain current levels of service provision without significant changes in the way the Council operates.
- The forecast position for the financial period to March 2023, as referenced in this report, recognises the requirement to make the Council’s budget more financially resilient and sustainable whilst providing increased resources to support demand led services within the Council.
- The headlines from the 2020/21 initial budget proposals, when compared to the 2019/20 budget, are as follows:
 - An increase in the Settlement Funding Assessment (SFA) of £3.1m (1.7%)
 - An increase in council tax of 1.99% together with a further 2% in respect of the Adult Social Care precept and an increase in the council tax base, generating an additional £17.0m of local funding
 - Whilst resources receivable from SFA and council tax have increased pay, price and demand pressures mean that the Council will need to deliver £23.2m of savings by March 2021.
 - This requirement to deliver £23.2m of savings is after the use of £10m from the Council’s general reserve and the application of an additional

£10m in capital receipts which is being used to smooth the impact of Minimum Revenue Provision (MRP) increases.

- An increase in the Council's net revenue budget of £10.2m to £526.8m
- In respect of the Housing Revenue Account, the return to the Government's formula of annual rent increases being no greater than CPI+1% from April 2020 will see rents for all tenants increase by 2.7% in 2020/21 whilst garage rental rates will increase by RPI of 2.4%.
- The North and West Yorkshire 75% Business Rates Retention pilot, of which Leeds City Council is a member, concludes on the 31st March 2020. After the one year Spending Round announced on 4th September 2019, it became clear that 75% Business Rates Retention nationally would be delayed by a further year to 2021/22. As such, pools will return to the rules under 50% retention. Leeds City Council has been successful in submitting an application on behalf of 13 of the members of the current North and West Yorkshire Pool to form a pool operating under the national 50% scheme in 2020/21: the advantage of forming a business rate pool is the retention of levy payments within the region that would otherwise have to be made to Central Government. Leeds City Council were advised of the successful outcome of this application on 19th December. These initial budget proposals recognise that Leeds City Council will be required to make a levy payment in 2020/21 to the new North and West Yorkshire Business Rates Pool.
- From 1st April 2013 to 31st March 2018 Leeds City Council charged a 50% council tax premium on empty dwellings unoccupied for more than two years. The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 permitted councils to increase this premium incrementally from 1st April 2019. In January 2019 Full Council agreed to increase the long term empty premium from 50% to 100%. The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 permits councils to increase the premium for properties that have been empty for at least five years to 200% from 1st April 2020. The proposal to implement this additional premium will be decided by Full Council in January 2020. The estimated Council Tax base used for these initial budget proposals assumes that this additional premium will be implemented.
- In the Autumn Budget 2018 the Chancellor announced new business rates reliefs for small retail businesses with a rateable value of less than £51,000, who will receive a one third reduction in their business rates liability for the two years 2019/20 and 2020/21. These proposals assume local newspaper offices will receive a £1,500 reduction for a further year and public lavatories will by statute now receive 100% business rates relief. Local authorities will be compensated in full by Government for any resultant loss of income.

- In the Spring Budget 2017 the Chancellor announced a four year funding scheme for billing authorities to offer discretionary relief to businesses most impacted by the 2017 Business Rates Revaluation. Billing authorities were obliged to design their own local discount schemes, with Executive Board approving the proposed scheme for Leeds in June 2017. 2020/21 is the final year in which funding will be made available, with the Council able to distribute just under £0.05m in reliefs to businesses and the full cost being met by Government grant. It is proposed that this much reduced level of funding be distributed to childcare businesses in the city, one of the sectors most severely affected by the 2017 Revaluation. Within the remaining funding envelope, up to £500 in relief could be offered to each of these businesses across the city.

2. Best Council Plan Implications

- The Best Council Plan is the Council's strategic plan which sets out its ambitions, outcomes and priorities for the City of Leeds and for the Local Authority. The City ambitions as set out in the Best Council Plan are that the Council, working in partnership, will continue to tackle poverty and inequalities through a combination of strengthening the economy and doing this in a way that is compassionate and caring. Three pillars underpin this vision and these are inclusive growth, health and wellbeing and the climate change emergency which aims to embed sustainability across the Council's decision making. The Authority's internal "Best Council" focus remains on becoming a more efficient, enterprising and healthy organisation.
- The Best Council Plan can only be delivered through a sound understanding of the organisation's longer-term financial sustainability which enables decisions to be made that balance the resource implications of the Council's policies against financial constraints. This is the primary purpose of the Medium Term Financial Strategy which then provides the framework for the determination of Council's annual revenue for which the initial proposals for 2020/21 are contained in this report.

3. Resource Implications

- The financial position as set out in the report to October's Executive Board identified an estimated budget gap of £161.5m for the period 2020/21 – 2024/25 which reflects the requirement to make the Council's revenue budget more financially resilient and sustainable over the medium term whilst at the same time recognising increased demand pressures for the services that we deliver.
- Within the reported position at October a gap of £36.6m was identified for 2020/21 and budget savings proposals to address this position and deliver a balanced budget position are contained within this Initial Budget Proposals report.

Recommendations

- Executive Board is asked to agree the initial budget proposals for 2020/21 and for them to be submitted to Scrutiny and also for the proposals to be used as a basis for wider consultation with stakeholders.
- Executive Board is asked to note the initial budget position for 2021/22 and 2022/23 and to note that savings proposals to address the updated estimated budget gaps of £47.4m and £29.9m for 2021/22 and 2022/23 respectively will be reported to a future meeting of this Board.
- Executive Board is asked to note that the proposal to approve the implementation of an additional Council Tax premium on any dwelling where the empty period is at least five years, from 100% to 200% premium, will be decided by Full Council in January 2020.
- Executive Board is asked to agree that Leeds City Council become a member of the new North and West Yorkshire Business Rates Pool and act as lead authority for it. The establishment of this new Pool will be dependent upon none of the other proposed member authorities choosing to withdraw within the statutory period after designation.
- Executive Board is asked to agree that the final year of Government funding to offer discretionary relief to businesses most impacted by the 2017 Business Rates Revaluation be distributed to childcare businesses in the city.

1. Purpose of report

- 1.1 This report sets out the initial budget proposals for 2020/21, set within the context of the Medium Term Financial Strategy approved by Executive Board in July 2019, the Revenue Budget Update report for 2020/21-2024/25 which was received at Executive Board in October 2019, the Technical Consultation in respect of the 2020/21 Local Government Finance settlement and proposed budget savings proposals to bridge the estimated budget gap for 2020/21.
- 1.2 Subject to the approval of the Executive Board, these initial budget proposals will be submitted to Scrutiny for their consideration and review, with the outcome of their deliberations to be reported to the planned meeting of this board on the 12th February 2020. These budget proposals will also be made available to other stakeholders as part of a wider and continuing process of engagement and consultation.

- 1.3 This report also provides an update on the provisional budgets for 2021/22 and 2022/23 and the Executive Board are asked to note these revised positions.
- 1.4 In accordance with the Council's budget and policy framework, decisions as to the Council's budget are reserved to Full Council. As such, the recommendations in paragraphs 16.1 to 16.3 are not subject to call in as the budget is a matter that will ultimately be determined by Full Council.
- 1.5 However the recommendations in paragraphs 16.4 and 16.5, regarding the Council's participation in the 2020/21 50% Business Rates Pool and the distribution of discretionary business rate reliefs are decisions of the Executive Board and as such are subject to call-in.

2. The national context and Autumn budget

- 2.1. The economic context in which public spending must be considered continues to be very much dominated by the debate concerning the impact of the EU referendum and the strength and resilience of the national economy. The Chancellor announced the results of the Government's Spending Review on 4th September. This is to cover the financial year 2020/21 only. A full multi-year spending review will be conducted in 2020 for capital and resource budgets beyond 2020/21. The multi-year review will take into account the nature of Brexit and set out further plans for long-term reform.
- 2.2. The headline announcements in the Spending Review 2019 are outlined below and the implications for Leeds detailed in sections 4 to 7 below:
- No Government Department to face cuts to its day to day budget, each will increase at least in line with inflation.
 - In 2020/21 there will be a £13.4 billion increase in total public spending: £11.7 billion in revenue DEL and £1.7 billion in capital DEL.
 - Assumption that the core council tax increase is limited to 2%, this position to be consulted on as part of the Provisional Settlement (now expected in late December or early January).
 - Within his speech, the Chancellor announced that councils will "have access to new funding of £1.5 billion for social care next year, on top of the existing £2.5 billion social care grants". These existing social care grants are Improved Better Care Fund, Winter Pressures Grant and Social Care Support Grant. The new funding is comprised of £1 billion additional social care funding. In addition Government are expecting to consult on an additional 2% Adult Social Care precept, which could generate a further £0.5 billion funding nationally.
 - Confirmation that local authorities will receive additional resources through a real terms increase in the Public Health Grant and through

the NHS contribution to adult social care through the Better Care Fund.

- Business Rates baseline will increase with inflation.
- No changes to New Homes Bonus.
- The settlement includes continued funding for the Northern Powerhouse and Midlands Engine.
- The Troubled Families Programme will have its funding continued.
- An additional £54 million for homelessness/rough sleeping funding taking the total to £422 million next year.
- Confirming £3.6 billion new Towns Fund.
- Integration Areas Programme to receive an additional £10 million funding for English as a second language provision.
- Schools: pledged funding increase of £7.1 billion by 2022/23.
- Day to day funding for every school rising by at least inflation and pupil numbers. Secondary schools will receive a minimum of £5,000 per pupil, every primary at least £3,750 rising to at least £4,000 in the following year.
- The additional schools funding includes over £700 million for special educational needs (SEN), paid through DSG.
- The government will also increase early years spending by £66 million to increase the hourly rate paid to childcare providers through the government's free hours offer.
- Also an additional £400 million in 2020/21 for Further Education, increasing core funding and supporting targeted interventions.

2.3. The 2019 Autumn Budget was due to be announced on the 6th November 2019. Following the announcement of the General Election on the 12th December, it was made clear that the Autumn Budget would not be held until after the Election. Although no date has been specified at the time of writing this report, indications are that the next Budget will be held in February 2020.

2.4. Further, a letter from MHCLG to the Chief Executive/Chief Finance Officer dated 5th November stated that a provisional settlement would not be possible before the General Election on the 12th December. However the department (MHCLG) "anticipates that the provisional settlement will be a priority for Ministers to consider after the General Election" and that MHCLG will "take all possible steps to ensure that the final settlement aligns with local authority budget setting timetables." In the meantime local authorities "should take account of the proposals the Government has published in the technical consultation in drawing up draft budgets for next year." We expect the provisional Settlement in early January 2020.

- 2.5. As such these initial budget proposals are based on the announcements made during the 2019 Spending Review, referenced above, and the Local Government Finance Settlement Technical Consultation, discussed in more detail later in this report.
- 2.6. Following the postponement of the Budget, the Office for Budget Responsibility (OBR) was minded to publish a restated version of their March 2019 public finance forecast, incorporating subsequent ONS classification and other statistical changes. The OBR later announced that it was no longer possible to do this as it would not be consistent with the Cabinet Office's General Election Guidance.
- 2.7. Consequently, the following statistical forecasts are based on the most recent OBR release in March 2019:
- Economic growth is forecast to be 1.4% of GDP in 2020/21, this is slightly higher than the forecast for 2019/20 but significantly lower than earlier statistical forecast releases. The OBR identify Brexit uncertainty and a global slowdown, especially in Europe, as the main reasons for this forecast slowdown in the UK.
 - Longer term forecasts for growth, assuming an orderly exit of the UK from the European Union, returns to, or improves on, previous forecasts as the economy bounces back from the current uncertainty.
 - Borrowing continues to be forecast to fall in every financial year to £13.5 billion in 2023/24. This is a significantly lower deficit than forecast in the Budget in October 2018 following continued higher than expected tax revenues over the last six months.
 - National debt as a share of GDP is falling more quickly than forecast in the October Budget, continuing a pattern that has established over the last four fiscal events. In the 2019 Spring Statement the Chancellor commented that this allowed more headroom within the Government's fiscal rules, for the Autumn Budget and spending, but stressed that this was in the context of an orderly Brexit.
 - Public Sector Current Expenditure (PSCE) is forecast to be slightly higher in 2020/21 than was forecast in the Autumn Budget in October 2018. Again, the Chancellor noted that additional funding would be available if the UK had an orderly Brexit.
- 2.8. Average earnings are expected to grow by 2.5% in 2019, rising to 2.8% in 2020 and 3.0% in 2021. The forecast fall from 2.8% in 2018 to 2.5% in 2019 reflected the impact of Government policy in the main, including the Apprentice Levy and continued pension auto-enrolment.
- 2.9. Having averaged 1.8% in the second quarter of 2019, CPI inflation is forecast to rise slightly to 1.9% and 2.0% respectively in 2020 and 2021.

- 2.10. At the time of announcement, all of these forecasts were based on there being a Brexit deal, and the OBR has previously stated that “a disorderly [Brexit] could have severe short-term implications for the economy, the exchange rate, asset prices and the public finances”¹. It is within this economic context that the initial budget proposals for 2020/21 need to be considered.
- 2.11. The 2019 Indices of Multiple Deprivation (IMD) were released in late September (IMD), following the previous 2015 update. The IMD is the official measure of relative deprivation in England and ranks each Lower Super Output Area (LSOA: a small area with a population of around 1,500 people) from the most deprived (1) to least deprived (32,844). The ranking is based on 39 separate indicators organised across seven distinct domains of deprivation, which are combined and weighted to calculate the overall IMD. Key headlines for Leeds include:
- 24% of Leeds’ LSOAs now fall within the most deprived 10% nationally, compared with 22% in 2015 which highlights some increase in relative deprivation.
 - Leeds ranks 33 out of 317 (where 1 is most deprived and 317 is least deprived) local authorities when looking at proportions of LSOAs in the most deprived 10% nationally.
 - The most deprived areas are concentrated in the inner east and inner south of the city.
 - 12 LSOAs in Leeds have been ranked in the most deprived 1% nationally which compares to 16 in 2015.
- 2.12. In December 2017, the Government launched its Fair Funding Review of Local Government finance, to refresh the methodology on which local authority needs and resources are assessed and levels of government funding are determined. It was initially intended that this new methodology would be in place by 2020/21, but this has been delayed pending the expected multi-year Spending Review in 2020.
- 2.13. In the context of budget setting and financial planning this increase in relative deprivation is significant as deprivation will be reflected to a greater or lesser extent in the Fair Funding formula being developed. Consultation regarding the new funding formula and the extent to which deprivation will be reflected is ongoing. These budget proposals do not currently assume any impact of the increase in relative deprivation as sufficient detail is not yet known.

¹ OBR, Economic and Fiscal Outlook – October 2018, p7, para 1.12

3. **Developing the 2020/21 Budget and Medium Term Financial Strategy with the refreshed 2019/20-2020/21 Best Council Plan.**
- 3.1. Between the 2010/11 and 2019/20 budgets, the Council's core funding from Government has reduced by around £266m. Additionally the Council has faced significant demand-led cost pressures, especially within Adult Social Care and Children's Services. To date, the Council has responded successfully to the challenge since 2010 through a combination of stimulating good economic growth, creatively managing demand for services, increasing traded and commercial income, growing council tax from new properties and a significant programme of organisational efficiencies, including reducing staffing levels by 3,045 or 2,319 FTEs.
- 3.2. Through targeting resources into preventative services the Council has ensured that the implications of demand and demographic pressures that have resulted in significant cost pressures in other local authorities have been contained within Leeds. This is reflected in comparative levels of spend which reflect the fact that for final quarter of 2018/19 Leeds had 25 people registered in Temporary Accommodation whilst Birmingham and Manchester had 2447 and 1971 respectively. Similarly for the same period Leeds didn't have anybody in Bed and Breakfast whilst Birmingham and Manchester had 364 and 173 respectively. The Children Looked After (CLA) rate per 10,000 in Leeds has reduced significantly in the past few years although the rate has remained constant for the last two years. Leeds benchmarks favourably against most Core Cities and our Regional and Statistical neighbours. This position with CLA has been achieved in the context of significant demographic growth in Leeds, particularly in the more deprived areas of the city.
- 3.3. In February 2019, Council approved the 2019/20 – 2020/2021 Best Council Plan and the supporting budget for 2019/20. The Best Council Plan is the Council's strategic planning document and sets the context and policy direction against which the budget and Medium Term Financial Strategy are developed. The policy direction is clearly explained in the 2019/20 Best Council Plan: with an overarching vision of reducing poverty and tackling inequalities, the authority's "Best City" ambition is articulated around having a strong economy and being a compassionate city; the "Best" Council ambition being to be an efficient, enterprising and healthy organisation.
- 3.4. Inevitably, managing the large reduction in Government funding (which has reduced by £266m between 2010/11 and 2019/20), combined with increasing cost pressures has meant that the Council has had to make some difficult decisions around the level and quality of services that it delivers. However, as signposted in the Council's Medium Term Financial Strategy 2020/21 – 2024/25 and the Revenue Budget Update for 2020/21 to 2024/25 report to October's Executive Board, it will become increasingly difficult over the coming years to identify further financial savings without significant changes in what the Council does and how it does it. This will have significant implications for directly provided services and those commissioned by the Local Authority, impacting upon staff, partners and

service users. In order to deliver the Council's ambitions of tackling poverty and reducing inequalities, consideration may have to be given to stopping, delivering differently or charging for those services that are no longer affordable and are a lesser priority than others. This will be achieved through a continuing process of policy and service reviews across the Council's functions and ongoing consultation and engagement.

4. **Estimating the net revenue budget for 2020/21**

4.1. **Settlement Funding Assessment – increase of £3.1m**

- 4.1.1. Settlement Funding Assessment is essentially the aggregate of core government grant and business rate baseline funding for a local authority. 2019/20 is the final year of a 4-year funding settlement for the period 2016/17 to 2019/20.
- 4.1.2. During 2019/20 councils expected to be notified of a further, multi-year, spending review. However, following the ongoing delays to Brexit, a one-year Spending Round was announced on 4th September 2019, with a full multi-year spending review to be conducted in 2020 for capital and resource budgets beyond 2020/21. The review will take into account the nature of Brexit and set out further plans for long-term reform.
- 4.1.3. Table 1 below sets out the Council's estimated Settlement Funding Assessment for 2020/21, which is based on an assessment of what the Council may expect to receive from the Spending Round 2019 announcements and Technical Consultation proposals for 2020/21. This represents a small increase of £3.1m compared to 2019/20 which is equivalent to a 1.7% increase. Nationally, the Government has decided that the SFA will be uprated in line with the change in CPI. The total, national, change in SFA between 2019/20 and 2020/21 will not be known until the publication of the Provisional Financial Settlement but it is estimated to be in the order of a £271m increase across England.

Table 1 – Settlement Funding Assessment

	2019/20	2020/21	Change	
	£m	£m	£m	%
Revenue Support Grant	0.0	28.2	28.2	
Business Rates Baseline Funding	183.7	158.5	(25.1)	
Settlement Funding Assessment	183.7	186.8	3.1	1.7

- 4.1.4. The business rates element of the Settlement Funding Assessment is determined by taking the 2019/20 baseline business rates amount and uplifting it by inflation. This has then been adjusted to allow for the assumed move from 75% retention to 50% retention and the associated

tariff payment due to Government. The business rates baseline continues to be uplifted by CPI, rather than RPI, for which Local Authorities receive full compensation.

- 4.1.5. In addition to general grant, there are a number of other funding streams that make up the settlement funding assessment. It is currently assumed that these will roll forward at 2019/20 levels. If necessary this assumption will be updated following publication of the Provisional Financial Settlement. These funding streams include early intervention, homelessness prevention, lead local flood authorities and learning disability & health reform funding.

Table 2 - Breakdown of the Settlement Funding Assessment

	2019/20	2020/21	Change
	£m	£m	£m
Settlement Funding Assessment	183.66	186.78	3.12
<i>Which includes:</i>			
Council tax freeze grant 2011/12	6.64	6.64	0.00
Council tax freeze grant 2013/14	2.77	2.77	0.00
Early intervention grant	13.73	13.73	0.00
Preventing homelessness	0.86	0.86	0.00
Lead local flood authority grant	0.24	0.24	0.00
Learning disability & health reform grant	11.46	11.46	0.00
Local welfare provision	2.59	2.59	0.00
Care act funding	6.62	6.62	0.00
Sustainable drainage systems	0.02	0.02	0.00
Carbon monoxide & fire alarm grant	0.00	0.00	0.00

4.2. Business Rate Retention

- 4.2.1. Leeds has the most diverse economy of all the UK's main employment centres and has seen the fastest rate of private sector jobs growth of any UK city in recent years. Yet this apparent growth in the economy has not translated into business rate growth; in fact the income from business rates available to the Council declined from 2015/16 to 2017/18, only returning to 2014/15 levels in 2018/19 with the introduction of the 100% retention pilot.
- 4.2.2. The total projected rateable value of businesses in Leeds is £939.3m which would generate gross business rates income of £468.7m. Further business rates growth anticipated in 2020/21 increases gross business rates collectable to £473.9m. However, as shown in Table 3, the impact of a range of business rate reliefs (see paragraph 4.3 below) and statutory adjustments reduces this to a net income figure of £376.9m.
- 4.2.3. Under the projected 50% Business Rates Retention (BRR) scheme, Leeds City Council's share of this income is £184.69 (49%). The Authority then pays a tariff of £14.37m to Government because Leeds is assessed to generate more business rates income than it needs and must also meet its

share of the business rates deficit created in 2019/20, a further £5.6m. This leaves net income of £164.7m which contributes to the Council's net revenue budget.

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

	£
Rateable Value in Leeds projected to 31 December 2019	939.26
multiplied by business rates multiplier	0.499
Gross business rates based on projected rateable value	468.69
Estimated Growth	5.19
equals gross business rates to be collected in Leeds	473.88
less: -	
Uprated Mandatory Reliefs	-70.68
Uprated Discretionary Reliefs	-7.28
Transitional Adjustments (year 3)	3.33
equals net business rates paid by ratepayers	399.25
less adjustments for: -	
Bad debts and appeals	-16.52
Cost of collection	-1.23
Projected Enterprise Zone and renewable energy projects yield	-1.26
Transitional Adjustments repaid to Government	-3.33
equals non-domestic rating income in Leeds	376.92
Split into shares: -	
Leeds City Council (49%)	184.69
<i>West Yorkshire Fire Authority (1%)</i>	<i>3.77</i>
<i>Central Government (50%)</i>	<i>188.46</i>
less deductions from operation of business rates retention scheme: -	
Leeds City Council's tariff from Local Government Finance Settlement	-14.37
Leeds City Council's share of deficit from 2019-20	-5.60
Leeds City Council 's 2020/21 income from business rates	164.72

- 4.2.4. As shown above, business rates income is shared between local and central government. Under the 50% Business Rates Retention scheme local authorities experiencing business rates growth are able to retain 49% of that growth locally, but also bear 49% of the risk if business rates fall or fail to keep pace with inflation, although a safety-net mechanism is in place to limit losses in year.
- 4.2.5. In particular, BRR exposes local authorities to risk from reductions in rateable values. The system allows appeals if ratepayers think rateable values have been wrongly assessed or that local circumstances have changed. One major issue is that successful appeals are usually backdated to the start of the relevant valuation list, which means that for every £1 of rateable value lost on the 2010 list growth of £6 would be necessary to fund the cost. At the end of October 2019 there were around 1,100 outstanding appeals against the 2010 ratings list in Leeds.
- 4.2.6. A new rating list, primarily based on rental values in 2015, was introduced on 1st April 2017. This ratings list should be more accurate than the previous 2010 list which was based on rental values in 2008, just before the

'financial & economic crisis'. Further, appeals submitted against this new list can only be backdated to 1st April 2017. This, together with the impact of the new 'check, challenge, appeal' appeals process also introduced on 1st April 2017, should reduce business rate appeals and volatility going forward. At the end of October 2019, the Council has received 2553 checks and challenges against the 2017 ratings list, with 436 of these remaining outstanding. Whilst a number of amendments have been made as a result of these earlier stages, only 2 cases have so far reached the final 'appeal' stage from the Leeds area and are awaiting determination by the Valuation Tribunal.

- 4.2.7. Since 2013/14 the total amount repaid by way of business rate appeals is £150.7m, at a cost to the Council's general fund of £79.6m. The provision for business rate appeals within the collection fund has been reviewed and recalculated to recognise new appeals and the settlement of existing appeals, and the 2020/21 initial budget proposals provide for an additional £6.0m contribution from the general fund to fund this provision.

4.3. Small Business Rates Relief and other mandatory reliefs

- 4.3.1. From April 2017, Government increased the rateable value threshold for small businesses from £6,000 to £12,000 and the threshold above which businesses pay the higher national business rates multiplier from £18,000 to £51,000. As a result an additional 3,300 small businesses in Leeds immediately paid no business rates at all and in total almost 12,600, about 40%, of business properties in Leeds will pay no business rates in 2020/21. Of these businesses just over 9,500 receive 100% Small Business Rates Relief. Whilst Small Business Rates Relief and other threshold changes reduce the business rates income available to Leeds, the Authority recovers 69.1% of the cost of the relief through Government grant. A fixed grant of £1.2m is paid by the Government for the changes to the multiplier threshold and a further £9.0m is recovered through the ratepayers in more valuable properties who still pay rates based on the higher business rates multiplier. The overall proportion any individual authority recovers depends on the mix of large and small businesses in that area.
- 4.3.2. Unlike Small Business Rates Relief, in 2020/21 Leeds will bear 49% of the cost of other mandatory business rate reliefs such as mandatory charity relief and empty rate relief, but has no control over entitlement and no powers to deal with their use in business rates avoidance. Costs of mandatory reliefs have increased significantly since the introduction of BRR, further reducing Leeds's retained business rates income: in real terms mandatory charity relief alone has increased by almost 30%, from approximately £21.9m in 2012/13 to £28.2m in 2019/20, costing the Council an estimated £4.6m more in lost income under 75% retention in 2019/20.
- 4.3.3. In the Autumn Budget 2018 the Chancellor announced new business rates reliefs for small retail businesses, particularly focussing on the High Street. Eligible businesses with a rateable value of less than £51,000 receive a reduction in their liability for business rates of a third in 2019/20 and

2020/21. It is assumed that local newspaper offices will continue to receive a £1,500 reduction for a further year and that public lavatories receive a new statutory 100% relief against business rates. Local authorities receive a government grant to compensate them for any resultant loss of income.

- 4.3.4. In the Spring Budget 2017 the Chancellor announced funding for billing authorities to offer discretionary relief to businesses most impacted by the 2017 Revaluation. Billing authorities were obliged to design their own local discount schemes in order to receive this funding over four years. In June 2017 Executive Board approved the proposed four year scheme in Leeds and 2020/21 will be the last year additional funding will be made available. The Council will be able to distribute just under £0.05m in reliefs to businesses in the city with the full cost to the Council of awarding these reliefs being met by Government grant. It is proposed that this much reduced level of funding be distributed to childcare businesses in the city, one of the sectors most severely affected by the 2017 Revaluation. Within the remaining funding envelope up to £500 in relief could be offered to these businesses across the city.

4.4. **Business Rate Retention and the Initial Budget Proposals**

- 4.4.1. In terms of the initial budget proposals, it is estimated that the local share of business rates funding in 2020/21 will be £184.7m, as set out in Table 3 above. As per Table 4 below, the initial budget proposals recognise business rate growth above the baseline of £11.8m, a decrease of £5.0m from the 2019/20 budget. Whilst this is a significant decrease (29.8%), this is due to the assumed move from 75% Business Rates Retention in 2019/20 to 50% Business Rates Retention in 2020/21.

Table 4 – Business Rates, Estimated Growth above the Baseline

	2019/20	2020/21	Change
	£m	£m	£m
Business rates local share	273.55	184.69	(88.86)
Less: business rates baseline	256.77	172.91	(83.86)
Growth above baseline	16.78	11.78	(5.00)

- 4.4.2. The £184.7m local share of business rates funding is then reduced by a £14.4m tariff payment and £5.6m deficit on the collection fund to give the £164.7m estimated business rates funding shown in Table 5 below.

4.4.3. Comparing the £164.7m of business rates funding against the £158.5m business rates baseline (Government's assessment of what it expects a local authority to collect before any local growth is taken into account) produces a surplus of £6.2m which is a £10.0m net deterioration against the budgeted surplus in the 2019/20 financial year. Contained within this £10.0m net deterioration is a £5.0m increase in the budgeted deficit (£0.6m in 2019/20 and £5.6m in 2018/19), and a £5.0m reduction in

retained growth because of the move from 75% retention to 50% retention.

Table 5 – Business Rates Retention 2019/20 & 2020/21

	2019/20 £m	2020/21 £m
Business rates baseline (including tariff)	183.7	158.5
Projected growth above the baseline to March	12.8	9.2
Estimated growth in the year	3.9	2.5
Total estimated growth	16.8	11.8
Estimated provision for appeals	(1.0)	(6.0)
Additional cost of transitional arrangements and provision for bad debts	0.3	0.4
Estimated year-end Collection Fund deficit (Leeds Share)	(0.6)	(5.6)
Estimated Business Rates Funding	199.8	164.7
Increase/(reduction) against the Business Rates baseline	16.2	6.2
Business Rates Retention - Variance in General Fund Income		(10.0)

- 4.4.4. The Council, as a member of the North & West Yorkshire Business Rates Pool, is piloting 75% Business Rates Retention in 2019/20 for one year only. The Council has submitted a bid on behalf of North and West Yorkshire Authorities to become a 50% retention Business Rates Pool in 2020/21 because this means levy payments that would otherwise be paid to central government will instead be retained within the region. Leeds City Council were advised that this application was successful on the 19th December. Paragraph 4.5 of these initial budget proposals reflects this successful outcome.
- 4.5. **North and West Yorkshire application to pool 50% Business Rate Retention**
- 4.5.1. In December 2018, Government announced that a joint North and West Yorkshire Business Rates Pool bid to pilot 75% Business Rates Retention in 2019/20 had been successful. The North and West Yorkshire Pool (NWY Pool) was established on the 1st April 2019.
- 4.5.2. On the 4th September 2019, the Chancellor of the Exchequer announced the Spending Round 2019, for the financial year 2020/21. The announcement clarified that 75% Business Rates Retention nationally would be delayed by a year to 2021/22.
- 4.5.3. Following this announcement and discussions with MHCLG (Ministry of Housing, Communities and Local Government) it is understood that business rates retention pilots at 75% were for one year only and therefore will not roll forward to 2020/21. As a result these pools will return to the rules governing 50% retention. However this appears to exclude the original 'Devo areas' (areas with devolution deals and elected mayors) who will continue to retain 100% of business rates.

- 4.5.4. Following discussions with NWY Pool member authorities, 13 of the 14 original member authorities agreed to submit an application for a business rates pool. Due to the legislation surrounding the designation of business rates pools, this process included requesting the revocation of the existing 2019/20 North and West Yorkshire Pool and the designation of a new North and West Yorkshire Pool for 2020/21. This application was submitted on the 25th October 2019 and we were informed that it had been successful on the 19th December.
- 4.5.5. Under the 50% scheme the advantage of forming a business rate pool will only be the retention of levy payments within the region that would otherwise have to be made to central government. Whilst this is significantly below the financial gain from 75% retention, we estimate the gains to the region would be around £9.6 million if such a pool was granted. Leeds City Council's financial commitment would be in the region of £2.0 million, whether as a levy to the Pool or to Central Government. These initial budget proposals recognise that Leeds City Council will be required to make a levy payment in 2020/21.
- 4.5.6. The application itself is not binding. Any member of the proposed pilot Pool will still be able to withdraw during the statutory 28 day window after Government designates the new pilot Pool, as set out in the Local Government Finance Act 2012. It must be noted however that, should any member withdraw, not only would the pilot Pool be revoked but there would be no opportunity to fall back on existing pooling arrangements.
- 4.5.7. This report asks Executive Board to agree that Leeds should become a member of this new Business Rates Pool and should act as lead authority for it. Notwithstanding this decision, the continuation of the Pool will be dependent upon none of the other member authorities choosing to withdraw within the statutory period after designation.

4.6. **Council Tax**

- 4.6.1. The 2019/20 budget was supported by a 3.99% increase in the level of council tax, 1% of which was attributable to the adult social care precept. Leeds council tax remains the 2nd lowest of the English core cities and mid-point of the West Yorkshire districts, as detailed in Table 6.
- 4.6.2. Government provided funding for the on-going effect of previous council tax freezes up to 2015/16. The Council accepted council tax freeze grant for the years 2011/12 to 2013/14. As a result government funding of £9.4m was built into the Council's 2015/16 settlement.

Table 6 – 2019/20 Council Tax Levels (Figures include Police and Fire Precepts)

Core Cities	Band D £:p	West Yorkshire Districts	Band D £:p
Nottingham	2,038.06	Kirklees	1,761.13
Bristol	1,982.11	Calderdale	1,740.50
Liverpool	1,949.87	Leeds	1,644.90
Newcastle	1,860.03	Wakefield	1,635.97
Sheffield	1,826.47	Bradford	1,624.61
Manchester	1,646.02		
Leeds	1,644.90		
Birmingham	1,594.00		

- 4.6.3. The 2020/21 initial budget proposals recognise £4.2m of additional income from increases to the Council Tax base (3,166 band D equivalent properties) but also an increase in the deficit on the collection fund of £0.3m (a budgeted £1.1m collection fund deficit in 2019/20 increasing to an estimated deficit on the collection fund of £1.4m in 2020/21).
- 4.6.4. Under section 11B of the Local Government Finance Act 1992, from 1st April 2013 to 31st March 2019 Leeds City Council charged a 50% council tax premium on empty dwellings that have been unoccupied for more than two years. The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018, which received Royal Assent on 1st November 2018, permitted councils to increase this premium on dwellings unoccupied for more than two years to 100% from 1st April 2019. In respect of the financial year 2020/21, from 1st April 2020 the Act permitted that from this date the maximum premium is 200% in respect of any dwelling where the empty period is at least 5 years. Additionally, from 2021 the maximum premium is 300% in respect of any dwelling where the empty period is at least 10 years. A final decision on whether to implement the second year of this additional premium, specifically, to charge a 200% premium on any dwelling where the empty period is at least 5 years, will be made by Full Council as part of their decision on the Council Tax base in January 2020. The estimated change in the Council Tax base for these initial budget proposals assumes that this additional premium will be implemented.
- 4.6.5. Following an increase in 2018/19, in 2019/20 Government maintained the limit of council tax increases at up to but not including 3%, above which a Local Authority must seek approval through a local referendum. Whilst the referendum ceiling for 2020/21 has yet to be announced, the 2019 Spending Review and the Technical Consultation on the 2020/21 Local Government Finance Settlement indicates that the limit is likely to reduce to 2% in 2020/21, and this assumption is reflected in these initial budget

proposals. Subject to this confirmation, it is proposed that core council tax is increased by 1.99%, although a final decision on this matter will be taken by Full Council.

- 4.6.6. In the Spending Round 2019, the Chancellor of the Exchequer announced an adult social care precept of 2% on top of the core principle of up to 2%. In the absence of an Autumn Budget, this was further confirmed in the Technical Consultation for the Local Government Finance Settlement 2020/21. This increase for adult social care is further to the additional flexibility given in the 2017/18 Provisional Local Government Finance Settlement, permitting local authorities to increase council tax by up to an additional 3% each year between 2017/18 and 2019/20 specifically to fund adult social care services, with the maximum total increase in these three years not exceeding 6%. Leeds City Council maximised the funding made available over the three years from 2017/18 to 2019/20. In respect of the Spending Round 2019, the initial budget proposals for 2020/21 include an increase of 2% in this regard.
- 4.6.7. Table 7 sets out the estimated total council tax income in 2020/21, recognising the £4.4m estimated increase in the council tax base and the £1.4m estimated deficit on the collection fund together with £6.4m of additional income generated from the Adult Social Care precept and the general £6.4m increase in the council tax rate. In total the level of Council Tax receivable by the Council in 2020/21 will increase by £17.0m when compared to that receivable in 2019/20.

Table 7 – Estimated Council Tax Income in 2020/21

	2019/20 Baseline £m	2020/21 Forecast £m
Previous year council tax funding	301.7	316.8
Change in tax base - increase / (decrease)	4.4	4.4
Increase in council tax level	9.0	6.4
Adult Social Care precept	3.1	6.4
Council Tax Funding before surplus/(deficit)	318.2	334.1
Surplus/(Deficit) 2018/19	0.2	
Surplus/(Deficit) 2019/20	(1.1)	(1.1)
Surplus/(Deficit) 2020/21		(1.4)
Change in collection fund contribution - increase/(decrease)	(1.4)	(0.3)
Total - Council Tax Funding	316.8	333.8
Increase from previous year		17.0

The Settlement Funding Assessment includes an element to compensate parish and town councils for losses to their council tax bases arising as a result of local council tax support (LCTS). As this amount is not separately identifiable it is proposed, as in previous years, that LCTS grant should be pro-rated in line with the assumptions for Leeds's overall change in the Settlement Funding Assessment, an increase of 1.7% for 2020/21 from £64.6k to £65.7k.

4.7. Adult Social Care Precept and Grant Income

- 4.7.1. The initial budget proposals for 2020/21 also reflect additional grant monies made available by Government for social care. Together the precept and a share of the new Social Care Grant announced in the 2019 Spending Review allocated to adult social care, as referenced in paragraph 5.2.2, will be utilised to fund a range of adult social care pressures and priorities.
- 4.7.2. Specifically pressures within the Adult Social Care service including the cost of the pay award for 2020/21 and relating to commissioned care services, cost pressures associated with demand including demography, demand led pressures such as inflation, the cost of the national living wage and resourcing further development towards implementing the Ethical Care Charter will cost an additional £14.1m in 2020/21.
- 4.7.3. As discussed above in paragraph 4.6.6, it is proposed that the Leeds element of the council tax is increased by a 2% Adult Social Care precept in 2020/21. The additional £6.6m realised through the Adult Social Care precept along with £7.5m of additional social care grant will be used to fund the £14.1m of pressures outlined in 4.7.2 above.
- 4.7.4. In applying the precept, in 2019/20 Government required Councils to certify that they had increased their council tax in order to fund adult social care services in that year. Based on the format of the certification made in 2019, the 2020/21 initial budget proposals for Adults and Health are consistent with this requirement.
- 4.7.5. Contained within the 2020/21 initial budget proposals outlined in this report, and outside of addressing the cost of demand pressures, the Adults and Health Directorate have identified a number of efficiencies which are expected to deliver savings of £10.4m. These proposals are detailed in Appendix 2.

4.8. The Net Revenue Budget 2020/21

- 4.8.1. After taking into account the anticipated changes to the Settlement Funding Assessment, business rates and council tax, the Council's overall net revenue budget is anticipated to increase by £10.2m or 2.0% from £516.7m to £526.8m, as detailed in Table 8 below and at Appendix 1.

Table 8 – Estimated Net Revenue Budget 2020/21 compared to the 2019/20 Net Revenue Budget

	2019/20 £m	2020/21 £m	Change £m
Revenue Support Grant	0.0	28.2	28.2
Business Rates Baseline	183.7	158.5	(25.1)
Settlement Funding Assessment	183.7	186.8	3.1
Business Rates Growth	16.8	11.8	(5.0)
Business Rates Deficit	(0.6)	(5.6)	(5.0)
Council Tax (incl. Adult Social Care Precept)	318.0	335.3	17.3
Council Tax surplus/(deficit)	(1.1)	(1.4)	(0.3)
Net Revenue Budget	516.7	526.8	10.2

- 4.8.2. Table 9 analyses this £10.2m estimated increase in the net revenue budget between the Settlement Funding Assessment and locally determined funding sources.

Table 9 – Increase in the Funding Envelope

Funding Envelope	2020/21 £m
Government Funding	
Settlement Funding Assessment	3.12
Sub-total Government Funding	3.12
Locally Determined Funding	
Council Tax (incl tax base growth)	17.03
Business Rates	(10.00)
Sub-total Locally Determined Funding	7.03
Increase/(decrease) in the Net Revenue Budget	10.15

5. Initial budget proposals 2020/21

- 5.1. This section provides an overview of the changes in funding, primarily specific grants (paragraph 5.2), and cost increases (paragraphs 6.1 to 6.20) which the Council is facing in 2020/21 and concludes with the savings proposals (paragraphs 7.1 to 7.5) to balance the 2020/21 budget to the estimated available resources. Table 10 provides a high level of summary of these changes:

Table 10 Summary of Changes in Funding, Cost Increases and Savings Proposals

	£m
Funding	
Additional Net Revenue Charge	(10.2)
Other Non-Collection Fund Business Rates Movement	2.0
Increases in Specific Grant	(15.7)
Fall Out of Specific Grant	7.4
Contribution to/from General Reserve	(14.5)
Change in Use of Earmarked Reserves	6.3
	(24.7)
Pressures	
Pressures - Pay Inflation	6.6
Pressures - General Inflation	15.3
Pressures - Other	26.0
	47.9
 Funding and Cost Pressures	 23.2
 Actions to Reduce the Budget Gap	
	£m
Business As Usual	(21.1)
Service Delivery	(1.1)
Workforce	(0.7)
Service Delivery/Workforce	(0.3)
Service Review	(0.1)
	(23.2)

5.2. Decreases/(Increases) in Funding

- 5.2.1. Changes in both the Settlement Funding Assessment (SFA) of (£3.12m) and local funding (£7.03m), a net increase of £10.2m, are detailed in sections 4.1.3, 4.4.3 and 4.6.7 respectively.
- 5.2.2. **Specific Grant Funding Changes – Adults and Health (£8.4m).** The technical consultation in respect of the 2020/21 Local Government Finance Settlement not only set out the Government's intention to protect all social care grants that were receivable in 2019/20, but in addition it referenced an injection of £1 billion of new Social Care grant funding in 2020/21 for adults and children's services. Of this Leeds will receive £13.998m of which £7.5m will be used within adult social care. It is proposed that the application of the grant to adults and children's social care is flexible so that it can be used to target priority areas.
- 5.2.3. In the 2019 spending review the Government outlined its intention for real term increases in the amount it spends on Public Health. Consequently the level of Public Health grant receivable in 2020/21 will increase by £0.9m from £43.1m to £44.0m.

- 5.2.4. **Specific Grant Funding Changes – Children and Families Directorate (£5.2m).** Whilst the residual sum of the Innovation Grant (£1.7m) will no longer be receivable in 2020/21 the services that this grant supported continue to be provided. It is assumed that School Improvement Monitoring and Brokerage Grant will continue to be receivable and that this will increase by £0.4m in 2020/21. As detailed in paragraph 5.2.2 above the Government have announced £1 billion of additional funding for social care. Of the £13.998m receivable by Leeds in 2020/21 £6.5m will be used to support children's social care.
- 5.2.5. **Specific Grant Funding Changes – Communities and Environment £0.1m.** The Housing Benefits and Local Council Tax Support administration grants are expected to reduce by £0.4m, reflecting the continuing reductions in the national quantum of funding allocated to local authorities. This reduction is partially offset by an assumption that £0.1m of additional new burdens funding will be received from the DWP during 2020/21 to compensate local authorities for additional work streams. Following the Prime Minister's announcement in March 2018, parents will no longer have to meet the costs of burials or cremations. The fees will be waived by all local authorities and met instead by a Government Funeral Fund for grieving parents who have lost their child. However, as Leeds City Council had already announced that it would abolish these fees as a part of the 2018/19 approved budget, the assumed level of funding of £0.2m will offset the loss of income already provided for.
- 5.2.6. **Specific Grant Funding Changes – Brexit Grant £0.1m.** In order to support local authorities to prepare for leaving the European Union additional resources have been provided by Government. In 2020/21 it is assumed that the additional £0.1m provided to Leeds will no longer be receivable. A corresponding reduction in the authority's expenditure has also been assumed, so that the impact on the revenue budget will be nil.
- 5.2.7. **Specific Grant Funding Changes – New Homes Bonus £5.2m**
Government introduced the New Homes Bonus in 2011 to encourage housing growth: initially councils received grant for six years for each net additional property added to the tax base each year. This grant is funded by top slicing Revenue Support Grant. In 2016/17 Government made some changes, including gradually reducing the number of years 'legacy payments' are receivable from six to four years and imposing a 0.4% growth baseline on new allocations before any Bonus is paid. In the Technical Consultation for the 2020/21 Local Government Finance Settlement, published in September 2019, the Government proposed that new allocations earned in 2020/21 and paid in 2021/22 would be paid in the first year but not for the following three years as would normally be the case. Leeds accounts for the receipt of this grant in the year in which the housing growth has taken place, with the grant actually received in the following year. As the allocation earned in 2016/17 will also drop out in 2020/21 two years of allocations will no longer form part of the grant in 2020/21, resulting in a shortfall of £5.2m. Since New Homes Bonus is funded by a topslice from local government funding, a 'refund' is assumed,

possibly through an increase to the SFA, but this would not be received until 2021/22 and cannot be accounted for in advance. The initial budget proposals assume that the remaining two years of legacy payments from 2017/18 and 2018/19 will continue to be paid in 2020/21 although the Government has not confirmed this.

5.2.8. Other Non-Collection Fund Business Rates Movements - £2m

Section 31 grants are allocated to local authorities to compensate them for changes made by Government to the business rates system. An authority's allocation depends on the level of business rates yield in that authority's area, the extent to which it awards certain reliefs and its share of any losses resulting from these. These initial budget proposals assume that the Council will return to 50% Business Rates Retention in 2020/21, which will result in a reduction in business rates income as Leeds moves from 75% Retention in 2019/20. Consequently section 31 grant compensation is estimated to reduce by £6.1m in 2020/21. The historic capping of business rates multipliers will continue to be compensated, although this will reduce because of lower retention, and Government has confirmed it will continue to compensate authorities for capping the multiplier at CPI in 2020/21 instead of RPI. The net result is that compensation for under-indexing the multiplier is estimated to increase by £0.05m in 2020/21.

5.2.9. In addition to these movements in section 31 grants, under the 75% Retention pilot in 2019/20 the levy payments that had previously to be paid to the North & West Yorkshire Pool were replaced by a complex scheme of making and receiving contributions to and from the North & West Yorkshire Business Rates Pool resulting in an overall net gain to Leeds estimated at £9.2m compared to 50% Retention. With the return to 50% Retention in 2020/21 the normal levy calculations will apply and, although Leeds will no longer make net contributions to the Pool of £6.0m, the Council will incur a cost of £2.0m for the levy payment.

5.2.10. Overall the return to 50% Retention in 2020/21 represents a reduction in Non-Collection Fund Business Rates income compared to 2019/20 of an estimated **£2.0m**.

5.3. Contributions from the General Reserve – the movement of £14.5m in the use of the general reserve reflects the £10m being used to support the 2020/21 revenue budget and this compares against the budgeted contribution of £4.5m in 2019/20.

5.4. Changes in the use of Earmarked Reserves – the £6.3m change in the use of earmarked reserves reflects a reduction in the contributions from the reserve to fund Schools PFI payments (£1m), the Early Leaver's Initiative Reserve (£2m), Public Health reserves (£0.7m) and the Flexible Homelessness Grant reserve (£0.7m). These initial budget proposals for 2020/21 assume contributions from general balances of (£0.5m) the Wellbeing reserve (£0.2m) and the Waste Management reserve (£0.4m).

- 5.5. **Use of Section 106 balances** – Subject to satisfying any legal requirements contained in the agreement e.g. clawback, Section 106 balances have been used to support the revenue budget. However in order to make the Council's financial position more financially sustainable and resilient it is proposed to reduce by £1.9m the contribution that Section 106 balances make to support the revenue budget. This variation has been included in the £6.3m overall change in the use of earmarked reserves above. Section 106 agreements (based on that section of the 1990 Town & Country Planning Act) are private agreements made between local authorities and developers and can be attached to a planning permission. Through this mechanism contributions can be sought for the costs associated with providing community and social infrastructure the need for which has arisen as a consequence of a new development taking place.
- 5.6. The Initial Budget Proposals provide for the creation of two new reserves – an Innovation Fund and Investment Fund setting aside £1.5m for these purposes. The Investment Fund will focus upon service improvement, service transformation or additional income generation where an additional investment would generate cost reductions or income for the Council. The Innovation Fund will support those more conceptual schemes which need to be developed further. Since not all of these schemes will be successful there will be a requirement for successful schemes to repay the Fund with the aim of it becoming self-financing in the future. The schemes supported by these funds strengthen the Council's longer term resilience.

6. **Projected Cost Increases**

- 6.1. Table 11 summarises the projected cost increases in the 2020/21 initial budget proposals.

6.2. **Table 11 Cost Increases**

	£m
Pay - Leeds City Council	8.7
Wage costs - commissioned services	7.1
Employer's LGPS contribution	(0.9)
Fall-out of capitalised pension costs	(1.3)
Inflation: General	7.5
Inflation: Electricity and Gas Tariffs	0.6
Demand and demography - Adult Social Care	2.0
Demand and demography - Children Looked After	1.4
Demand and demography - Other	0.2
Income pressures	1.8
Migration to Microsoft Cloud	0.8
Transforming Care Programme	0.5
Housing Benefit Overpayment income	0.4
Investment in Climate Emergency	0.3
Other Pressures/Savings	2.6
Debt - external interest / Minimum Revenue Provision	16.0
Cost Increases	47.9

- 6.3. **Inflation** - the initial budget proposals include allowance for £21.9m of net inflation in 2020/21. This includes provision of £8.7m which largely provides for a 2% pay award and for the costs of the Council's minimum pay rate (see paragraph 6.5). The initial budget proposals allow for net price inflation of £7.5m where there is a contractual commitment, but anticipate that the majority of other spending budgets are cash-limited. Specific energy increases for gas and electricity of £0.6m have been incorporated into these initial budget proposals and this additional provision is consistent with projected price increases for both metered and unmetered usage. The budget assumes an inflationary uplift on fees and charges where they can be borne by the market.
- 6.4. **Local government pensions** - the most recent actuarial valuation took place in November 2019 and this showed that the West Yorkshire Pension Fund is in a surplus position. As a result of this position, a reduction in the employer's contribution from the current 16.2% to 15.9% has been assumed in 2020/21. This reduction, yet to be finalised, results in a saving of £0.9m which has been incorporated into these initial budget proposals for 2020/21.
- 6.5. **Leeds City Council minimum pay rate**— at its September 2015 meeting Executive Board agreed that the Council would move towards becoming a Real Living Wage employer. In November 2015 the Living Wage Foundation announced a living wage of £8.25 per hour (outside London) and this was implemented by the Council in January 2017. Since then the Council has maintained its commitment to be a real living wage employer and the initial budget submission provides for further increases in the Leeds City Council minimum wage, which will now rise to £9.36 per hour for employees which is 6p above the recently announced Real Living wage rate of £9.30 per hour. Apprentices and new starters on the Scale Point 1 spinal point will be paid £9.30 per hour for the first year only.
- 6.6. **National Living Wage for commissioned services and the Ethical Care Charter** - in respect of services commissioned from external providers by both Adults and Health and Children and Families directorates, provision of £7.1m has been included and this is consistent with the national minimum wage assumptions for 2020/21. Elements of the Ethical Care Charter, particularly in respect of better terms and conditions including improved rates of pay for care staff, have already been implemented. These initial budget proposals for 2020/21 will permit further developments in this area.
- 6.7. The increased costs associated both with paying our staff the Real Living Wage and ensuring that the services we commission pay their staff the national minimum wage have been resourced by the Council without the receipt of any additional funding from the Government.
- 6.8. The fall out of capitalised pension costs associated with staff who have left the Council under the Early Leaver's Initiative (ELI) will save an estimated £1.3m.

- 6.9. The initial budget proposals recognise the increasing **demography** and consequential **demand pressures** for services in Adults and Health and Children and Families. Within Adults and Health the population growth forecast assumes a steady increase from 2019 in the number of people aged 85-89 between 2020 and 2025. These increases of 2.8%, 2.7%, 1.8%, 2.6% and 1.3% respectively result in additional costs for domiciliary care and placements. In addition, the current Medium Term Financial Strategy reflects the anticipated impact of increasing cash personal budgets through to 2025. The Learning Disability demography is expected to grow by 2.3% (based on ONS data) over the period. It should be noted that the high cost increase in this area of service is primarily a combination of increasingly complex (and costly) packages for those entering adult care, as well as meeting the costs of the increasing need for existing clients whose packages may last a lifetime. A sum of £2m has been built into these Initial Budget Proposals for 2020/21 to deal with this demand and demographic growth.
- 6.10. Children and Families directorate continues to face **demographic and demand pressures** reflecting relatively high birth rates (particularly within the most deprived clusters within the city), increasing inward migration into the city (particularly from BME groups from outside the UK), the increasing population of children & young people with special and very complex needs, greater awareness of the risks of child sexual exploitation, growing expectations of families and carers in terms of services offered and changes in Government legislation, including 'staying put' arrangements that enable young people to remain with their carers up to the age of 21. The initial budget proposals provide £1.4m for the projected growth in the 0-19 population to increase the Children Looked After budget and the transport budget.
- 6.11. Based on assumed housing growth, provision of £0.2m has been made for the increased disposal costs of waste to the RERF.
- 6.12. **Transforming Care** is a national NHS England programme designed to place people with learning difficulties and autism, currently based in a hospital setting, into the community with the right support and close to home. The net impact of this programme is anticipated to be £0.5m in 2020/21.
- 6.13. The Initial Budget Proposals include £1.8m for a number of income variations. Specifically £0.9m provides for a reduction in car parking income resulting from a reduction in car parking spaces in the city centre; a reduction of £0.5m reflects the requirement to more closely align fee income receivable at nurseries to current activity levels; there is a £0.2m reduction in income for the schools catering function reflecting a reduction the number of meals sold and court fee income is projected to fall by £0.1m as a result of fewer prosecutions for non-payment of council tax.
- 6.14. A combination of Microsoft encouraging organisations to move to cloud based services and the end of a three year price fix on all Microsoft product

licences will require an additional payment to Microsoft of £0.8m in 2020/21.

- 6.15. In recent years there has been a decline in the average value of Housing Benefit overpayments which the Council can recover and this is expected to be further impacted upon by the rollout of Universal Credit which is now live in Leeds. The net impact on the 2020/21 budget is estimated to be £0.4m.
- 6.16. A further £0.3m is to be provided to help resource the Council's ambition to increasingly become carbon neutral whilst at the same time address the climate emergency that the Council has declared.
- 6.17. Changes approved at Full Council in 2017 to previous years **Minimum Revenue Provision Policy (MRP)**, based on the fact that MRP had been overprovided for between 2008/09 and 2014/15, enabled the Council to benefit from reduced MRP payments for the three years 2017/18 to 2019/20. However from 2020/21 this position starts to unwind and MRP will increase by £27.6m in this year. In order to smooth the impact of this increase upon the Council's revenue budget, interest rate savings have been realised by taking advantage of falls in the bond markets which has created the opportunity for the Council to convert some of its short term borrowing into longer term borrowing at record low interest rates. By locking in this opportunity the Council will de-risk its exposure to higher rates in the future. In addition it is proposed to utilise an additional £10m of capital receipts to help meet the MRP revenue budget requirement in 2020/21. As a result of interest rate reductions and utilisation of these additional capital receipts, the revenue pressure the impact of MRP has on the 2020/21 budget reduces to £16m.
- 6.18. **Clean Air Zone (CAZ)** – The Council continues to work proactively towards tackling the Climate Emergency in Leeds. One of the key programmes is the Clean Air Zone (CAZ). The zone is anticipated to come into effect in the summer of 2020, however this is contingent on Government systems being delivered on time. An update report will be brought to a future Executive Board in 2020 together with an indication of the projected costs and income associated with the CAZ.
- 6.19. **Selective Licencing** - Members approved the implementation of selective licensing schemes for privately rented residential properties in areas of Beeston and Harehills at Executive Board in July 2019. The planned commencement date is 6th January 2020. The proposed budget for 2020/21 will reflect this decision in terms of additional staffing requirements within the Housing Management function as well as the requirement to budget for licence income. However, the scheme will be cost neutral to the Council as income collected from licences from landlords will be applied to the Council's revenue account over the period of the licence.
- 6.20. **Other Pressures and Savings** - other net budget pressures of £2.6m have been identified for 2020/21. These include:

- The cost of the apprenticeship levy will increase by £0.2m largely due to variations in the number of staff within the Council;
- Additional resources of £0.2m provides for further work to be undertaken with schools to facilitate school improvements.
- An additional £2.1m is provided for delivery of the Council's Waste Strategy and to support implementation of the waste review, with further investment planned for 2021/22;
- Following a revaluation there is an £0.2m NNDR saving at the Arium
- The net effect of other pressures across all Directorates is £0.3m.

7. The Budget Gap – Savings Options - £23.2m

- 7.1. After taking into account the impact of the anticipated changes in funding of £24.7m and cost pressures of £47.9m outlined above, it is forecast that the Council will need to generate savings, efficiencies and additional income to the order of £23.2m in 2020/21 to balance to the anticipated level of resources available.
- 7.2. The requirement to deliver savings of £23.2m needs to be seen in the context of the Council's gross revenue budget of £1,352m (excluding schools and the Housing Revenue Account) and its current net revenue charge of £516.68m. In addition this requirement to make savings needs to be seen in the context of the fact that the Council has delivered over £570m in savings since 2010 in order to address both a reduction of £266m in core funding from the Government and having to provide for pay, price and demand pressures for the services that it provides.
- 7.3. Table 12 summarises the proposed savings to balance the 2020/21 budget with additional detail in the sections below and in Appendix 2. The savings identified fall into one of the following categories:
- **Business as Usual** which are savings proposals that do not require any consultation. They include;
 - o Identification of alternative funding resources to continue with the service
 - o Generation of additional income for the Council without impacting on service users
 - o Improving the efficiency of the service
 - o Cost reduction measures with no impact on service users.
 - **Service Review** which relates to a review of a service to identify options for savings, which will then be considered in accordance with the Council's decision making arrangements.
 - **Service Delivery** which relates to changes in the way that a service is delivered and therefore consultation will be required with service users;

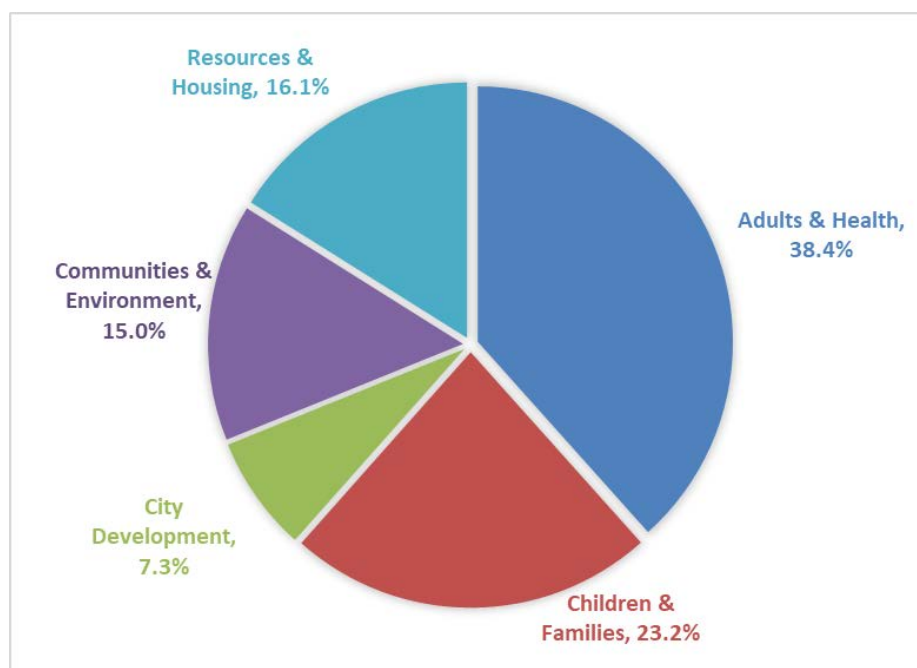
- **Workforce Proposal** which relates to the restructure of a service and consultation with staff will be required;
- **Service Delivery/ Workforce Proposal** budget savings proposals may require consultation with service users **and staff** on options for future service delivery.

Table 12 – Actions to reduce the budget gap

	£m
Business As Usual	(21.1)
Service Delivery	(1.1)
Workforce	(0.7)
Service Delivery/Workforce	(0.3)
Service Review	(0.1)
	(23.2)

- 7.4. In the identification of these savings proposals the Council remains committed to delivering efficiencies in both its own and commissioned operations in all areas of the Council whilst at the same time protecting frontline services and those for the most vulnerable. Savings will largely be realised through a number of Business as Usual proposals that include;
- Organisational design;
 - Continuing demand management through investment in prevention and early intervention particularly in Adult Social Care and Children's Services.
 - Savings across the range of support service functions;
 - Ongoing recruitment and retention management;
 - Closer working between services and across Directorates;
 - Realising savings by cash-limiting and reducing non-essential budgets;
 - Ongoing procurement and purchase savings;
 - Increased income from fees and charges.
- 7.5. Through a combination of the utilisation of reserves and a reduction in expenditure on bus tendered services the levy payment to the West Yorkshire Combined Authority (WYCA) will reduce by £0.67m in 2020/21. The final determination as to how much Leeds will contribute to both WYCA and the WYJSC is subject to a separate approval process.
- 7.6. **Summary Budget By Directorate**
- 7.6.1. The indicative 2020/21 revenue budget for each Directorate resulting from these initial budget proposals is included in Appendix 1b. This shows the incidence of gross expenditure of £1,621m and the net managed budget of £526.8m. The pie chart below shows the proposed share of net managed expenditure between directorates for 2020/21 based on these initial budget proposals.

7.6.2. Share of Net Managed Expenditure 20/21(Proposed)



- 7.6.3. It should be noted that these resource allocations may be subject to amendment as we move through the budget setting process. Net managed expenditure represents the budgets under the control of individual directorates and excludes items such as capital charges, pensions adjustments and allocation of support costs in directorate budgets.

8. Impact of proposals on employees

- 8.1. The Council has operated a voluntary retirement and severance scheme since 2010/11 which has already contributed significantly to the reduction in the workforce of around 2,300 full time equivalents (fte's) or 3,045 headcount to March 2019.
- 8.2. The initial budget proposals outlined in this report provide for an estimated net increase of 76 full time equivalents by 31st March 2021. In the context of future staffing reductions that will be required to meet the estimated revised budget gap of £116.3m for 2021/22 to 2024/25, it is the Council's intention to issue an updated S188 notice in January 2020.
- 8.3. In managing future staff reductions the Council remains committed to doing everything it can to try to avoid compulsory redundancies through natural turnover, continuing the voluntary early leaver scheme, staff flexibility, reviewing and reducing both agency and overtime spend and continuing

the positive consultation and joint working with the trade unions.

9. General Reserve

- 9.1. Under the 2003 Local Government Act, the Council's Statutory Financial Officer is required to make a statement to Council on the adequacy of reserves as a part of the annual budget setting process. It is also good practice for the Authority to have a policy on the level of its general reserve and to ensure that it is monitored and maintained.
- 9.2. The purposes of the general reserve policy are to help longer-term financial stability and mitigate the potential impact of future events or developments which may cause financial difficulty.
- 9.3. The general reserve policy encompasses an assessment of financial risks both within the Medium Term Financial Strategy and also in the annual budget. These risks should include corporate/organisation wide risks and also specific risks within individual directorate and service budgets. This analysis of risks should identify areas of the budget which may be uncertain and a quantification of each "at risk" element. This will represent the scale of any potential overspend or income shortfall and will not necessarily represent the whole of a particular budget heading. Each assessed risk will then be rated and scored in terms of impact and probability.
- 9.4. The initial budget proposals for 2020/21 assume a contribution of £10m from the general reserve and the level of general reserves at 31st March 2021, as set out in Table 13, is projected to be £22.5m.

Table 13 - General Reserve

General Reserve	2019/20	2020/21	2021/22	2022/23
	£m	£m	£m	£m
Brought Forward 1st April	28.0	32.5	22.5	22.5
Change in Incidence of Receipt of Innovation Grant	1.7	0.0	0.0	0.0
Budgeted Contribution/(Use) in-year	2.8	(10.0)	0.0	0.0
Carried Forward 31st March	32.5	22.5	22.5	22.5

- 9.5. Whilst the Council maintains a robust approach towards its management of risk and especially in the determination of the level of reserves that it maintains, it is recognised that our reserves are lower than those of other local authorities of a similar size.
- 9.6. As referenced in the Revenue Budget Update for 2020/21-2024/25 report, received at October's Executive Board, Grant Thornton have issued their "Annual Audit Letter" for the year ended 31st March 2019 in which they note that "the Council has continued to maintain reserves at around 5% of net revenue expenditure" and that with future projections "the level of reserves

may reduce. We recommend there is a need for the Council to consider the adequacy of its reserves going forward.” In accordance with this requirement the Medium Term Financial Strategy which covers the period to March 2025 provides for a £3m contribution to the General Reserve in 2023/24.

- 9.7. Whilst the pressures faced by the Authority continue to make the current financial climate challenging, we will continue to keep the level of the Council's reserves under review to ensure that they are adequate to meet identified risks.

10. Revenue Budget 2021/22 and 2022/23

- 10.1. At its meeting in October 2019 Executive Board agreed the revisions to the Council's forecast budget gap for 2020/21 to 2024/25. The forecast gap was £161.5m of which £52.5m relates to 2020/21 and £31.3m relates to 2022/23. The report received at Executive Board in October recognised that savings would be required to be identified in order that a balanced budget position could be delivered in 2021/22 and 2022/23.
- 10.2. In the context of both the Spending Review from September, the Technical Consultation released in respect of the 2020/21 Local Government Finance Settlement and other variations identified during the determination of these 2020/21 initial budget proposals, the financial projections for 2021/22 and 2022/23 have been refreshed to reflect these latest assumptions. In addition the revised position reflects assumed core council tax increases of 2.99% in each year and no Adult Social Care precept. However it should be stressed that under the Council's constitution the decision to set the council tax base and rate of council tax can only be taken by Full Council and therefore these decisions will continue to be made as part of the Council's annual budget setting process.
- 10.3. The Government's intention is to move to 75% business rate retention from 2021/22. Given the uncertainty about how this will impact on local authority funding, the initial budget for 2021/22 and 2022/23 assumes that any increases in business rates income are offset by a commensurate increase in the business rate tariff paid to the Government so that there is no baseline gain. Similarly the 2021/22 and 2022/23 projection assumes that the impact of any business rates reset and the implications of the outcome of the Government's Fair Funding review, which is expected in the autumn of 2020, is revenue neutral upon the Council with any impacts being addressed through transitional arrangements. For calculating SFA no increases have been assumed for either 2021/22 or 2022/23.
- 10.4. In the determination of the revised financial projections for both 2021/22 and 2022/23 significant areas of uncertainty remain as to the Council's financial position in respect of both funding and spending assumptions, compounded by Brexit and the impact of the result of the General Election held on December 12th. Specifically the implications of the Government's

future spending plans remain unclear, the implications of implementing 75% business rate retention nationally have yet to be finalised by Government, the outcome of the Government's own Fair Funding review won't be known until the autumn of 2020 at the earliest and the future funding arrangements for social care remain unknown.

- 10.5. After taking account of the funding assumptions outlined in 10.2 and 10.3 above and the variation in pressures and savings that have been identified in the determination of the 2020/21 initial budget proposals, the revised positions for 2021/22 and 2022/23 are detailed in Table 14.

Table 14 - Revenue Budget 2021/22 and 2022/23

	2021/22	2022/23
	£m	£m
October Executive Board	52.5	31.3
Revised Pressures since October 2019		
Debt	5.9	(0.4)
Income Pressures	0.1	(0.0)
Other	2.4	1.9
	8.5	1.5
Revised Savings		
	(6.2)	(2.7)
Changes to Funding		
Grants	(9.1)	(0.1)
Reserves	1.7	(0.1)
	(13.6)	(2.9)
Revised Gap	47.4	29.9

- 10.6. As can be seen in Table 14, the estimated budget gap has decreased to £47.4m in 2021/22 and £29.9m in 2022/23 respectively. The use of £10m of capital receipts falls out in 2021/22 but the impact on debt is reduced by a combination of further interest savings resulting from converting short term borrowing to longer term; the impact of a reduction in New Homes Bonus impacting on the 2020/21 budget rather than in 2021/22 as was assumed in the position reported to October's Executive Board; and the full year effect of 2020/21 budget savings plus new proposals for 2021/22 and 2022/23.
- 10.7. The position set out above contains a number of assumptions, as set out in paragraphs 10.2, 10.3 and 10.4 for which updated information would alter the projected financial position and any such changes in these assumptions will be incorporated into an updated Medium Term Financial Strategy that will be presented to a future meeting of this Board.

11. Schools Budget

- 11.1. The Dedicated Schools Grant (DSG) for 2020/21 is funded in four separate blocks for early years, high needs, schools and central schools services.
- 11.2. A new National Funding Formula (NFF) was implemented from April 2018 for high needs, schools and central schools services. The schools formula was initially a “soft” formula to allow local authorities some limited flexibility and this remains the case for 2020/21.
- 11.3. The Early Years block will fund 15 hours per week of free early education for 3 and 4 year olds and the early education of eligible vulnerable 2 year olds. There is an additional 15 hours per week provision for working families of 3 and 4 year old children. The funding hourly rate has been confirmed as £5.28 for 2 year olds (from £5.20 in 2019/20) and £4.89 for 3 and 4 year olds (from £4.81 in 2019/20) and the grant received will continue to be based on participation. The actual grant received during 2020/21 depends on pupil numbers in the 2020 and 2021 January censuses. The early years pupil premium is also included in this block and is payable to providers for eligible 3 and 4 year olds. The hourly rates for 2020/21 for this element remain at £0.53 per hour. In addition, the Disability Access Fund rate has been confirmed at £615 per eligible child per year. The grant value shown below is based on the actual pupil numbers in January 2019.
- 11.4. The High Needs Block supports places and top-up funding in special schools, resourced provision in mainstream schools and alternative provision; top-up funding for early years, primary, secondary, post-16 and out of authority provision; central SEN support and hospital & home education. An indicative allocation under the NFF calculation has been published though the final allocation will not be issued until December 2019. The value in the table below is before any deductions are made by the Education and Skills Funding agency (ESFA) in respect of funding for academies, free schools and post 16 places. The High Needs Block is facing a number of financial pressures nationally and in recognition of this the national allocation has increased by £780m for 2020/21. For Leeds the indicative allocation is an increase of £12.38m for 2020/21 although there is still a cap on gains within the national funding formula and this has been applied to the funding allocation to Leeds to the value of £4.6m. Despite the increase in funding for 2020/21 the anticipated increase in special school places and pupils eligible for additional top-up funding means that there is expected to be on going funding pressures for the High Needs Block which will need managing within the overall available funding. As part of managing the funding pressures it is proposed to transfer funding from the Schools Block and the Central Schools Services Block as outlined below.
- 11.5. The Schools Block funds the delegated budgets of primary and secondary schools for pupils in reception to year 11. The grant for 2020/21 will be based on pupil numbers (including those in academies and free schools) as at October 2019. The pupil numbers from this census are not yet available. Schools have been consulted on options for the local formula in 2020/21

and on proposals to transfer funding to the High Needs Block. The results of the consultation have been presented to Schools Forum to enable further discussion with a final decision being made by the Director of Children and Families in early 2020. As part of the consultation a majority of schools which responded supported a proposal to transfer £2.65m from the Schools Block to the High Needs Block. At the Schools Forum meeting on the 14th November Schools Forum approved this transfer. A majority of schools who responded to the consultation also supported a proposal for maintained schools to contribute funding of £150k towards severance costs. Schools Forum also approved this contribution.

- 11.6. As part of the NFF, the Central School Services block (CSSB) was created from the DSG funding that is held by the local authority for central services. This includes the funding which was previously delivered through the retained duties element of the ESG along with ongoing responsibilities and historic commitments. A draft allocation under the NFF calculation has been published, though the final allocation will not be issued until December 2019. The funding for the historic commitments element has been reduced by 20% in 2020/21. However, it is anticipated that there will be funding available of up to £250k to transfer to the High Needs Block and a final decision on the amount to transfer will be made by the Director of Children and Families in early 2020.
- 11.7. At the end of 2019/20 it is projected that there will be a deficit balance of £4.1m on DSG compared to a surplus balance of £1.1m at the end of 2018/19. The deficit balance will be carried forward into 2020/21 and proposals to address the deficit will need to be incorporated into the medium term financial plan for the High Needs Block and DSG funding. A formal deficit recovery plan has to be submitted to the Education and Skills Funding Agency (ESFA) if the deficit exceeds 1% of the total DSG funding for the Local Authority. For Leeds this would apply if the cumulated deficit exceeded £6.9m.
- 11.8. Funding for post-16 provision is allocated by the ESFA. Funding for high need post-16 pupils is no longer to be part of this grant and is now included in the DSG High Needs Block totals. Funding for 2020/21 will be based on 2019/20 lagged student numbers.
- 11.9. Pupil Premium grant is paid to schools and academies based on the number of eligible Reception to year 11 pupils on the school's roll in January each year. The rates for 2020/21 are expected to remain at: primary £1,320, secondary £935, for each pupil registered as eligible for free school meals (FSM) at any point in the last 6 years and £300 for children of service families. The pupil premium plus rate for children looked after and children who have ceased to be looked after by a local authority

because of adoption, a special guardianship order, a child arrangements order or a residence order is also expected to remain the same at £2,300.

- 11.10. The Primary PE grant will be paid in the 2019/20 academic year to all primary schools at a rate of £16,000 plus £10 per pupil. It is expected that these rates will remain the same for 2020/21.
- 11.11. For the Year 7 catch up grant in 2019/20, funding is allocated to schools on the basis that they receive the same overall amount of year 7 catch-up premium funding received in 2018/19. It will be adjusted to reflect the percentage change in the size of their year 7 cohort, based on the October 2019 census. It is assumed that 2020/21 will be on the same basis and so dependent on the October 2020 census information.
- 11.12. A grant for the universal provision of free school meals for all pupils in reception, year 1 and year 2 was introduced in September 2014. Funding for the 2019/20 academic year is based on a rate of £2.30 per meal taken by eligible pupils, giving an annual value of £437. Data from the October and January censuses will be used to calculate the allocations for the academic year.
- 11.13. A grant is received in relation to additional teacher's pay costs from 1st September 2018 and September 2019. The values below are a full year in 2019/20 and a part year for 2020/21 as the grant ceases at the end of the 2020/21 academic year.
- 11.14. A further grant has also been announced in relation to additional costs incurred in respect of increases in the teacher's pension scheme from September 2019. Nationally, £1.5 billion per year will be provided to continue funding these additional pension costs from 2020/2021 through to 2022/2023. The values below are a part year in 2019/20 and an estimate of the full year for 2020/21.
- 11.15. **Schools funding summary**

All the grant values are before ESFA deductions (e.g. for payments to academies) for 2019/20 (latest estimate) and 2020/21 estimates are shown in Table 15. The amounts for DSG for 2020/21 are subject to final confirmation in December 2019 and will be based on pupil numbers as at October 2019.

Table 15 – the Estimated Schools Budget

	2019/20	2020/21	Change
	Current	Estimate	
	£m	£m	£m
DSG - Schools Block	516.31	535.64	19.33
DSG - Central Schools Services Block	5.32	4.99	-0.33
DSG - High Needs Block	72.93	85.31	12.38
DSG - Early Years Block	58.75	59.67	0.92
ESFA Post 16 Funding	26.06	25.77	-0.29
Pupil Premium Grant	39.00	39.00	0.00
PE & Sports Grant	4.30	4.30	0.00
Year 7 Catch-up Grant	0.96	0.96	0.00
Universal Infant Free School Meals Grant	9.51	9.68	0.17
Teachers' Pay Grant	6.16	2.56	-3.60
Teachers' Pension Grant	11.80	20.32	8.52
	751.10	788.20	37.10

12. Housing Revenue Account

12.1. The Housing Revenue Account (HRA) includes all expenditure and income incurred in managing the Council's housing stock and, in accordance with Government legislation, operates as a ring fenced account. The key movements in 2020/21 are detailed in Table 16.

12.2. The 2016 Welfare Reform and Work Act introduced the requirement for all registered social housing providers to reduce social housing rents by 1% for the 4 years from 2016/17. The Government has confirmed a return to allowing up to a CPI+1% rent increase for five years from 2020/21.

12.3. Income

An increase in accordance with the Government's rent formula of CPI (1.7% as at September 2019) +1% is therefore proposed. This overall 2.7% rise equates to approximately £5.3m in additional rental income.

12.4. It is proposed to increase garage rental rates by RPI of 2.4%.

12.5. A reduction in the qualifying period after which tenants are able to submit an application to purchase a council house through the Government's Right to Buy (RTB) legislation continues to sustain an increase in the number of sales with a subsequent reduction in the amount of rent receivable. Based on latest sales, a further 645 sales are forecast in 2020/21. In addition, the higher than estimated number of RTB sales in 2019/20 impacts on income for 2020/21. The impact of these RTB sales, along with other stock reductions in year for demolitions, will cost the HRA around £2.3m in lost income in 2020/21.

- 12.6. Tenants in multi storey flats and in low/medium rise flats receive additional services such as cleaning of communal areas, staircase lighting and lifts. It is proposed to increase these charges by an inflationary increase of RPI of 2.4%. In 2020/21 this would generate an additional £150k compared to 2019/20.
- 12.7. Currently tenants in sheltered accommodation receiving a support service are charged £13 per week for this service. This charge is eligible for Housing Benefit. In 2016/17 a nominal charge of £2 per week was introduced for those tenants who benefited from the service but did not pay. This was increased to £4 a week in 2017/18, £6 in 2018/19, £8 in 2019/20 and it is proposed to increase this charge by a further £2 per week in 2020/21 to £10 per week. A review of the Sheltered Charge has been undertaken for 2020/21. The sheltered charge full cost is £14.71 per week and is eligible for Housing Benefit.
- 12.8. An analysis of the impact on tenants of increasing rents by 2.7% and implementing the proposed charges above has been undertaken. These figures are based on average rents for various categories of tenants as individual levels will vary.
- 12.9. With a return to a rental increase of CPI+1, all tenants will pay more in 2020/21 than in 2019/20 as outlined in the table below. The 2.12% of tenants whose average weekly increases is the highest relates to tenants who are self-payers in Sheltered Accommodation. These tenants would have faced between £3.87 and £4.15 per week average increase, however it is proposed to cap any overall increase to £3.50 per week.

% of Tenants	Average Increase £/per week
40.25	1.77-2.00
57.63	2.01-2.37
2.12	Capped at 3.50

- 12.10. These increases will be funded through Housing Benefit for eligible tenants or tenants eligible for Universal Credit (UC) will receive payments for this increase. Approximately 47% of tenants are in receipt of Housing Benefit with a further 12% in receipt of UC, a total of 59%.
- 12.11. A change in legislation will impact on the amount of income receivable for telecommunications masts located on HRA buildings. This reduction is estimated to be in the region of £400k in 2020/21 and this will reduce further as existing lease agreements fall out in later years.
- 12.12. **Expenditure**

The proposed budget assumes a 2% increase for the pay award which will cost an estimated £0.6m, partially offset by lower employer superannuation costs of £70k. The budget proposals include an additional £590k

investment in Enhanced Community Safety Initiatives in High Rise Flats and £165k to increase the Enhanced Income Team to provide support to tenants, particularly around the continued roll out of Universal credit.

- 12.13. Provision will be made for rising utility costs £0.3m and inflationary uplifts for the PFI contractor and contributions to the Private Finance Initiative sinking fund within the agreed model.
- 12.14. The budget will reflect the investment in Leeds PIPES (Providing Innovative Pro-Environment Solutions) which is providing heating to some MSF's. The cost of the heating, produced from the Recycling and Energy Recovery Facility will be offset through service charges to those tenants benefitting from purchasing cheaper energy than their current supply.
- 12.15. A combination of efficiencies are proposed to balance the 2020/21 budget including; vacancy management; a review of the level of revenue expenditure that can be more appropriately charged to capital (shown as internal income on the table below), cash limiting the repairs budget in light of the continued stock reduction, reviewing the provision for bad debts and reviewing the level of all line by line expenditure within the HRA.
- 12.16. The costs associated with servicing the HRA's borrowing have increased due to a combination of lower rates previously applied to the overall level of debt falling out and the planned increase in borrowing to support the Council's new build programme which will see approximately 120 homes delivered in 2020/21 as part of the current £203.6m Council House Growth Programme.
- 12.17. The Council remains committed to prioritising resources to meet the capital investment strategy and to replace homes lost through Right to Buy by the planned investment in new homes.
- 12.18. In addition, the Council aims to maintain a consistent level of capital expenditure with a view to improving the condition of the housing stock. The total draft capital programme for the HRA remains at around £80m in 2020/21.

Table 16 – Housing Revenue Account Pressures and Savings

	£m
Income	
Rental Increase	(5.07)
Reduction in rental income due to stock reduction	2.30
Internal Income – review of charge to capital.	(0.26)
Increase Service Charges	(0.39)
Increase in Other Income	(0.07)
Increase in External Income	0.04
Leeds PIPES	(0.46)
Loss of Telecom income	0.39
End of Gainshare	0.21
Total	(3.32)
Expenditure	
Pay and Price pressures	1.65
Supplies and Services	0.29
Leeds PIPES	0.56
Enhanced Community Safety Initiatives in High Rise Flats	0.59
Change in provisions of Doubtful debt	(0.47)
Private Finance Initiative –payments to contractor	1.77
Contribution to capital (Includes use of RTB Receipts to fund capital)	(1.28)
Capital Charges	1.24
Other	(1.022)
Total	3.32

13. Capital Programme

- 13.1. The Council has revised its approach to setting the Council's capital programme to ensure that the choice to spend limited resources is taken at the same time across capital and revenue spending decisions.
- 13.2. The Council has now moved towards injecting schemes at the same time that the revenue budget is approved in February each year. To ensure there is consideration and consultation of scheme proposals, a prioritised list of scheme proposals was included within the November half year Executive Board capital programme report. This is included at Appendix 4. Recognising that the Council needs to take a longer term view of its investment in assets the proposals include details of its 10 year capital spending intentions.
- 13.3. Over the period 2019/20 to 2022/23 the existing capital programme includes investment plans which total £1.4bn. Of this, approximately two thirds funds key infrastructure that supports front line services and schemes that generate additional income or save costs. The remaining third is for investment in capital schemes that support the Council's best plan priorities. The programme is funded by external sources in the form of grants and contributions and also by the Council through borrowing and

reserves. Where borrowing is used to fund the programme, the revenue costs of the borrowing are included within the revenue budget. Our asset portfolio is valued in the Council's published accounts at £5.6bn, and the Council's net debt, including PFI liabilities stands at £0.6bn. It is also noted that removal of the HRA housing debt cap will impact upon the investment and borrowing plans as additional investment is agreed.

- 13.4. The initial budget proposals provide for a £26m increase in the cost of debt and capital financing. This assumes that all borrowing is taken short term at 1.25% interest for the remainder of 2019/20 and at an average of 1.50% in 2020/21.
- 13.5. The strategy allows for capital investment in key annual programmes, major schemes that contribute to the Best Council Plan objectives and schemes that generate income or reduce costs. Capital investment will continue to be subject to robust business cases being reviewed and approved prior to schemes approval. Whilst the capital programme remains affordable, its continued affordability will be monitored as part of treasury management and financial health reporting.
- 13.6. A capital programme update report will be presented to the Executive Board in February 2020.

14. Corporate Considerations

14.1. Consultation and Engagement

- 14.1.1. The Authority's financial strategy is driven by its ambitions and priorities as set out in the Best Council Plan. The current Best Council Plan was approved by Council in February 2019 following consultation with members and officers throughout its development, with additional extensive stakeholder consultation carried out on the range of supporting plans and strategies. These arrangements will continue to inform further updates to the Best Council Plan.
- 14.1.2. The Council's Medium Term Financial Strategy 2020/21 – 2024/25, received at Executive Board in July 2019, was informed by the public consultation exercise carried out between December 2018 and January 2019 on the authority's 2019/20 budget proposals. Whilst the consultation covered the key 2019/20 proposals, it also incorporated questions around the ongoing principles that underlie both the Best Council Plan and the Council's financial plans and was therefore relevant to the Medium Term Financial Strategy.
- 14.1.3. Consultation is an ongoing process and residents are consulted on many issues during the year. Further to this we will also consult around the principles and high level proposals in this report through a wider consultation survey. This will be carried out with: the public via the Council's website, social media and the Citizens' Panel; with staff through

the intranet; and with stakeholders, including representatives from the Third Sector and the Business sector. The consultation will begin once this report is initially agreed by Executive Board, and will be timetabled to report findings at the following meeting, prior to finalisation of the Budget. Due to the shortened timescale this year between today's Executive Board meeting and that in February, this year's Budget consultation will be carried out via online means only and over a 3-week period to enable all results to be collated and analysed in time to inform the final proposals to this Board and subsequently Full Council. This compares with the month-long consultation exercise carried out in previous years and with postal surveys being available last year upon request – though it should be noted that the proportion of offline survey responses has been declining year-on-year (15% of the 1,241 responses last year) as more people opt for online.

- 14.1.4. Subject to the approval of Executive Board, this report will be submitted to Scrutiny for their consideration and review with the outcome of their deliberations to be reported to the planned meeting of this Board on the 12th February 2020.

14.2. Equality and diversity / cohesion and integration

- 14.2.1. The Equality Act 2010 requires the Council to have “due regard” to the need to eliminate unlawful discrimination and promote equality of opportunity. The law requires that the duty to pay “due regard” be demonstrated in the decision making process. Assessing the potential equality impact of proposed changes to policies, procedures and practices is one of the key ways in which public authorities can show “due regard”.
- 14.2.2. The Council is fully committed to ensuring that equality and diversity are given proper consideration when we develop policies and make decisions. In order to achieve this the Council has an agreed process in place and has particularly promoted the importance of the process when taking forward key policy or budgetary changes. Equality impact assessments also ensure that we make well informed decisions based on robust evidence.
- 14.2.3. The proposals within this report have been screened for relevance to equality, diversity, cohesion and integration (Appendix 3) and a full strategic analysis and assessment will be undertaken on the 2020/21 Revenue Budget and Council Tax report which will be considered by Executive Board and subsequently by Full Council in February 2020. Specific equality impact assessments will also be undertaken on all budget decisions identified as relevant to equality as they are considered during the decision-making process in 2020/21.

14.3. Council policies and Best Council Plan

- 14.3.1. The Best Council Plan sets out the Council's ambitions and priorities. The Plan's development and implementation continues to inform, and is informed by, the authority's funding envelope and by staffing and other resources. The current Plan and its proposed update for 2020/21 (please

refer to the Best Council Plan refresh item on today's agenda) is therefore aligned with both the Council's Medium-Term Financial Strategy and its annual budget.

Climate emergency

- 14.3.2. In conjunction with inclusive growth and health and wellbeing, the Best Council Plan update report on today's paper proposes that the climate change emergency becomes the third 'pillar' underpinning the Council's Best City ambition to tackle poverty and reduce inequalities. A specific focus on this emergency aims to embed sustainability considerations into all aspects of the authority's decision-making. As such, whilst there are no implications for the climate emergency resulting from this report, should any specific service and budget proposals that emerge through the development of the Council's 2020/21 Budget create potential climate emergency issues or opportunities, these will be addressed in the final Budget reports to Executive Board and Full Council in February 2020.

14.4. Resources, procurement and value for money

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

14.5. Legal implications, access to information and call-in

- 14.5.1. This report has been produced in compliance with the Council's Budget and Policy Framework. In accordance with this framework, the initial budget proposals, once approved by the Board, will be submitted to Scrutiny for their review and consideration. The outcome of their review will be reported to the February 2020 meeting of this Board at which proposals for the 2020/21 budget will be considered prior to submission to Full Council on the 26th February 2020.
- 14.5.2. The initial budget proposals will, if implemented, have implications for Council policy and governance and these are explained within the report. The budget is a key element of the Council's budget and policy framework, but many of the proposals will also be subject to separate consultation and decision making processes, which will operate within their own defined timetables and be managed by individual directorates.
- 14.5.3. In accordance with the Council's budget and policy framework, decisions as to the Council's budget are reserved to Full Council. As such, the recommendations at paragraphs 16.1, 16.2 and 16.3 are not subject to call in, as the budget is a matter that will ultimately be determined by Full Council.
- 14.5.4. However the recommendations in paragraphs 16.4 and 16.5, regarding the Council's participation in the 2020/21 50% Business Rates Pool and the distribution of discretionary business rate reliefs, are decisions of the Executive Board and as such are subject to call-in.

14.6. Risk management

- 14.6.1. The Council's current and future financial position is subject to a number of risk management processes. Not addressing the financial pressures in a sustainable way is identified as one of the Council's corporate risks, as is the Council's financial position going into significant deficit in the current year resulting in reserves (actual or projected) being less than the minimum specified by the Council's risk-based reserves policy. Both these risks are subject to regular review.
- 14.6.2. Failure to address these issues will ultimately require the Council to consider even more difficult decisions that will have a far greater impact on front-line services including those that support the most vulnerable and thus on our Best Council Plan ambition to tackle poverty and reduce inequalities.
- 14.6.3. Financial management and monitoring continues to be undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget that are judged to be at risk, for example the implementation of budget action plans, those budgets which are subject to fluctuating demand, key income budgets, etc. This risk-based approach will continue to be included in the in-year financial reports brought to Executive Board.
- 14.6.4. In addition, risks identified in relation to specific proposals and their management will be reported to relevant members and officers as required. Specific risks relating to some of the assumptions contained within these initial budget proposals are identified below.

Risks to Funding

- 14.6.5. The period covered by the Government's current spending review will end in March 2020. Whilst the Spending Review on the 4th September provided details of the Government's spending intentions for 2020/21 these have not yet been ratified by Government through the annual budget process.
- 14.6.6. Further to this, whilst the annual Budget was expected to be announced on 6th November 2019, it was subsequently delayed following the announcement of the General Election on 12th December 2019. The provisional Financial Settlement has also been delayed as a consequence. We now expect the provisional Settlement in early January 2020, with the next Budget likely to be held in February. Assumptions within this document are based on announcements from Spending Review 2019 and subsequent Technical Consultation document for the Local Government Financial Settlement. There is a risk that, following the Election, the incoming Government could change existing financial plans for 2020/21 and introduce a new set of priorities. This could significantly vary from our estimates on the Settlement Funding Assessment and the amount that Leeds City Council will receive in 2020/21.
- 14.6.7. After Spending Round 2019, it was confirmed that 75% Business Rates Retention would be delayed by one year to 2021/22. It was also confirmed that the current 75% business rate retention pilots will cease and return to

the rules governing 50% retention. The effect of this return to 50% retention is included in these initial budget proposals. However, following discussions with the current North and West Yorkshire Pool member authorities, 13 of the 14 original member authorities agreed to submit an application for a business rates pool in 2020/21. We were advised that this application had been successful on the 19th December 2019. We estimate this Pool could lead to additional funding to the region of £9.6m, some of which could be to the benefit of Leeds City Council. As with previous years' Pools, there remains a risk that if a member authority becomes entitled to a safety net payment, because its retained income has fallen dramatically, then that safety net payment will no longer be received from the Government but will have to be met by other members of the pool. This will represent a loss of income to the region.

- 14.6.8. The level of business rates appeals continues to be a risk. Whilst there is very limited scope for new appeals against the 2010 list and the Council has appropriate provision for these, there is very little information available on which to assess appeals against the 2017 list. Therefore income could be adversely affected both by appeals against the 2017 list and by business rate growth being less than assumed. This in turn would reduce the overall level of resources available to fund the services that the Council provides.
- 14.6.9. The level of council tax collected could be affected by either the increase in the council tax base being less than assumed and/or collection rates being below budgeted assumptions.

Key risks to cost and income assumptions

- 14.6.10. Demographic and demand pressures, particularly in Adult Social Care and Children's Services, could be greater than anticipated.
- 14.6.11. The implementation of proposed savings and additional income realisation could be delayed. Equally, the level of savings generated and/or the level of additional income realised could be less than that assumed in this report.
- 14.6.12. Inflation including the pay award to employees could be higher than that assumed in this report. In addition these initial budget proposals make a number of assumptions about the costs associated with managing the Council's debt. Whilst the Council has benefited from converting some of its shorter term borrowing into longer term borrowing at record low interest rates, it still has debt at short term rates which means that it is exposed to any upward movement in rates which would result in an increase in costs to the Council.
- 14.6.13. The Council's and City's economic and fiscal position is clearly impacted upon by the wider national economic context. The UK's withdrawal from the EU could potentially weaken the pound, increase inflation, reduce domestic and foreign direct investment and impact upon borrowing costs. Conversely the UK's exit from the EU could have the opposite effect upon the

economy. What is also unclear is to what extent the UK's exit from the EU will impact upon the level of resources available to the Council and the level of demand for the services that it provides.

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

15. Conclusions

- 15.1. The Initial Budget Proposals for 2020/21 and the projected budgets for 2021/22 and 2022/23 need to be seen in the context of significant inherent uncertainty for the Council in respect of future funding and spending assumptions. Specifically the implications of the Government's future spending plans with regard to local government and other areas of the public sector after 2020/21 remain unknown. To compound this uncertainty the Government remains both committed to move to 75% business rate retention nationally and implementing the Fair Funding review of the methodology which determines current funding baselines which are based on an assessment of relative needs and resources. The outcome of both these changes, and the subsequent implications for Leeds, won't be known until the autumn of 2020. In addition it remains uncertain how the Government intend to fund social care in future years and the implications of the UK leaving the EU are as yet unknown.
- 15.2. In the determination of these initial budget proposal and the forecast position for 2021/22 and 2022/23 a number of assumptions have been made as to the level of resources available to the Council. These assumptions are under constant review to reflect any changes in circumstances or if further information emerges in respect of known risks.
- 15.3. Based on the details contained in Government's technical consultation in respect of the 2020/21 Local Government Finance the Settlement Funding Assessment will increase by 1.7% or £3.1m with a corresponding increases in funding from council tax of £17.0m, which offsets a business rates variation of £10m, which overall gives an increased net revenue budget of £526.8m in 2020/21. However, the initial budget proposals for 2020/21 as set out in this report, subject to the finalisation of the detailed proposals in February 2020, will still require savings and additional income of £23.2m to produce a balanced budget.
- 15.4. As set out in both the Medium Term Financial Strategy 2020/21-2024/25 and Revenue Budget Update reports to the July and October Executive Boards respectively, the budget proposals detailed in this report need to be viewed within the context of the longer term approach to increase the financial sustainability and resilience of the Council's financial position.

16. Recommendations

- 16.1. Executive Board is asked to agree the initial budget proposals for 2020/21 and for them to be submitted to Scrutiny and also for the proposals to be used as a basis for wider consultation with stakeholders.
- 16.2. Executive Board is asked to note the initial budget position for 2021/22 and 2022/23 and to note that savings proposals to address the updated estimated budget gaps of £47.4m and £29.9m for 2021/22 and 2022/23 respectively will be reported to a future meeting of this Board.
- 16.3. Executive Board is asked to note that the proposal to approve the implementation of an additional Council Tax premium on any dwelling where the empty period is at least five years, from 100% to 200% premium, will be decided by Full Council in January 2020.
- 16.4. Executive Board is asked to agree that Leeds City Council become a member of the new North and West Yorkshire Business Rates Pool and act as lead authority for it. The establishment of this new Pool will be dependent upon none of the other proposed member authorities choosing to withdraw within the statutory period after designation.
- 16.5. Executive Board is asked to agree that the final year of Government funding to offer discretionary relief to businesses most impacted by the 2017 Business Rates Revaluation be distributed to childcare businesses in the city.

17. Background documents²

None.

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

Appendix 1

2020/21

	Adults & Health	Children & Families	City Development	Communities & Environment	Resources & Housing	Strategic & Central	Total Net Revenue Budget
	£m	£m	£m	£m	£m	£m	£m
Net managed budget (2019/20) - RESTATED	206.55	121.77	35.84	78.92	82.26	(8.65)	516.68
Pay - Leeds City Council	1.06	2.14	1.01	1.55	2.96		8.72
Wage costs - commissioned services	6.49	0.59		0.05			7.13
Employer's LGPS contribution	(0.11)	(0.18)	(0.13)	(0.18)	(0.31)		(0.90)
Fall-out of capitalised pension costs	(0.23)	(0.37)	(0.16)	(0.26)	(0.24)		(1.25)
Inflation: General	4.20	0.71	2.04	0.46	0.13		7.55
Inflation: Electricity and Gas Tariffs	0.01	0.02	0.51	0.04	0.06		0.64
Demand and demography - Adult Social Care	2.00						2.00
Demand and demography - Children Looked After		1.40					1.40
Demand and demography - Other				0.19			0.19
Income pressures	0.00	0.70	(0.07)	0.46	0.21	0.50	1.80
Migration to Microsoft Cloud					0.81		0.81
Transforming Care Programme	0.51						0.51
Housing Benefit Overpayment income				0.40			0.40
Investment in Climate Emergency					0.30		0.30
Other Pressures	0.01	0.06	1.76	2.02	0.38	(1.65)	2.58
Debt - external interest / Minimum Revenue Provision	(0.28)			0.01		16.29	16.02
New Homes Bonus						5.19	5.19
Impact of 50% Business Rates Retention						(4.04)	(4.04)
S31 Business Rate grants						6.01	6.01
Public Health grants	(0.91)						(0.91)
Additional Social Care Grant (SR2019)	(7.50)	(6.50)					(14.00)
School Improvement Monitoring and Brokerage Grant		(0.43)					(0.43)
DfE Innovations Grant (Slippage)		1.70					1.70
Housing Benefit Admin Grant				0.40			0.40
Housing Benefit New Burdens Funding				(0.10)			(0.10)
Childrens Funeral Fund				(0.24)			(0.24)
Brexit Grant						0.10	0.10
Contribution to / (from) General Reserve						(14.49)	(14.49)
Change in Use of Earmarked Reserves	(0.01)	1.51	0.74	(0.15)	0.66	3.50	6.25
Total - cost and funding changes	5.24	1.36	5.71	4.66	4.97	11.41	33.34
Budget savings proposals As per Appendix 2	(10.42)	(1.37)	(3.11)	(4.78)	(2.74)	(0.76)	(23.19)
Total - Budget savings proposals	(10.42)	(1.37)	(3.11)	(4.78)	(2.74)	(0.76)	(23.19)
2020/21 Submission	201.37	121.75	38.43	78.81	84.48	2.00	526.83
Increase/(decrease) from 2019/20 £m	(5.18)	(0.02)	2.59	(0.12)	2.22	10.65	10.15
Increase/(decrease) from 2019/20 %	(2.51%)	(0.01%)	7.24%	(0.15%)	2.70%	(123.05%)	1.96%
TOTAL FUNDING AVAILABLE (Forecast Net Revenue Charge)							526.83
GAP							0.00

Indicative Revenue Budget by Directorate 2020/21

Appendix 1b

Indicative Budget 2020/21 (£m)			
	Gross Expenditure	Gross Income	Net Budget
Adults & Health	366.9	(165.5)	201.4
Children & Families	302.3	(180.5)	121.8
City Development	155.5	(117.0)	38.4
Communities & Environment	425.0	(346.2)	78.8
Resources & Housing	264.4	(180.0)	84.5
Strategic & Central Accounts	107.3	(105.3)	2.0
Net Managed Budget	1,621.3	(1,094.5)	526.8

Savings Proposal	Comments	2020/21	Is this relevant to Equality & Diversity?
		£m	
A) BUSINESS AS USUAL			
Cessation of schemes associated with short term funding	Spring Budget fall out: related fallout of Invest to Save spend	(2.11)	N
Back office spend	Review has identified potential savings over a range of services	(0.09)	Y
Enablement Service	To be delivered through productivity improvements	(0.50)	Y
Learning Disability	Review packages and service offer to ensure an efficient way of meeting assessed care needs is achieved	(1.00)	Y
Client Transport	Savings targeted against re-routing reviews, insourcing private hire routes, Personal Transport Allowance & Independent Travel Training.	(0.30)	Y
Collection of Client Income	Identify potential areas for maximisation of assessed income from review of internal systems and processes	(1.00)	Y
Demand (all service groups)	Extend impact of strengths based approach	(0.70)	Y
Fines	improve processes to ensure fines for delayed transfers of care are removed	(0.07)	N
Physical Impairment	Review cost of Physical Impairment packages	(0.10)	Y
Home care	Review packages to ensure assessed care is delivered efficiently	(0.10)	Y
Meals on Wheels	Remove current £200k subsidy through increasing volume of service users and/or reducing costs through improved processes	(0.20)	Y
Assistive Technology	Enhance and commercialise our current offer and technological advances available to support as many people as possible to live independent and active lives	(0.20)	Y
Occupational Therapists	Occupational Therapist time appropriately charged to the annual Disabled Facilities Grant	(0.20)	N
CHC/S117 cases	Impact of review of classification of Continuing Health Care and S117 cases	(0.10)	Y
Better Care Fund	Better Care Fund - inflationary uplift and additional funding sought	(3.70)	N
Skills for Care	Apply for funding to undertake planned developments.	(0.05)	N
Sub-Total Business As Usual		(10.42)	
B) SERVICE DELIVERY			
		0.00	N
Sub-Total Service Delivery		0.00	
C) WORKFORCE			
		0.00	N
Sub-Total Workforce		0.00	
D) SERVICE DELIVERY/WORKFORCE			
		0.00	N
Sub-Total Service Delivery/Workforce		0.00	
E) SERVICE REVIEW			
		0.00	N
Sub-Total Service Review		0.00	
Total Savings Options - ADULTS & HEALTH		(10.42)	

CHILDREN AND FAMILIES - Savings options 2020/21

Savings Proposal	Comments	2020/21 £m	Is this relevant to Equality & Diversity?
A) BUSINESS AS USUAL			
Supplies and Services savings across the Directorate	Full year effect of 2019/20 savings in supplies and services budgets across the Directorate.	(0.23)	Y
Savings in passenger transport costs to offset increases in demand	Savings to be achieved from route reviews, in-sourcing private hire routes, Personal Transport Allowances, private hire contract savings and independent travel training.	(0.44)	Y
Additional income from DSG for the cost of Personal Transport Allowances	Additional income from charging the increase in payments for PTAs to the Dedicated Schools Grant (High Needs Block)	(0.15)	Y
Additional income from traded services	This includes additional income from educational psychology based on trends and recruitment plans, specialist training in autism and raising standards, Artforms and Learning Improvement.	(0.10)	Y
Additional external income - grants and contributions	Additional income from workforce development trading £0.04m, Partnerships £0.05m, Youth Offending Service £0.1m, external funding streams £0.12m	(0.31)	Y
Additional income for the education costs of external residential placements	Move to full cost recovery of the education costs of ER placements from DSG (High Needs Block)	(0.15)	Y
Sub-Total Business As Usual		(1.37)	
B) SERVICE DELIVERY			
		0.00	N
Sub-Total Service Delivery		0.00	
C) WORKFORCE			
		0.00	N
Sub-Total Workforce		0.00	
D) SERVICE DELIVERY/WORKFORCE			
		0.00	N
Sub-Total Service Delivery/Workforce		0.00	
E) SERVICE REVIEW			
		0.00	N
Sub-Total Service Review		0.00	
Total Savings Options - CHILDREN AND FAMILIES		(1.37)	

CITY DEVELOPMENT - Savings options 2020/21

Savings Proposal	Comments	2020/21 £m	Is this relevant to Equality & Diversity?
A) BUSINESS AS USUAL			
Asset Rationalisation	Freeing up existing building capacity and reducing void management costs.	(0.20)	Y
Street Lighting LED Conversion	Continuation of the Street Lighting LED conversion scheme	(0.43)	Y
Other Operating Expenditure	Directorate wide review of other operating expenditure to identify reductions	(0.41)	Y
Advertising	Increase in external advertising income	(0.20)	N
Income	Mitigation of pay inflation via charging	(0.62)	N
Sub-Total Business As Usual		(1.86)	
B) SERVICE DELIVERY			
Strategic Investment Fund	Further acquisition of strategic investments to provide an income stream after borrowing	(0.75)	N
Planning	Increased fees and services for pre application enquiry services	(0.25)	N
Sub-Total Service Delivery		(1.00)	
C) WORKFORCE			
		0.00	N
Sub-Total Workforce		0.00	
D) SERVICE DELIVERY/WORKFORCE			
Highways	Increase in Site Development staffing resources to undertake chargeable external works	(0.25)	N
Sub-Total Service Delivery/Workforce		(0.25)	
E) SERVICE REVIEW			
		0.00	N
Sub-Total Service Review		0.00	
Total Savings Options - CITY DEVELOPMENT		(3.11)	

COMMUNITIES & ENVIRONMENT - Savings options 2020/21

Savings Proposal	Comments	2020/21 £m	Is this relevant to Equality & Diversity?
A) BUSINESS AS USUAL			
Staffing efficiencies	Increased vacancy factor across all services	(0.10)	Y
Operational expenditure	Review of operational expenditure across all services	(0.18)	Y
Welfare & Benefits postage costs	Reduction in printing and postage costs reflecting increased e-billing	(0.05)	Y
Registrars fee income	Reflects fee structure effective from January 2020	(0.03)	Y
Safer Leeds efficiencies	Further efficiency savings including maximising external income and staffing savings	(0.19)	Y
Woodhouse Lane Car Park	Increase commuter fee by 50p to £8.50	(0.10)	Y
Car Parking enforcement	Income in respect of fixed camera monitoring at Leeds Bradford Airport	(0.02)	N
Parks & Countryside - Tropical World	Additional income following development of Indoor Play area	(0.12)	Y
Waste Management	Waste disposal savings and other efficiencies	(3.10)	N
Waste Management - replacement bins	Inclusion of £5 delivery charge on replacement wheeled bins	(0.06)	Y
Elections	Review of cost of elections in line with schedule of elections	(0.40)	N
Sub-Total Business As Usual		(4.35)	
B) SERVICE DELIVERY			
Sub-Total Service Delivery		0.00	
C) WORKFORCE			
Waste Management staffing savings	Staffing savings reflecting a review of management structures	(0.05)	Y
Communities staffing savings	Staffing savings reflecting a review of management structures	(0.08)	Y
Customer Access/Welfare & Benefits staffing savings	Review of staffing arrangements across Customer Access, Council Tax and Benefits to reflect falling caseloads due to the migration of Housing Benefits to Universal Credit.	(0.20)	Y
Sub-Total Workforce		(0.33)	
D) SERVICE DELIVERY/WORKFORCE			
Sub-Total Service Delivery/Workforce		0.00	
E) SERVICE REVIEW			
Community Centres	Asset transfer savings and running cost efficiencies to reduce net cost of service	(0.10)	Y
Sub-Total Service Review		(0.10)	
Total Savings Options - COMMUNITIES & ENVIRONMENT		(4.78)	

RESOURCES AND HOUSING - Savings options 2020/21

Savings Proposal	Comments	2020/21	Is this relevant to Equality & Diversity?
		£m	
A) BUSINESS AS USUAL			
Shared Services & DIS	Mail and Print Review - Remove Printers; Reduce Printing volumes and investment in print unit equipment to reduce external spend	(0.54)	Y
DIS	Working with Health to deliver shared platforms and working together across City	(0.25)	N
DIS	"Breakfix" - reduce devices sent to external provider for repair	(0.06)	N
CEL - Facilities Management	Merrion House - review servicing meetings, refreshments offer & "develop Kiosk"	(0.10)	Y
CEL - Catering	Reduce reliance on meat based dishes	(0.04)	Y
CEL - Catering	Generate additional net income in Civic Flavour and Schools by winning contracts	(0.03)	N
CEL - Fleet	Generate additional external income from maintenance of other public sector vehicles	(0.21)	N
CEL - Fleet	Electric Fleet replacement & reduction in long term hire	(0.34)	N
Housing Management	Mainly Additional staff capitalisation (DFG)	(0.21)	N
Directorate Wide	Review of vacant posts and vacancy factors	(0.22)	Y
Directorate Wide	Review of line by line expenditure across all services	(0.33)	Y
Sub-Total Business As Usual		(2.31)	
B) SERVICE DELIVERY			
CEL	Bring LCC office waste disposal and voids in house	(0.08)	N
Sub-Total Service Delivery		(0.08)	
C) WORKFORCE			
Shared Services - Staffing	Automation of Invoice Processing within BSC & Admin review of servicing meetings	(0.35)	N
Sub-Total Workforce		(0.35)	
D) SERVICE DELIVERY/WORKFORCE			
		0.00	N
Sub-Total Service Delivery/Workforce		0.00	
E) SERVICE REVIEW			
		0.00	N
Sub-Total Service Review		0.00	
Total Savings Options - RESOURCES AND HOUSING		(2.74)	

Equality, Diversity, Cohesion and Integration Screening

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

A **screening** process can help judge relevance and provides a record of both the **process** and **decision**. Screening should be a short, sharp exercise that determines relevance for all new and revised strategies, policies, services and functions. Completed at the earliest opportunity it will help to determine:

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

Directorate: Resources and Housing	Service area: Corporate Financial Management
Lead person: Victoria Bradshaw	Contact number: 88540

1. Title: Initial Budget Proposals 2020/21

Is this a:

☒

Strategy / Policy

☐

Service / Function

☐

Other

If other, please specify

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

The council is required to publish its initial budget proposals two months prior to approval of the budget by full council in February 2020. The initial budget proposals report for 2020/21 sets out the Executive's plans to deliver a balanced budget within the overall funding envelope. It should be noted that the budget represents a financial plan for the forthcoming year and individual decisions to implement these plans will be subject to equality impact assessments where appropriate.

3. Relevance to equality, diversity, cohesion and integration

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

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

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

Questions	Yes	No
Is there an existing or likely differential impact for the different equality characteristics?	X	
Have there been or likely to be any public concerns about the policy or proposal?	X	
Could the proposal affect how our services, commissioning or procurement activities are organised, provided, located and by whom?	X	
Could the proposal affect our workforce or employment practices?	X	
Does the proposal involve or will it have an impact on - Eliminating unlawful discrimination, victimisation and harassment - Advancing equality of opportunity - Fostering good relations	X X X	

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

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

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

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

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

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

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

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

Whilst the level of resources available to the Council has increased between 2019/20 and 2020/21 the initial budget proposals identify a savings requirement of £22.7m due to unavoidable pressures such as inflation and demand/demography. Savings proposals to bridge this gap will affect all citizens of Leeds to some extent. The council has consulted on its priorities in recent years and has sought to protect the most vulnerable groups. However, the cumulative effect of successive annual government funding reductions, means that protecting vulnerable groups is becoming increasingly difficult. Further consultation regarding the specific proposals contained in this report will be carried out before the final budget for 2020/21 is agreed.

• **Key findings**

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

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

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

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

• **Actions**

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

A strategic equality impact assessment of the budget will be undertaken prior to its approval in February 2020.

There will also be further equality impact assessments on all key decisions as they go through the decision making process in 2020/21.

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

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

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

6. Governance, ownership and approval

Please state here who has approved the actions and outcomes of the screening

Name	Job title	Date
Victoria Bradshaw	Chief Officer Financial Services	4 th December 2019
Date screening completed		4 th December 2019

7. Publishing

Though **all** key decisions are required to give due regard to equality the council **only** publishes those related to **Executive Board, Full Council, Key Delegated Decisions** or a **Significant Operational Decision**.

A copy of this equality screening should be attached as an appendix to the decision making report:

- Governance Services will publish those relating to Executive Board and Full Council.
- The appropriate directorate will publish those relating to Delegated Decisions and Significant Operational Decisions.
- A copy of all other equality screenings that are not to be published should be sent to equalityteam@leeds.gov.uk for record.

Complete the appropriate section below with the date the report and attached screening was sent:

For Executive Board or Full Council – sent to Governance Services	Date sent: 9 th December 2019
For Delegated Decisions or Significant Operational Decisions – sent to appropriate Directorate	Date sent:
All other decisions – sent to equalityteam@leeds.gov.uk	Date sent:

Capital Programme Review 2019/20 to 2028/29

APPENDIX 4

Annual Programme Capital Review

	LCC RES 2019/20 £000,	LCC RES 2020/21 £000,	LCC RES 2021/22 £000,	LCC RES 2022/23 £000,	LCC RES 2023/24 £000,	LCC RES 2024/25 £000,	LCC RES 2025/26 £000,	LCC RES 2026/27 £000,	LCC RES 2027/28 £000,	LCC RES 2028/29 £000,	Total LCC RES £000,
Highways Maintenance			2,400	13,000	13,000	13,000	13,000	13,000	13,000	13,000	93,400
Highways Section 278				3,500	2,800	2,100	1,400	700			10,500
Highways Section 278 external contributions					700	1,400	2,100	2,800	3,500	3,500	14,000
Highways Maintenance Capitalisations				4,600	3,700	2,800	1,800	900	0	0	13,800
Corporate Property Management		1,201	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	13,201
Schools Capital Expenditure				3,500	2,800	2,100	1,400	700	0	0	10,500
Fire Risk Assessments			750	750							1,500
Demolition in year				1,000	1,000	1,000	1,000	1,000	1,000	1,000	7,000
General Refurbishment Schools				1,000	1,000	1,000	1,000	1,000	1,000	1,000	7,000
Library Books				700	600	400	300	100			2,100
Sports Maintenance				500	500	500	500	500	500	500	3,500
Adaptations - Disabled Facilities Grants				1,069	1,069	1,069	1,069	1,069	1,069	1,069	7,483
Adaptations - supported by external funding				6,449	6,449	6,449	6,449	6,449	6,449	6,449	45,143
Telecare ASC				600	600	600	600	600	600	600	4,200
Adaptation to Private Homes				470	470	470	470	470	470	470	3,290
Childrens centres				50	50	50	50	50	50	50	350
Essential Services Programme (USB)				4,210	3,400	2,500	1,700	800	0		12,610
Digital Development				5,000	5,000	5,000	5,000	5,000	5,000	5,000	35,000
Climate Emergency Woodland Creation		300	250	200	150	100	50				1,050
Climate Emergency Woodland Creation - supported by external funding		50	100	150	200	250	300	350	350	350	2,100
Project Support Fund - Groundwork				70	70	70	70	70	70	70	490
General Capitalisation			737	4,500	3,600	2,700	1,800	900	0	0	14,237
Vehicle Programme				2,079	1,700	1,200	800	400	0	0	6,179
Fin Dev Capital Programme Management				575	575	575	575	575	575	575	4,028
Capitalisation Interest				190	300	300	300	300	300	300	1,990
LCC Borrowing	0	1,501	5,637	49,063	43,884	39,034	34,384	29,634	25,134	25,134	253,407
External Funding	0	50	100	6,599	7,349	8,099	8,849	9,599	10,299	10,299	61,243
Total	0	1,551	5,737	55,662	51,233	47,133	43,233	39,233	35,433	35,433	314,650

Major Programme Capital Review

	LCC RES 2019/20 £000,	LCC RES 2020/21 £000,	LCC RES 2021/22 £000,	LCC RES 2022/23 £000,	LCC RES 2023/24 £000,	LCC RES 2024/25 £000,	LCC RES 2025/26 £000,	LCC RES 2026/27 £000,	LCC RES 2027/28 £000,	LCC RES 2028/29 £000,	Total LCC RES £000,
City Development											
Regent Street Flyover	3,000	10,400	8,900	700	0	0	0	0	0	0	23,000
Flood Risk Mgt	0	250	250	250	250	0	0	0	0	0	1,000
Regeneration Feasibility	0	150	100	100	100	0	0	0	0	0	450
Fearnville LC	250	2,024	12,154	0	0	0	0	0	0	0	14,428
City Square			250	250	0	0	0	0	0	0	500
Parklife now included	300	2,800	100	0	0	0	0	0	0	0	3,200
Childrens and Families											
Childrens Home Refurb	0	500	500	500	0	0	0	0	0	0	1,500
Burley Park Childrens Centre	0	850	0	0	0	0	0	0	0	0	850
Resources and Housing											
Core Systems Review	500	829	0	0	0	0	0	0	0	0	1,329
Community and Environments											
Community Hubs year 3 Phase 3	0	1,350	1,380	0	0	0	0	0	0	0	2,730
Core Centre Infra Upgrade	0	330	170	0	0	0	0	0	0	0	500
Web & Insite Dev	0	303	315	134	52	0	0	0	0	0	804
Climate Emergency Woodland Creation	150	0	0	0	0	0	0	0	0	0	150
Cottingley cemetery expansion	600	0	0	0	0	0	0	0	0	0	600
Lawnswood Crematoria Replacement	0	1,000	0	0	0	0	0	0	0	0	1,000
Summary/Key											
Supported Bids	4,150	19,475	28,771	50,363	44,234	39,034	34,384	29,634	25,134	25,134	300,315
Supported with External Funding attached	0	50	100	6,599	7,349	8,099	8,849	9,599	10,299	10,299	61,243
Reprioritised from Existing Directorate Programme	500	1,329	500	500	0	0	0	0	0	0	2,829
Reprioritised to/from another Directorate Programme	150	1,483	485	134	52	0	0	0	0	0	2,304
Total Capital Review 2019/20 to 2028/29	4,800	22,337	29,856	57,596	51,635	47,133	43,233	39,233	35,433	35,433	366,691

Report of the Head of Democratic Services

Report to Scrutiny Board (Infrastructure, Investment & Inclusive Growth)

Date: 8 January 2020

Subject: Best Council Plan Refresh 2020/21 to 2024/25

Are specific electoral wards affected? If yes, name(s) of ward(s):	☐ Yes ☒ No
Has consultation been carried out?	☒ Yes ☐ No
Are there implications for equality and diversity and cohesion and integration?	☒ Yes ☐ No
Will the decision be open for call-in?	☐ Yes ☒ No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	☐ Yes ☒ No

1. Purpose of this report

- 1.1 The purpose of this report is to provide members of the Scrutiny Board (Infrastructure, Investment and Inclusive Growth) with an opportunity to consider the proposals to refresh the Best Council Plan for the period 2020/21 to 2024/25, and comment on those aspects that fall within its terms of reference.
- 1.2 The proposals to refresh the Best Council Plan for the period 2020/21 to 2024/25 are set out in the attached Executive Board, considered on 7 January 2020. Other Scrutiny Boards will be considering elements of the proposals relevant to their terms of reference.

2. Background information

- 2.1 In February 2019, Council adopted the Best Council Plan 2019/20 to 2020/21 (available [here](#)). The Best Council Plan is Leeds City Council's strategic plan, bringing together the headline aspirations from a range of supporting council and partnership plans to set out the authority's overall ambitions, policy direction and priorities for both city and organisation, underpinned by the authority's values. It informs the council's budget-setting and financial strategies, helps staff understand how the work they do makes a real difference to the people of Leeds and shows partners how the Council contributes to city-wide issues.
- 2.2 The Best Council Plan is a rolling multi-year document that is reviewed and refined annually as needed. The attached Executive Board report sets out proposals to

update the Best Council Plan for the five-year period 2020/21 to 2024/25, this revised timescale bringing it into line with the latest Medium-Term Financial Strategy approved by Executive Board in July 2019 and the emerging enabling framework to support the delivery of the Best City/Best Council goals.

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

3. Main issues

- 3.1 The proposals to refresh the Best Council Plan for the period 2020/21 to 2024/25 are set out in the attached Executive Board, considered on 7 January 2020.
- 3.2 The proposals are submitted to Scrutiny for consideration, review and comment; and the Scrutiny Board (Infrastructure, investment and Inclusive Growth) is asked to consider specific matters that fall within its remit. Other Scrutiny Boards will be considering elements of the budget proposals relevant to their terms of reference.
- 3.3 Any comments or recommendations made by the Scrutiny Board will be submitted to the Executive Board for consideration at its meeting in February 2019; prior to submission of an updated Best Council Plan to full Council on 26th February 2019.
- 3.4 As in previous years, it is intended to produce a summary of the discussion and comments from all Scrutiny Boards in order to make a single submission to Executive Board.
- 3.5 Relevant Executive Members senior officers have been invited to attend the meeting to discuss the attached report and address any issues raised by the Scrutiny Board.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 The Best Council Plan 2019/20 to 2020/21 was developed through engagement with a range of stakeholders, notably with the Executive Board, all Scrutiny Boards, the Corporate Leadership Team and other senior officers. It also draws on priorities set out in existing council and partnership plans and strategies which have themselves been subject to extensive consultation and engagement.
- 4.1.2 As set out in the attached Executive Board report, the proposed update to the Best Council Plan will also be developed in consultation with members and staff and will draw on insights from the council's 2019 staff survey and public consultation on the Budget.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 As set out in the attached Executive Board report, a strategic equality impact assessment (EIA) is currently being carried out and will be presented to Executive Board in February with the final Best Council Plan and Budget proposals – as in previous years, this will be joint EIA covering both the corporate plan and Budget. Additional EIAs have been carried out on key supporting plans and strategies.

4.3 Council policies and the Best Council Plan

- 4.3.1 The attached Executive Board report presents initial proposals for refreshing the Best Council Plan for 2020/21 to 2024/25, continuing to provide a framework for the council's approach to responding to the inequality challenges in Leeds through growing the economy while being a compassionate city.
- 4.3.2 Detailed delivery plans and key performance indicators are in place for the range of supporting plans and strategies that sit beneath the Best Council Plan. Accountability for monitoring and managing these falls within the Council's existing governance arrangements.
- 4.3.3 Additional details relating to Council policies are presented in the attached Executive Board report.

Climate Emergency

- 4.3.4 In conjunction with inclusive growth and health and wellbeing, it is proposed that the climate change emergency becomes the third 'pillar' underpinning the council's Best City ambition to tackle poverty and reduce inequalities

4.4 Resources, procurement and value for money

- 4.4.1 The refreshed Best Council Plan will set out the council's priorities aligned with the Medium-Term Financial Strategy and annual Budget. Developing and then implementing the Best Council Plan will continue to inform, and be informed by, the council's funding envelope and other resources.

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

- 4.5.1 There are no significant legal issues identified within the attached Executive Board report; which has been produced in accordance with the council's Budget and Policy Framework.

4.6 Risk management

- 4.6.1 The council's corporate and directorate risk registers will continue to be reviewed in light of any amendments to the Best Council Plan to ensure that the key risks are appropriately identified, assessed and managed.
- 4.6.2 A full risk assessment will also be undertaken of the council's financial plans – which support the delivery of the Best Council Plan. As set out in the attached Executive Board report, these arrangements comply with the Council's Risk Management Policy.

5. Conclusions

- 5.1 The attached Executive Board report sets out proposals to refresh the Best Council Plan for the period 2020/21 to 2024/25.
- 5.2 The Scrutiny Board (Infrastructure, Investment and Inclusive Growth) is asked to consider and comment on those aspects that fall within its terms of reference; with other Scrutiny Boards considering elements of the proposals relevant to their specific terms of reference.

- 5.3 As in previous years, it is intended to produce a summary of the discussion and comments from all Scrutiny Boards in order to make a single submission to Executive Board at its meeting in February 2020.

6. Recommendations

- 6.1 That the Scrutiny Board considers the relevant information within the attached Executive Board report and identifies any specific comments and/or recommendations for consideration by Executive Board as final proposals are prepared for consideration by full Council in February 2020

7. Background documents¹

- 7.1 None

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

Report of the Director of Resources and Housing

Report to Executive Board

Date: 7 January 2020

Subject: Best Council Plan Refresh 2020/21 to 2024/25

Are specific electoral wards affected?	☐ Yes ☒ No
If yes, name(s) of ward(s):	
Has consultation been carried out?	☒ Yes ☐ No
Are there implications for equality and diversity and cohesion and integration?	☒ Yes ☐ No
Will the decision be open for call-in?	☐ Yes ☒ No
Does the report contain confidential or exempt information?	☐ Yes ☒ No
If relevant, access to information procedure rule number:	
Appendix number:	

Summary

1. Main issues

- The Best Council Plan is the council's strategic plan, setting out the authority's ambitions and priorities for both the city (working in partnership) and the organisation, underpinned by the values that encompass what we do and how we work. The current 2019/20 to 2020/21 Best Council Plan was adopted by Council in February 2019.
- This paper sets out an approach to refresh the Best Council Plan for the period 2020/21 to 2024/25 based on ongoing organisational development and improvement activity, review of past performance and the wider socio-economic context and drivers.
- It is proposed that the broad strategic direction of the current Best Council Plan is retained: including the overarching goal of tackling poverty and inequalities and our ambition for Leeds to be the best city in the UK. The Best Council ambition and organisational Values are also retained, though with a renewed focus.
- Proposed changes are to:
 - a. Update the Foreword from the Leader and Chief Executive, articulating the council's ambitions, role and future direction;
 - b. Build on the revisions made in last year's Plan to strengthen the sustainability agenda by focusing this further around the Climate Emergency: with Inclusive Growth, Health and Wellbeing and the Climate Emergency

becoming the three 'pillars' that underpin the Best City ambition and supporting priorities (please also refer to the 'Climate Emergency Update' paper on today's agenda);

- c. Renew the emphasis on the Best Council ambition, focusing on the council's key resources (its people, finances, digital infrastructure and buildings) and the interlinked strategies for each; and
- d. Review the Plan's outcomes and update supporting key performance indicators to further promote linkages across policy areas where required.

2. Best Council Plan Implications (click [here](#) for the latest version of the Best Council Plan)

- This report sets out proposals for refreshing the Best Council Plan.

3. Resource Implications

- The proposals set out here underpin the council's Medium-Term Financial Strategy (approved by Executive Board in July 2019) and the Initial Budget Proposals for 2020/21 on today's agenda.
- The updated Best Council section of the Plan will focus on the council's key resources.

Recommendations

Executive Board is asked to approve:

- a) Engagement with Scrutiny on the emerging Best Council Plan in accordance with the Budget and Policy Framework Procedure Rules.
- b) The approach set out in the report to refresh the Best Council Plan for 2020/21 to 2024/25.
- c) That the Director of Resources and Housing will be responsible for developing the Best Council Plan for its consideration by this Board and Full Council in February 2020 alongside the supporting 2020/21 Budget.

1. Purpose of this report

- 1.1 This paper sets out proposals to refresh the Best Council Plan for the period 2020/21 to 2024/25. Subject to Executive Board's approval, the proposals will then be considered in consultation with Scrutiny Boards alongside the 2020/21 Initial Budget Proposals. Following this, a final draft of the updated Best Council Plan will be brought to February's Executive Board with the final Budget proposals, recommending its adoption by Full Council later that month.

2. Background information

- 2.1 In February 2019, Council adopted the Best Council Plan 2019/20 to 2020/21 (available [here](#)). The Best Council Plan is Leeds City Council's strategic plan, bringing together the headline aspirations from a range of supporting council and partnership plans to set out the authority's overall ambitions, policy direction and priorities for both city and organisation, underpinned by the authority's values. It

informs the council's budget-setting and financial strategies, helps our staff understand how the work they do makes a real difference to the people of Leeds and shows our partners how we contribute to city-wide issues.

- 2.2 The Best Council Plan is a rolling multi-year document that is reviewed and refined annually as needed. This paper sets out proposals to update the Best Council Plan for the five-year period 2020/21 to 2024/25, this revised timescale bringing it into line with the latest Medium-Term Financial Strategy approved by Executive Board in July 2019 and the emerging enabling framework to support the delivery of the Best City/Best Council goals.

3. Main issues

- 3.1 Ongoing socio-economic insight, intelligence and analysis – including the [Joint Strategic Assessment 2018](#) and [Annual Best Council Plan Performance Report](#) looking back on 2018/19 – combined with the recently updated [Index of Multiple Deprivation 2019 \(IMD 2019\)](#) validate the overall strategic direction and approach set out in the current Best Council Plan: an ongoing focus on tackling poverty and inequalities, with the most disadvantaged communities in Leeds at its heart, through a dual approach of strengthening the economy but doing this in a compassionate way. Key headlines include:

- Leeds has a diverse, robust and growing economy and is increasingly the key driver of region/city region, bucking some recent negative national trends, with continued growth in key sectors including finance/business services, advanced manufacturing, health, creative and digital industries.
- However, the IMD 2019 highlights the continuing intensification of inequalities, confirming the very dynamic and multifaceted challenges often found in our most deprived communities and the requirement for us and our partners to respond more collaboratively – particularly at either end of the age-spectrum.
- Like most cities Leeds faces deep-rooted issues around housing, transport, educational attainment and demography.
- The assets we have in communities and our growing city centre reflect a confident and ambitious city. Indeed, many of our most deprived communities are also our most dynamic, with real energy and potential hotbeds for innovation.

- 3.2 Due to the continuation of these key themes and challenges, we propose a relatively light-touch update to the 'Best City' elements of the Best Council Plan, with a greater focus this time on the 'Best Council' components. Specific proposals are:

- To update the **Foreword** from the council's Leader and Chief Executive, articulating the vital leadership, influence and convening role and positive ambition of the council based on an approach of civic enterprise and valuing public services.
- To retain the **Best City 'Strong Economy, Compassionate City' ambition** with Health and Wellbeing and Inclusive Growth remaining at the head of the hierarchy of supporting and inter-related strategies.
- To establish the **Climate Change Emergency** as the third pillar of the Best City ambition, alongside **Inclusive Growth** and **Health and Wellbeing** with the aim

to further embed sustainability considerations into all aspects of the authority's decision-making, building on last year's Best Council Plan update.

- To review the eight **Best City population outcomes** against the three supporting pillars to ensure they still reflect our Best City ambitions. These currently are:
 - Be safe and feel safe
 - Enjoy happy, healthy, active lives
 - Live in good quality, affordable homes in clean and well cared for places
 - Do well at all levels of learning and have the skills they need for life
 - Enjoy greater access to green spaces, leisure and the arts
 - Earn enough to support themselves and their families
 - Move around a well-planned city easily
 - Live with dignity and stay independent for as long as possible
- To retain the eight **Best City priorities** below, but update the narrative behind each that explains the strategic and policy direction in the coming years:
 - Inclusive Growth
 - Health and Wellbeing
 - Sustainable Infrastructure
 - Child-Friendly City
 - Age-Friendly Leeds
 - Culture
 - Housing
 - Safe, Strong Communities
- To review and update the **key performance indicators** to further promote linkages across policy areas where required.
- To retain the **Best Council ambition** to be an Efficient, Enterprising and Healthy Organisation.
- To retain the five **Values** that underpin what we do and how we work.
 - Being open, honest and trusted
 - Treating people fairly
 - Spending money wisely
 - Working as a team for Leeds
 - Working with people and engaging all communities
- To update the **Best Council** section of the Plan, with a particular focus on establishing a **new enabling framework** to support the delivery of the Best City / Best Council goals. The framework will bring together the council's key resources and the interlinked strategies and principles behind these to ensure a more unified and coordinated approach: notably, our people, finances, digital infrastructure, buildings/estate and intelligence and communications. This will include a new People Strategy for the period 2020/21 to 2024/25, setting out the key areas of focus over the next 5 years to help all staff be their best, within an organisation that supports them and provides the tools and opportunities to do so. It will also include a new draft Asset Management Strategy which, at the time of writing, is anticipated to be brought in full to the same February 2020 Executive Board.

3.3 Should these proposals be agreed, a final draft updated Best Council Plan will be presented to Executive Board and Full Council in February 2020 for approval,

following which a graphically-designed version will be developed ready to launch for the start of the new financial year.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 The Best Council Plan 2019/20 to 2020/21 was developed through engagement with a range of stakeholders, notably with the Executive Board, all Scrutiny Boards, the Corporate Leadership Team and other senior officers. It also draws on priorities set out in existing council and partnership plans and strategies which have themselves been subject to extensive consultation and engagement.
- 4.1.2 The proposed update to the Best Council Plan will also be developed in consultation with members and staff and will draw on insights from the council's 2019 staff survey and public consultation on the Budget.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 A strategic equality impact assessment (EIA) is currently being carried out and will be presented to Executive Board in February with the final Best Council Plan and Budget proposals – as in previous years, this will be joint EIA covering both the corporate plan and Budget. Additional EIAs have been carried out on key supporting plans and strategies.

4.3 Council policies and the Best Council Plan

- 4.3.1 This report presents initial proposals for refreshing the Best Council Plan for 2020/21 to 2024/25, continuing to provide a framework for the council's approach to responding to the inequality challenges in Leeds through growing the economy while being a compassionate city.
- 4.3.2 The emerging Best Council Plan will be discussed with Scrutiny Boards in the coming weeks, prior to the final Best Council Plan and Budget proposals being presented to Executive Board and Full Council in February. This process is in accordance with the council's Budget and Policy Framework (Article 4 of the council's Constitution) and the Budget and Policy Framework Procedure Rules (Part 4 Rules of Procedure).
- 4.3.3 Detailed delivery plans and key performance indicators are in place for the range of supporting plans and strategies that sit beneath the Best Council Plan. Accountability for monitoring and managing these falls within existing governance arrangements – for example, with partnership boards and project boards and additional scrutiny via Scrutiny Boards – with escalation processes as required to members and the Corporate Leadership Team.
- 4.3.4 Annual assurance reports on the robustness of the authority's performance management arrangements are considered by the council's Corporate Governance and Audit Committee, providing one of the sources of evidence for the organisation's Annual Governance Statement. The most recent assurance report was received by the Committee on 22 November 2019 (available [here](#)) with no issues identified.

Climate Emergency

- 4.3.5 As noted above, in conjunction with inclusive growth and health and wellbeing, it is proposed that the climate change emergency becomes the third 'pillar' underpinning the council's Best City ambition to tackle poverty and reduce inequalities.

4.4 Resources, procurement and value for money

- 4.4.1 The refreshed Best Council Plan will set out the council's priorities aligned with the Medium-Term Financial Strategy and annual Budget. Developing and then implementing the Best Council Plan will continue to inform, and be informed by, the council's funding envelope and other resources.

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

- 4.5.1 There are no significant legal issues relating to this report and all information within the report is publicly available.
- 4.5.2 This report has been produced in compliance with the council's Budget and Policy Framework. In accordance with this framework, the initial Best Council Plan refresh proposals, once approved by the Board, will be submitted to Scrutiny for their review and consideration. The outcome of their review will be reported to the February 2020 meeting of this Board at which proposals for the 2020/21 to 2024/25 Best Council Plan will be considered prior to submission to Full Council on 26 February 2020. As such, this report is not eligible for call-in in line with Executive & Decision Making Procedure Rule 5.1.2 which states that, 'the power to Call In decisions does not extend to decisions made in accordance with the Budget and Policy Framework Procedure Rules'.

4.6 Risk management

- 4.6.1 The council's corporate and directorate risk registers will continue to be reviewed in light of any amendments to the Best Council Plan to ensure that the key risks that could impact upon new and evolving strategic objectives and priorities are appropriately identified, assessed and managed.
- 4.6.2 A full risk assessment will also be undertaken of the council's financial plans – which support the delivery of the Best Council Plan – as part of the normal budget process with some of the most significant potential risks to the Budget and Medium-Term Financial Strategy outlined in today's 'Initial Budget Proposals' paper. These arrangements comply with the council's Risk Management Policy.

5. Conclusions

- 5.1 Executive Board has received a range of reports in recent years on the progress being made towards the Best City vision and ambition of Leeds having a strong economy and being a compassionate city, but also the ongoing challenges of persistent and significant inequalities. Most recently, the Best Council Plan Annual Performance Report and the government's updated Indices of Multiple Deprivation confirm this mixed picture. As the council's strategic plan that brings together a range of supporting council and partnership plans and strategies, it is therefore proposed that the refreshed Best Council Plan maintains its focus on addressing these challenges, the council's approach underpinned by three 'pillars': inclusive growth, health and wellbeing and the climate emergency.

- 5.2 It is also important that the council continues to play its part through ongoing improvement and prioritisation, using its resources to support the Best City vision and enabling its people right across the organisation to be their best. It is therefore further proposed that the refreshed Plan retains the 'Best Council' ambition with an updated narrative that focuses on the authority's resources and their interconnected strategies to ensure a more unified and coordinated approach: notably, across our people, finances, digital infrastructure, buildings and intelligence and communications.
- 5.3 This approach provides the framework for the Initial Budget Proposals for 2020/21 being considered today. Alongside the emerging Budget, the refresh of the Best Council Plan will be developed further in the coming weeks through consultation with members and officers with final detailed proposals coming back to Executive Board in February recommending its adoption by Council.

6. Recommendations

- 6.1 Executive Board is asked to approve:
- a) Engagement with Scrutiny on the emerging Best Council Plan in accordance with the Budget and Policy Framework Procedure Rules.
 - b) The approach set out in the report to refresh the Best Council Plan for 2020/21 to 2024/25.
 - c) That the Director of Resources and Housing will be responsible for developing the Best Council Plan for its consideration by this Board and Full Council in February 2020 alongside the supporting 2020/21 Budget.

7. Background documents¹

- 7.1 There are no background documents.

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

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Report of Head of Democratic Services

Report to Scrutiny Board (Infrastructure, Investment and Inclusive Growth)

Date: 8 January 2020

Subject: Work Schedule

Are specific electoral wards affected? If yes, name(s) of ward(s):	☐ Yes ☒ No
Has consultation been carried out?	☒ Yes ☐ No
Are there implications for equality and diversity and cohesion and integration?	☐ Yes ☒ No
Will the decision be open for call-in?	☐ Yes ☒ No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	☐ Yes ☒ 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. Background information

- 2.1 All Scrutiny Boards are required to determine and manage their own work schedule for the municipal year. In doing so, the work schedule should not be considered a fixed and rigid schedule, it should be recognised as a document 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.

3. Main issues

- 3.1 The latest iteration of the Board's work schedule is attached as Appendix 1 for consideration and agreement of the Scrutiny Board – subject to any identified and agreed amendments.
- 3.2 The work programme was updated to reflect the Board initial discussions in June 2019 and is routinely considered by the Scrutiny Board at each formal board meeting.
- 3.3 Traditional items of Scrutiny work have been incorporated into the work schedule, which involve recommendation tracking of work previously undertaken by the

Scrutiny Board; performance monitoring reports and any Budget and Policy Framework items.

- 3.4 Draft Executive Board minutes from the meeting held on 25 November 2019 are 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

- 3.5 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.
- 3.6 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 necessary and appropriate. This flexible approach may also require additional formal meetings of the Scrutiny Board.

Developments since the previous Scrutiny Board meeting

- 3.7 Further to recent discussions arrangements for a working group with representatives from the Environment, Housing and Communities Scrutiny Board to discuss Leeds City Council's car parking policy are being progressed.
- 3.8 Following discussion with the Chairs of this Board, the Strategy and Resources and Environment, Housing and Communities Scrutiny Boards a further working group is being considered in order to enable members to explore the Council's approach to the disposal of green spaces in the context of the declared Climate Emergency. This is to be progressed with a view to enabling members to contribute to the development of the Council's Asset Management Review.

4. Consultation and engagement

- 4.1.1 The Vision for Scrutiny states that Scrutiny Boards should seek the advice of the Scrutiny officer, the relevant Director(s) and Executive Member(s) about available resources prior to agreeing items of work.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 The Scrutiny Board Procedure Rules state that, where appropriate, all terms of reference for work undertaken by Scrutiny Boards will include ‘to review how and to

what effect consideration has been given to the impact of a service or policy on all equality areas, as set out in the Council's Equality and Diversity Scheme'.

4.3 Council policies and the Best Council Plan

- 4.3.1 The terms of reference of the Scrutiny Boards promote a strategic and outward looking Scrutiny function that focuses on the best council objectives.

Climate Emergency

- 4.3.2 When considering areas of work, the Board is reminded that influencing climate change and sustainability should be a key area of focus.

4.4 Resources, procurement and value for money

- 4.4.1 Experience has shown that the Scrutiny process is more effective and adds greater value if the Board seeks to minimise the number of substantial inquiries running at one time and focus its resources on one key issue at a time.
- 4.4.2 The Vision for Scrutiny, agreed by full Council also recognises that like all other Council functions, resources to support the Scrutiny function are under considerable pressure and that requests from Scrutiny Boards cannot always be met.

Consequently, when establishing their work programmes Scrutiny Boards should:

- Seek the advice of the Scrutiny officer, the relevant Director and Executive Member about available resources;
- Avoid duplication by having a full appreciation of any existing forums already having oversight of, or monitoring a particular issue;
- Ensure any Scrutiny undertaken has clarity and focus of purpose and will add value and can be delivered within an agreed time frame.

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

- 4.5.1 This report has no specific legal implications.

4.6 Risk management

- 4.6.1 This report has no specific risk management implications.

5. Conclusions

- 5.1 All Scrutiny Boards are required to determine and manage their own work schedule for the municipal year. The latest iteration of the Board's work schedule is attached as Appendix 1 for consideration and agreement of the Scrutiny Board – subject to any identified and agreed amendments.

6. Recommendations

- 6.1 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 2019/20.

7. Background documents¹

- 7.1 None.

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



Scrutiny Board (Infrastructure, Investment and Inclusive Growth)

Work Schedule for 2019/2020 Municipal Year

June	July	August
Meeting Agenda for 19 June at 10.30 am.	Meeting Agenda for 31 July at 10.30 am.	No Scrutiny Board meeting scheduled.
Consider potential areas of review (including public request for Scrutiny) Performance Report (PM)	Directors Response – Inclusive Growth Inquiry (Including CLES report and Inclusive Growth Strategy, One Year on) (All IGS big Ideas) Finance – Outturn 2018/19 (PM)	
Working Group Meetings		
Site Visits		

Scrutiny Work Items Key:

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

Inclusive Growth Strategy

PEOPLE, **PLACE** and **PRODUCTIVITY** - Relevant **BIG** Ideas **3, 4, 5, 6, 7, 8, 9, 10**



Scrutiny Board (Infrastructure, Investment and Inclusive Growth)

Work Schedule for 2019/2020 Municipal Year

September	October	November
Meeting Agenda for 4 September at 10.30 am	Meeting Agenda for 9 October at 10.30 am	Meeting Agenda for 20 November at 10.30 am
Leeds Transport Strategy including Progress on the Leeds Public Transport Investment Programme A660 – Lawnswood Junction Proposals (Big Idea 6,7 & 8) Policy Review – Motorcycle use of bus lanes	Climate Emergency – Themed discussion (invite Cllr Walshaw and Cllr Mulherin) Casualty Reduction and KSI (Including Road Traffic ASB) (PM)	Advancing Bus Service Provision Inquiry – comprehensive progress review (RT) (Big Idea 6,7 & 8) Markets Carpark
Working Group Meetings		
Site Visits		

Scrutiny Work Items Key:

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



Scrutiny Board (Infrastructure, Investment and Inclusive Growth)

Work Schedule for 2019/2020 Municipal Year

December	January	February
No Meeting	Meeting Agenda for 8 Jan at 10.30 am	Meeting Agenda for 19 Feb at 10.30 am
	Performance report (PM) Financial Health Monitoring (PSR) 2020/21 Initial Budget Proposals (PDS) Best Council Plan (PM – BPF) Recommendation tracking – Inclusive Growth Inquiry (RT) <i>(All IGS big Ideas)</i> <i>To include an update on employment support to residents with all forms of disability as per discussions 4/9/19.</i>	Housing Mix Inquiry – Recommendation Tracking and Update (see minutes) (RT) <i>(Big Idea 5 & 8)</i> Digital Inclusion – Recommendation Tracking (RT) <i>(Big Idea 9)</i> Recommendation Tracking – Information Advice and Guidance Provision in Leeds <i>(Big Idea 3)</i> Smart Cities Update Powered Two Wheeler Access to with Flow Bus Lanes –response to September recommendations
Working Group Meetings		
Site Visits		

Scrutiny Work Items Key:

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

Scrutiny Board (Infrastructure, Investment and Inclusive Growth)

Work Schedule for 2019/2020 Municipal Year

March	April	May	Unscheduled
No Scrutiny Board meeting scheduled.	Meeting Agenda for 8 April at 10.30 am	No Scrutiny Board meeting scheduled.	
	Inquiry – Agree Final Report(s) if any Sustainable Development Inquiry (RT and update on specific recommendations) (Big Idea 5 & 8) Local Flood Risk Management Strategy – Annual Review (PM) (Big Idea 8)		EB report on the progress of 'Being Me' strategy along with the recommendations of how the Council's ambitions can be achieved. Due at EB in October. Planned consultation activity in relation to future options for the A660 Lawnswood junction. WKGP with EH&C Representatives Car Parking Policy Proposed Date: 17/2 WKGP Disposal of Green Spaces Proposed Date: 27/01
Working Group Meetings			
Site Visits			

Scrutiny Work Items Key:

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



Scrutiny Board (Infrastructure, Investment and Inclusive Growth)

Work Schedule for 2019/2020 Municipal Year

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EXECUTIVE BOARD

MONDAY, 25TH NOVEMBER, 2019

PRESENT: Councillor J Blake in the Chair

Councillors A Carter, D Coupar, S Golton,
J Lewis, L Mulherin, J Pryor and F Venner

SUBSTITUTE MEMBER: Councillor A Khan

APOLOGIES: Councillors R Charlwood and M Rafique

97 Substitute Member

Under the provisions of Executive and Decision Making Procedure Rule 3.2.6, Councillor A Khan was invited to attend the meeting on behalf of Councillor R Charlwood, who had submitted her apologies for absence from the meeting.

98 Chair's Opening Remarks

At the commencement of the meeting, the Chair highlighted that the Board meeting was being held during the pre-election 'purdah' period, and invited Board Members to bear in mind when making comment at today's meeting that the purpose of the purdah period was not to prevent the Council from carrying out its normal business, but to prevent such business from being used, or having the potential to be perceived as being used, to secure any electoral advantage.

99 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 Appendix 1 to the report entitled, 'Proposal to Acquire the Rose Court Site for Additional SEN Places from September 2021', referred to in Minute No. 107 be designated as being exempt from publication in accordance with paragraph 10.4(3) of Schedule 12A(3) of the Local Government Act 1972 on the grounds that Appendix 1 contains commercially sensitive information relating to the financial or business affairs of any particular person or organisation (including the authority holding that information) which if disclosed, could, or be likely to, prejudice the commercial interests of that person, organisation or the Council. As such, it is felt that the public interest in maintaining the exemption outweighs the public interest in disclosing this information at this point in time.

100 Late Items

There were no late items of business submitted to the meeting.

101 Declaration of Disclosable Pecuniary Interests

There were no Disclosable Pecuniary Interests declared at the meeting.

102 Minutes

RESOLVED – That the minutes of the previous meeting held on 16th October 2019 be approved as a correct record.

INCLUSIVE GROWTH AND CULTURE

103 Update on Leeds City Council's Preparations for the UK's Exit from the European Union

Further to Minute No. 89, 16th October 2019, the Chief Executive submitted a report which provided a further update on the preparations being made by Leeds City Council regarding the UK's exit from the European Union.

Responding to a previous request, the inclusion within the submitted report of a section regarding the agricultural sector was acknowledged, whilst a comment regarding the appropriateness, or otherwise of submitting a report on the UK's exit from the European Union for Member's consideration during the purdah period was noted.

RESOLVED –

- (a) That the continued work being undertaken to prepare the Council and the city for the UK's exit from the European Union, together with the ongoing concerns which exist regarding the lack of clarity about the nature of the exit from the EU, be noted;
- (b) That the contents of the strategic response plan, as attached at Appendix A to the submitted report, together with the updates provided in the submitted cover report, be noted, with it being recognised that assumptions and planning will continue to develop as new information becomes available.

HEALTH, WELLBEING AND ADULTS

104 Enhancing Access to Community Public Access Defibrillators in Leeds

The Director of Adults and Health submitted a report which outlined the benefits associated with Community Public Access Defibrillators (CPADs) and provided details of the current provision of them across the city. The report also sought a number of approvals including the proposed approach towards the allocation of CPADs, the raising of community awareness and the training of communities on Basic Life Support and the use of the CPADs.

The Chair welcomed Councillor Khan to the meeting. Councillor Khan had been invited to attend the Board on behalf of Councillor R Charlwood, who had submitted her apologies for absence from the meeting. Councillor Khan introduced the submitted report to the Board.

Draft minutes to be approved at the meeting
to be held on Tuesday, 7th January, 2020

Responding to a Member's enquiry regarding the recommended distances between defibrillator locations, the Board was advised that the relevant guidance had been taken into account when considering the location of CPADs within Wards, and that the identification of Wards had been based upon ensuring that each Ward had a minimum of 4, with additional allocation to those Wards judged to have a higher need based upon the criteria used. It was also noted that the location of CPADs within Wards would be determined in collaboration with the Yorkshire Ambulance Service and Ward Members.

The Board also acknowledged the importance of the work which continued to take place across the city via a range of organisations and sectors to enhance the provision of defibrillators in their local area, which complemented the CPAD programme. A Member highlighted their hope that in addition to the CPAD initiative, liaison would take place with organisations who were putting defibrillators in place in the future so that the public accessibility of those units was maximised.

The importance of the awareness raising and training proposed as part of the CPAD programme was also emphasised.

RESOLVED –

- (a) That the contents of the submitted report, be noted;
- (b) That the proposed allocation of 54 Community Public Access Defibrillators to ensure that every Ward has a minimum of 4, with additional allocation to Wards with highest cardiac arrest and low bystander cardiopulmonary resuscitation rates and highest early deaths from circulatory disease, be agreed;
- (c) That the approach to allocate a short term project support worker, working with the Communities and Environment directorate to support: the allocation of the Community Public Access Defibrillators, community awareness raising and training through the Yorkshire Ambulance Service, be agreed;
- (d) That it be noted that the Communities and Environment directorate will lead the implementation of the programme, working closely with Ward Members and with advice and guidance from the Adults and Health directorate.

CHILDREN AND FAMILIES

105 Thriving: The Child Poverty Strategy for Leeds

The Director of Children and Families submitted a report presenting for the purposes of approval the Child Poverty Strategy for Leeds, entitled, 'Thriving'. In addition, the report provided an overview of the range of ongoing work being undertaken across the city aimed at mitigating the impact of poverty for children and young people.

By way of introduction to the report, Members received a detailed introduction to the range of initiatives being undertaken in this area, with a proposal that further reports would be submitted in due course providing an update on the progress being made.

Members commended the work of the 'A Different Take' Leeds Panel comprising young people, young adults and parents, specifically with respect to the production of their 'More Snakes than Ladders' report.

In response to an enquiry, it was proposed and agreed that update reports would be submitted to the Board on a quarterly basis providing quantifiable information on the progress being made by the work streams undertaken as part of the strategy, with it being noted that some of the data, by its very nature, would only be available on a periodic basis.

Responding to a comment regarding the timeframes associated with the implementation of some initiatives, emphasis was placed upon the importance of ensuring that such schemes were sustainable and fully met the needs of the community. Providing further response, it was acknowledged that although academic data was sought in some instances when establishing initiatives to ensure an evidence based approach, it was highlighted that the delivery of such initiatives was also informed by those living in poverty.

A Member's comment regarding the need for local Ward Councillors to be kept informed of the related activities taking place in their respective areas was acknowledged, with an undertaking that greater communication with Ward Members would take place in future.

Emphasis was also placed upon the need for the correct balance to be found between a quantitative and qualitative approach, with the ability to be able to provide overarching citywide data on the progress being made, whilst at the same time still maintaining the ability for initiatives to be delivered in a child focussed and localised way.

The importance of striking the correct balance was further highlighted, as it was seen as key to successfully delivering schemes, when tackling hunger for example, by providing food to those young people who needed it without any of the associated stigma, whilst at the same time also looking to provide them with an opportunity to have fun and improve their wider wellbeing.

RESOLVED –

- (a) That the Child Poverty Strategy for Leeds (2019-2022) entitled, 'Thriving', as appended to the covering report, be approved;
- (b) That the strategic framework which is in place to tackle child poverty, together with the work being undertaken by the Council and its partners in the key areas of activity, be noted;

- (c) That it be noted that the officer responsible for the implementation of the strategy is the Chief Officer, Partnerships and Health by December 2022.

106 Children and Families - Strengthening Families, Protecting Children Programme

The Director of Resources and Housing submitted a report regarding proposals which would enable the Council to take a lead role in national improvement programmes and at the same time ensure that there was sufficient leadership capacity to maintain the Council's own position whilst supporting other Authorities.

Members welcomed the submitted report and the recognition that Leeds had received in this area. The Board also welcomed the framework in the submitted report which looked to meet the challenge of ensuring that the Council continued to successfully support the children and young people of Leeds in addition to those in other designated Authorities.

RESOLVED –

- (a) That the proposals, as set out within the submitted report, be approved, specifically with the following being agreed:-
- (1) To formally accept the Department for Education's 'Strengthening Families, Protecting Children' funding offer;
 - (2) The establishment of a 'Strengthening Families, Protecting Children' team including a Programme Director post, which will operate at Director level;
 - (3) The flexible deployment of the current Director of Children and Families to the post of Programme Director;
 - (4) The appointment of a temporary Director of Children and Families, subject to the decisions of the Employment Committee;
 - (5) To review these arrangements in 12 months' time.
- (b) That as a result of the resolutions (above), it be noted that the Chief Officer HR will, during December 2019 make the necessary arrangements to implement resolutions (a)(2) – (a)(4), with it also being noted that the Chief Officer HR will undertake a review of these arrangements in December 2020.

LEARNING, SKILLS AND EMPLOYMENT

107 Proposal to acquire the Rose Court site for additional Special Educational Needs (SEN) places from September 2021

The Director of Children and Families and the Director of City Development submitted a joint report which set out details of a proposal brought forward to meet the local authority's duty to ensure a sufficiency of learning places including provision for children and young people with Special Educational Needs and Disabilities (SEND). Specifically, the report detailed the proposal to purchase Rose Court (the former Girls Grammar School site) to deliver a new special free school from September 2021.

A Member enquired whether this proposal for the Rose Court site together with other actions being taken regarding SEND provision would mean that the proposal for the Elmete Wood site (Minute No. 108 refers) would not be required. In response, the rising demand for Education Health and Care Plans and SEND provision was highlighted, and it was confirmed that the capacity which would be provided by both proposals was deemed to be necessary, and that it would enable the Authority to keep pace with demand and would look to provide parents and young people with an element of choice.

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

RESOLVED –

- (a) That the proposal for the Council to enter into draft Heads of Terms for the purchase of Rose Court from The Grammar School at Leeds, as set out in exempt Appendix 1 to the submitted report, be approved;
- (b) That the necessary authority be delegated to the Director of City Development, to enable the Director, with the concurrence of the Executive Member for Resources and the Executive Member Learning, Skills and Employment to agree the final terms of the purchase;
- (c) That it be noted that a public consultation exercise on the proposal to open a new special free school on the Rose Court site through the free school presumption route, will be required, which will be delivered by the Sufficiency and Participation Team, with it also being noted that a report will be submitted to a future Executive Board detailing the outcome of that consultation process.

108 Proposal to establish a new special free school on the Elmete Wood Site

The Director of Children and Families submitted a report regarding a proposal brought forward to meet the Local Authority's duty to ensure a sufficiency of learning places including provision for children and young people with Special Educational Needs and Disabilities (SEND). Specifically, the report presented the outcome of a consultation exercise regarding a proposal to establish a new 200 place special free school on the Elmete Wood site following Leeds City Council successfully securing funding through Wave 2 of the Special Educational Needs / Alternative Provision free schools funding provision.

It was confirmed that correspondence had been received by Board Members from a member of the public in advance of the meeting with regard to this proposal, with it being undertaken that an appropriate response would be provided to that individual.

A Member enquired whether the proposal for the Rose Court site (Minute No. 107 refers) together with other actions being taken regarding SEND provision would mean that this proposal for the Elmete Wood site would not be required. In response, the rising demand for Education Health and Care Plans

and SEND provision was highlighted, and it was confirmed that the capacity which would be provided by both proposals was deemed to be necessary, and that it would enable the Authority to keep pace with demand and would look to provide parents and young people with an element of choice.

Responding to a Member's enquiry, it was confirmed that although the proposed scheme would be delivered and funded by the Department for Education, the Council would be responsible for providing funding to deliver the access solution designed to address highways planning conditions relating to the scheme.

RESOLVED –

- (a) That the outcome of the consultation exercise on the proposal to establish a new 200 place special free school on the Elmete Wood site, as detailed within the submitted report, be noted;
- (b) That it be noted that the Department for Education is delivering and funding the capital costs of the scheme under the provisions of Wave 2 – Special Educational Needs/Alternative Provision (SEN/AP) free schools funding;
- (c) That under the specific conditions of the funding bid, approval be given to the transfer of the Elmete Wood site under a 125 year peppercorn lease without premium to the successful sponsor identified through the free school presumption process;
- (d) That it be noted that within the related funding conditions Leeds City Council must meet any associated highways costs required under planning, in addition the Local Authority must meet any ground abnormal costs where remediation is required under planning, with it also being noted that once these costs are determined, 'authority to spend' will be sought through a design and cost report;
- (e) That it be noted that the successful sponsor will be determined by the Secretary of State following an assessment and interview process, with the announcement on the successful sponsor expected to be made in February 2020;
- (f) That it be noted that the responsible officer for the implementation of such matters is the Head of Learning Systems.

RESOURCES

109 Capital Programme 2019/20 - 2022/23: Quarter 2 Update

The Chief Officer (Financial Services) submitted a report providing an update on the Capital Programme position as at Quarter 2 of the financial year. In addition, the report also sought some specific approvals in relation to funding injections.

RESOLVED –

- (a) That the latest position on the General Fund and Housing Revenue Account (HRA) Capital Programmes, as at quarter 2 of the financial year and as detailed within the submitted report, be noted;
- (b) That the net increase in the General Fund and HRA Capital Programme 2019-2023 of £115.2m since the Capital Programme setting in February 2019, be noted, with it also being noted that these injections and movements are listed in Appendix D to the submitted report and that £21.3m of schemes require injection approval as part of this report;
- (c) That it be noted that the borrowing required to fund the Capital Programme in 2019-20 has reduced by £52.6m since the Capital Programme setting in February 2019, with it also being noted that the Capital Programme remains affordable within the approved debt budget for 2019-20, and that further work is underway through regular Capital Programme reviews to ensure that future debt costs are maintained within the overall medium term financial strategy;
- (d) That the following £21.3m worth of injections into the Capital Programme, as set out below and as detailed within Appendix D to the submitted report, be approved:-
- £7.347m East Leeds Orbital Road additional grant from WYCA
 - £2.814m Devolved Formula Capital (DFC) additional grant from govt
 - £2.376m NE Leeds Junction Improvements, grant from WY+TF
 - £2.062m HRA net revenue contributions
 - £1.967m Learning Places Programme, S106 funding
 - £1.885m Leeds city Centre Network Ph1, grant from WYCA
 - £1.506m SEND Special Provision Fund Top Up Grant
 - £0.392m Outer Ring Road Pudsey to Horsforth grant from WYCA
 - £0.22m Community Hepatology Programme, Public Health Grant
 - £0.158m Flood Risk Hawthorn Terrace, Highways Agency Grant
 - £0.111m TV & Film Studio, stamp duty obligation
 - £0.463m Other smaller scheme, grants and contributions
- (e) That it be noted that the decision to inject funding, as detailed at resolution (d) above, will be implemented by the Chief Officer, Financial Services;
- (f) That the review of Capital Programme pressures from 2020/21 onwards together with the prioritisation of proposals for consultation and inclusion in the February 2020 Capital Programme update to Executive Board, as shown in Appendix F to the submitted report, be noted.

110 Treasury Management Strategy Update 2019/20

The Chief Officer, Financial Services submitted a report providing a review of, and update on the Council's 2019/20 Treasury Management Strategy.

RESOLVED – That the update on the Treasury Management borrowing and investment strategy for 2019/20, as detailed within the submitted report, be noted.

111 Financial Health Monitoring 2019/20 - Month 6

The Chief Officer, Financial Services submitted a report which set out the Council's projected financial health position for the 2019/20, as at Month 6 of the financial year.

Responding to a Member's enquiry regarding the compensation to be paid by Veolia to the Council for not meeting contracted recycling targets, it was noted that this projected sum had been incorporated into the Council's budget assumptions. Also, it was highlighted that discussions were ongoing with Veolia regarding the level of compensation to be received and with DEFRA (Department for Environment, Food and Rural Affairs) regarding how such compensation could be invested to assist with the future achievement of recycling and waste management targets, with it being undertaken that when an agreement had been reached with DEFRA, the matter would be reported to Members of Executive Board.

Regarding the Children and Families directorate, a Member highlighted the current position in terms of External Residential (ER) placements and enquired whether it would assist the position if the Council further invested in its own accommodation provision. In response, it was highlighted that investment had taken place in children's homes in Leeds through an extensive refurbishment programme which had meant the temporary closure of some homes whilst works took place. It was noted however that newly refurbished homes were beginning to come back on stream and it was hoped that this would further reduce the need for ER placements. As such, it was believed that extra capacity in this area was not currently needed, a position that would continue to be reviewed as appropriate.

Also, responding to an enquiry regarding the loss of fee income from Children's Centres, it was highlighted that there was a plan in place to address this, which included a rebranding and marketing exercise for the centres, a review of the infrastructure with the aim of making the buildings more appealing as venues and work which was being undertaken to ensure that the correct balance of staffing was achieved at each centre.

RESOLVED –

- (a) That the projected financial position of the Authority as at Month 6 (September 2019) of the financial year, be noted;
- (b) That with regard to the risk that the budgeted level of capital receipts may not be receivable in 2019/20, the progress made to date on such matters, together with the fact that work is ongoing to identify budget

savings proposals that will contribute towards the delivery of a balanced budget position in 2019/20, be noted.

112 Disposal of land located on Seacroft Crescent, Killingbeck and Seacroft, for Extra Care Housing delivery and final terms of Development Agreement

Further to Minute No. 131, 19th December 2018, the Director of Adults and Health, the Director of City Development and the Director of Resources and Housing submitted a joint report which sought approval to dispose of a Council owned site on Seacroft Crescent in Killingbeck and Seacroft Ward to facilitate the development of new Extra Care housing provision in support of the Better Lives Programme.

RESOLVED –

- (a) That it be noted that the Director of City Development, in consultation with the Executive Member for Resources, will progress with the disposal of the subject land;
- (b) That approval be granted to enter into the Development Agreement with the consortium;
- (c) That approval be granted for any subsequent amendments to the terms of the disposal being delegated to the Director of City Development for his consideration and approval under the scheme of officer delegation, in consultation with the Executive Member for Resources.

CLIMATE CHANGE, TRANSPORT AND SUSTAINABLE DEVELOPMENT

113 City Connect 3 Leeds Package - Segregated Cycleways at Dewsbury Road (Phase 3), Elland Road and Clay Pit Lane

The Director of City Development submitted a report which sought approval for the design and delivery of a package of 3 schemes to provide segregated cycleways linking to Leeds City Centre. Specifically, the proposed cycleways were to run along Clay Pit Lane, Dewsbury Road and Elland Road. The schemes form part of the Combined Authority's 'City Connect 3' package of improvement to cycle infrastructure in West Yorkshire.

In noting that the proposals within the submitted report were to be fully funded by the West Yorkshire Combined Authority's (WYCA) City Connect programme, a Member sought an update on the current position regarding the outstanding WYCA funding in respect of phase 1 of the scheme, and given that outstanding sum, a further enquiry was made as to whether guarantees could be provided that the proposals in respect of phase 3 would be fully funded by the Combined Authority. The Member also requested to see a copy of WYCA's letter to the Council in 2016 regarding the Combined Authority's commitment in respect of funding phase 1 of the project.

In response, the Board noted that this proposed scheme would be governed by a funding agreement which phase 1 was not, and would include appropriate contingency provision. It was also noted that this scheme had the

advantage of the experience gained from the delivery of earlier phases. With regard to the commitment that WYCA had provided regarding the funding of phase 1, it was noted that the Director of City Development was scheduled to meet with the Combined Authority tomorrow with a view to raising the issue of the outstanding sum. The Director undertook to update Board Members as appropriate.

RESOLVED –

- (a) That the success to date of the City Connect programme within Leeds, be noted;
- (b) That the proposed Phase 3 projects which will provide segregated cycleways on Dewsbury Road, Elland Road and Clay Pit Lane, as detailed within the submitted report, be approved; and that the submission of the projects to the West Yorkshire Combined Authority as part of a full business case for the purposes of final approval, be approved;
- (c) That the authority to incur expenditure of £6.14m to design and construct the cycleways, to be fully funded from the West Yorkshire Combined Authority's City Connect programme, be approved;
- (d) That the following be noted:-
 - (i) The construction of the scheme is programmed to commence in the Spring of 2020 for completion by Spring 2021; and
 - (ii) The Chief Officer (Highways and Transportation) will be responsible for the implementation of such matters.

(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)

COMMUNITIES

114 The Leeds Pledge to Strengthen Civil Society

The Director of Communities and Environment submitted a report which presented for the purposes of endorsement the 'Leeds Pledge to Strengthen Civil Society' which was the result of a cross sector co-production exercise, initiated and led by Leeds Third Sector Partnership.

By way of introduction to the submitted report, the Executive Member for Communities paid tribute to Pat Fairfax, Policy and Performance Manager – Third Sector, for the longstanding work she had undertaken with the Leeds Third Sector Partnership and the wider support which she had provided across the sector, as Pat was due to retire from the Council in the near future.

In addition, Chris Hollins, Chair of Third Sector Leeds and Deputy Chair of the Leeds Third Sector Partnership, was welcomed to the meeting, and he provided an overview of the collaborative work which had been undertaken across a range of partners throughout the development of the Pledge.

Draft minutes to be approved at the meeting
to be held on Tuesday, 7th January, 2020

In response, Members welcomed the proposals detailed within the submitted report.

RESOLVED –

- (a) That the 'Leeds Pledge to Strengthen Civil Society' as detailed at Appendix 1, together with the submitted covering report, be endorsed;
- (b) That the Executive Member for Communities, as Chair of the Third Sector Partnership be requested to invite the NHS, University and Third Sector colleagues to take the Pledge into their sectors and institutions and to seek their support and commitment to partnership working on this agenda;
- (c) That it be noted that the Director of Communities and Environment and the Chief Officer, Communities are the senior officers responsible for the Council's oversight of the Pledge and its promotion and roll out.

115 Tackling Poverty and Inequality through Digital Inclusion

The Director of Communities and Environment submitted a report which provided an update on the approach being taken on the promotion of digital inclusion in Leeds through the '100% Digital Leeds' programme.

In presenting the submitted report, the Executive Member for Communities provided the Board with an overview of the range of work being undertaken as part of the promotion of the digital inclusion agenda.

RESOLVED –

- (a) That the ongoing work, together with the progress achieved to date, on the 100% Digital Leeds programme in mitigating the impact of poverty and inequality in the city through a focus on greater digital inclusion, be noted;
- (b) That the suggested areas for further work, as outlined in Section 5 of the submitted report, be agreed;
- (c) That the positive approach being adopted to co-produce the future programme with citizens and communities who have 'lived experience' of poverty and inequality, be acknowledged.

DATE OF PUBLICATION: WEDNESDAY, 27TH NOVEMBER 2019

**LAST DATE FOR CALL IN
OF ELIGIBLE DECISIONS:** 5.00PM, WEDNESDAY, 4TH DECEMBER 2019