



EXECUTIVE BOARD

Meeting to be held remotely on
Wednesday, 24th June, 2020 at 1.00 pm

MEMBERSHIP

Councillors

J Blake (Chair)	A Carter	S Golton
R Charlwood		
D Coupar		
J Lewis		
L Mulherin		
J Pryor		
M Rafique		
F Venner		

Note to observers of the meeting:

To remotely observe this meeting, please click on the 'View the Webcast' link which will feature on the meeting's webpage (linked below) ahead of the meeting. The webcast will become available at the commencement of the meeting.

<https://democracy.leeds.gov.uk/ieListDocuments.aspx?CId=102&MId=9946>

CONFIDENTIAL AND EXEMPT ITEMS

The reason for confidentiality or exemption is stated on the agenda and on each of the reports in terms of Access to Information Procedure Rules 9.2 or 10.4(1) to (7). The number or numbers stated in the agenda and reports correspond to the reasons for exemption / confidentiality below:

9.0 Confidential information – requirement to exclude public access

9.1 The public must be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that confidential information would be disclosed. Likewise, public access to reports, background papers, and minutes will also be excluded.

9.2 Confidential information means

- (a) information given to the Council by a Government Department on terms which forbid its public disclosure or
- (b) information the disclosure of which to the public is prohibited by or under another Act or by Court Order. Generally personal information which identifies an individual, must not be disclosed under the data protection and human rights rules.

10.0 Exempt information – discretion to exclude public access

10.1 The public may be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that exempt information would be disclosed provided:

- (a) the meeting resolves so to exclude the public, and that resolution identifies the proceedings or part of the proceedings to which it applies, and
- (b) that resolution states by reference to the descriptions in Schedule 12A to the Local Government Act 1972 (paragraph 10.4 below) the description of the exempt information giving rise to the exclusion of the public.
- (c) that resolution states, by reference to reasons given in a relevant report or otherwise, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

10.2 In these circumstances, public access to reports, background papers and minutes will also be excluded.

10.3 Where the meeting will determine any person's civil rights or obligations, or adversely affect their possessions, Article 6 of the Human Rights Act 1998 establishes a presumption that the meeting will be held in public unless a private hearing is necessary for one of the reasons specified in Article 6.

10.4 Exempt information means information falling within the following categories (subject to any condition):

- 1 Information relating to any individual
- 2 Information which is likely to reveal the identity of an individual.
- 3 Information relating to the financial or business affairs of any particular person (including the authority holding that information).
- 4 Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or officer-holders under the authority.
- 5 Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
- 6 Information which reveals that the authority proposes –
 - (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or
 - (b) to make an order or direction under any enactment
- 7 Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime

A G E N D A

Item No K=Key Decision	Ward	Item Not Open		Page No
1			APPEALS AGAINST REFUSAL OF INSPECTION OF DOCUMENTS To consider any appeals in accordance with Procedure Rule 15.2 of the Access to Information Procedure Rules (in the event of an Appeal the press and public will be excluded) (*In accordance with Procedure Rule 15.2, written notice of an appeal must be received by the Head of Governance Services at least 24 hours before the meeting)	
2			EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC 1 To highlight reports or appendices which officers have identified as containing exempt information within the meaning of Section 100I of the Local Government Act 1972, 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 the recommendation is accepted, to formally pass the following resolution:- 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 those parts of the agenda designated as exempt 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.	

Item No K=Key Decision	Ward	Item Not Open		Page No
3			LATE ITEMS To identify items which have been admitted to the agenda by the Chair for consideration (The special circumstances shall be specified in the minutes)	
4			DECLARATION OF DISCLOSABLE PECUNIARY INTERESTS To disclose or draw attention to any disclosable pecuniary interests for the purposes of Section 31 of the Localism Act 2011 and paragraphs 13-16 of the Members' Code of Conduct.	
5			MINUTES To confirm as a correct record the minutes of the meeting held on 19th May 2020. <u>RESOURCES</u>	11 - 18
6 K			FINANCIAL PERFORMANCE - OUTTURN FINANCIAL YEAR ENDED 31ST MARCH 2020 To consider the report of the Chief Officer (Financial Services) presenting the financial outturn position for 2019/20 in terms of both revenue and capital, with it also including the Housing Revenue Account and expenditure on schools.	19 - 66
7			TREASURY MANAGEMENT OUTTURN REPORT 2019/20 To consider the report of the Chief Officer (Financial Services) providing an outturn position for 2019/20 in terms of the Council's Treasury Management Strategy and operations.	67 - 78

Item No K=Key Decision	Ward	Item Not Open		Page No
8			FINANCIAL HEALTH MONITORING 2020/21 – MONTH 1 To consider the report of the Chief Officer (Financial Services) which presents the projected financial health position of the Authority for 2020/21, as at month 1 of the financial year.	79 - 110
9			IMPACT OF CORONAVIRUS (COVID-19) UPON LEEDS CITY COUNCIL'S 2020/21 FINANCIAL POSITION AND UPDATE ON THE FORECAST BUDGET POSITION FOR 2021/22 To consider the report of the Chief Officer (Financial Services) which provides an update regarding the Council's financial position in respect of 2020/21 and 2021/22, taking into consideration the current position regarding the financial impact upon the Authority arising from Coronavirus pandemic.	111 - 126
10			ANNUAL CORPORATE RISK MANAGEMENT REPORT To consider the report of the Director of Resources and Housing that provides an update on the council's most significant corporate risks, how they are currently managed and further activity planned during 2020/21.	127 - 150

Item No K=Key Decision	Ward	Item Not Open		Page No
11 K	Beeston and Holbeck; Headingley and Hyde Park		<u>LEARNING, SKILLS AND EMPLOYMENT</u> LEARNING PLACES DESIGN & COST REPORT SCHOOL PLACES DELIVERY SEPTEMBER 2020 To consider the joint report of the Director of Children and Families and the Director of City Development providing information on the need for additional secondary school places across the city for delivery by September 2020, and which seeks approval regarding authority to spend and to incur a total expenditure of £7,595,000 to deliver both bulge projects at Cockburn Academy and Leeds City Academy for September 2020.	151 - 170
12 K	Roundhay		OUTCOME OF STATUTORY NOTICE ON A PROPOSAL TO PERMANENTLY INCREASE LEARNING PLACES AT ALLERTON GRANGE SCHOOL FROM SEPTEMBER 2021 To consider the report of the Director of Children and Families that contains details of a proposal brought forward to meet the Local Authority's duty to ensure a sufficiency of school places. Specifically, this report describes the outcome of a Statutory Notice published under the Education and Inspections Act 2006 and in accordance with the School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2013 in regard to a proposal to expand secondary school provision at Allerton Grange School and seeks a final decision in respect of this proposal.	171 - 192

Item No K=Key Decision	Ward	Item Not Open		Page No
13 K	Bramley and Stanningley		OUTCOME OF CONSULTATION AND REQUEST TO APPROVE FUNDING TO PERMANENTLY INCREASE LEARNING PLACES AT LEEDS WEST ACADEMY FROM SEPTEMBER 2022 To consider the report of the Director of Children and Families which contains details of a proposal brought forward to meet the Local Authority's duty to ensure a sufficiency of school places. Specifically, this report describes the outcome of a consultation exercise regarding a proposal to expand secondary school provision at Leeds West Academy and seeks a decision to fund delivery of a scheme to create the additional learning places required. <u>CHILDREN AND FAMILIES</u>	193 - 210
14			UPDATE ON 'THRIVING': THE CHILD POVERTY STRATEGY FOR LEEDS To consider the report of the Director of Children and Families which provides an update on the work that has been undertaken in response to COVID-19, together with the work undertaken on the outputs and outcomes of each Impact Workstream under the 'Thriving' Strategy. The report also provides details of the associated monitoring and evaluation arrangements for the Strategy.	211 - 240

Item No K=Key Decision	Ward	Item Not Open		Page No
15			<u>INCLUSIVE GROWTH AND CULTURE</u> UPDATE ON CORONAVIRUS (COVID-19) PANDEMIC - RESPONSE AND RECOVERY PLAN To consider the report of the Chief Executive providing an update on the actions of the Leeds Health and Social Care system and Leeds City Council, working with broader partners, in response to and facilitating the recovery from the Coronavirus (COVID-19) pandemic. <u>(Report to follow)</u>	-

Item No K=Key Decision	Ward	Item Not Open		Page No
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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 named 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.

Webcasting

Please note – the publically accessible parts of this meeting will be filmed for live or subsequent broadcast via the City Council's website. At the start of the meeting, the Chair will confirm if all or part of the meeting is to be filmed.

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REMOTE MEETING OF EXECUTIVE BOARD

TUESDAY, 19TH MAY, 2020

PRESENT: Councillor J Blake in the Chair
(REMOTELY) Councillors A Carter, R Charlwood,
D Coupar, S Golton, J Lewis, L Mulherin,
J Pryor, M Rafique and F Venner

164 Chair's Opening Remarks

The Chair welcomed everyone to the remote meeting of the Executive Board, which was being held as a result of the ongoing social distancing measures established in response to the Coronavirus pandemic.

On behalf of the Board, the Chair extended her thanks and appreciation to Council employees, together with all partner organisations and sectors across the city and the wider region for the extraordinary co-ordinated efforts which continued to be taken to safeguard and serve communities during these unprecedented times.

165 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 / A to the report entitled, 'East Leeds Secondary Place Provision – Proposed completion of Purchase of land at Torre/Trent Road from Arcadia', referred to in Minute No. 172 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 the information contained within it relates to the financial or business affairs of the Council and/or another organisation. It is considered that the release of such information would, or would be likely to prejudice the Council's commercial interests in relation to other similar transactions. It is considered that the public interest in maintaining the exemption from publication outweighs the public interest in disclosing this information at this point in time.

166 Late Items

Agenda Item 7 (Update on Coronavirus (COVID-19) Pandemic – Response and Recovery Plan)

With the agreement of the Chair, a late item of business was admitted to the agenda entitled, 'Update on Coronavirus (COVID-19) Pandemic – Response and Recovery Plan'.

Given the scale and significance of this issue, it was deemed appropriate that a further update report be submitted to this remote meeting of the Board. However, due to the fast paced nature of developments on this issue, and in order to ensure that Board Members received the most up to date information as possible the report was not included within the agenda as originally published on 11th May 2020. (Minute No. 170 refers).

Agenda Item 8 (Impact of Coronavirus (COVID-19) upon Leeds City Council's 2020/21 Financial Position)

With the agreement of the Chair, a late item of business was admitted to the agenda entitled, 'Impact of Coronavirus (COVID-19) upon Leeds City Council's 2020/21 Financial Position'.

Given the scale and significance of this issue, it was deemed appropriate that an update report be submitted to this remote meeting of the Board. However, due to the fast paced nature of developments regarding this issue, and in order to ensure that Board Members received the most up to date information as possible the report was not included within the agenda as originally published on 11th May 2020. (Minute No. 171 refers).

167 Declaration of Disclosable Pecuniary Interests

There were no Disclosable Pecuniary Interests declared at the meeting.

168 Minutes

RESOLVED – That the minutes of the previous meeting held on 22nd April 2020 be approved as a correct record.

INCLUSIVE GROWTH AND CULTURE

169 Devolution Deal for West Yorkshire - Review, Scheme and Consultation

The Chief Executive submitted a report which provided an update on the latest stage of the process to implement the West Yorkshire Devolution Deal, as agreed between the region and Government in March 2020. The report included information on the outcome of the statutory governance review which had been undertaken and also sought approval to progress to the next phase involving public consultation on the draft Scheme, as appended to the submitted report.

In introducing the submitted report, the Leader highlighted that work on the devolution deal continued at pace, with it being reiterated that the intention was to progress in line with the timeframe as set out within the report. It was also highlighted that bearing in mind the current situation regarding the Coronavirus pandemic, discussions continued around allowing an element of

flexibility in the timeframe to ensure that all due diligence, consultation and scrutiny processes in respect of the proposals were fully undertaken as required.

In considering the submitted report, Members discussed and received further information on the following:-

- Given the current situation regarding the Coronavirus pandemic, emphasis was placed upon the importance of ensuring that members of the public and Elected Members of the Council were provided with appropriate opportunity to engage with and discuss the proposals as part of the consultation and communications exercises, which included the respective scrutiny functions at both the City Council and the Combined Authority. The importance of the democratic accountability and transparency of the process was reiterated, with the need for all Opposition Groups to receive briefings and communications on such matters, as appropriate, being highlighted;
- Proposals regarding the range of functions to be undertaken by the Mayoral Authority as part of the devolution deal were discussed, with it being highlighted that as a result of this process, no current functions would be transferred away from the City Council, unless by agreement of the Council. In response to specific enquiries, officers undertook to provide a Member in question with further information on how the function of housing and land acquisition would be delivered under the proposed model, with it being undertaken that a Member's specific comments around the setting of precepts would be fed into the relevant consultation processes;
- The potential economic benefits for the area arising from the adoption of the devolution deal for West Yorkshire were highlighted, with Members emphasising the importance of this, given the current financial position of Local Authorities in light of the Coronavirus pandemic.

RESOLVED –

- (a) That having considered the Governance Review, as appended to the submitted report at Appendix 1, the Review's conclusions be endorsed, including that an Order under S104 and S105 in relation to the changes to constitutional arrangements considered in the Review and the delegation of additional functions to the Combined Authority would be likely to improve the exercise of statutory functions in relation to the Combined Authority's area;
- (b) That the Board's consideration and comments regarding the draft Scheme for the establishment of the Mayoral Combined Authority, as detailed at Appendix 2 to the submitted report, be noted;
- (c) That agreement be given for a public consultation exercise to be undertaken on the proposals contained within the Scheme, with the Board's consideration and comment upon the draft consultation questions, as detailed in Appendix 3 to the submitted report being noted;

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- (d) That the progression of engagement with the Combined Authority and other constituent Councils, as described within the submitted report, be agreed, with the Board's agreement also being given that the Managing Director of the Combined Authority shall, in consultation with the Leader and Chief Executive of this Council, be authorised to take any steps to finalise the preparation and publication of the Scheme and progress the public consultation exercise, as set out within the submitted report;
- (e) That the updated timetable, as set out in Appendix 4 to the submitted report be noted, together with the next steps including, subject to the approval by constituent Councils and the Combined Authority, the submission of a summary of the consultation responses to the Secretary of State in August / September 2020, and to subsequently consent to any draft Order in September 2020 so that a mayoral combined authority model and associated changes may be adopted and implemented by May 2021, as set out in the Deal;
- (f) That the proposals, as outlined in section 3.49 of the submitted report around political engagement throughout the devolution process, be agreed;
- (g) That approval be given for all decisions taken by the Executive Board from this report, and as resolved above, be exempted from the Call In process on the grounds of urgency, as set out in paragraph 4.5.3 of the submitted report.

(The Council's Executive and Decision Making Procedure Rules state that a decision may be declared as being exempt from the Call In process by the decision taker if it is considered that the matter is urgent and any delay would seriously prejudice the Council's, or the public's interests. In line with this, the resolutions contained within this minute were exempted from the Call In process, as per resolution (g) above, and for the reasons as detailed within sections 4.5.3 of the submitted report)

170 Update on Coronavirus (COVID19) pandemic – Response and Recovery Plan

Further to Minute No. 161, 22nd April 2020, the Chief Executive submitted a report providing an update on the coronavirus (COVID-19) related work across the city, being driven by the response and recovery plan, as previously reported to the Board. The report provided information on organisational issues arising from the pandemic as well as a citywide update, and noted that the response and recovery plan aimed to mitigate the effects of the outbreak on those in the city, especially the most vulnerable, and prepare for the early stages of recovery. The report also noted that the city's multi-agency command and control arrangements were set within the national approach and guidance from the Government, plus the context of resilience and health partnership arrangements at a West Yorkshire level, and the Combined Authority.

With the agreement of the Chair, the submitted report had been circulated to Board Members as a late item of business prior to the meeting for the reasons as set out in section 9.1 of the submitted report, and as detailed in Minute No. 166.

In introducing the submitted report and providing an update on the current position, the Leader, on behalf of the Board, extended her thanks to all of those involved in the development and implementation of the response and recovery plan to date, including the continued delivery of detailed communications with all relevant parties. The Chief Executive reiterated such comments, paying tribute to all those who continued to deliver services across the city in response to the pandemic.

Members discussed and received further information on a number of issues, including:-

- The national role being undertaken by the Chief Executive with regard to the programme of testing, tracing and containing the virus, with Members highlighting the need for appropriate procedures to be implemented in respect of this at a localised level;
- The significant impact of the pandemic across a number of sectors. In response to enquiries regarding the hospitality sector, the Board was provided with information on the support being provided to that sector, with it being highlighted that provision of such support would be a key area of activity for the Council moving forward;
- Responding to a Member's comments regarding the delivery of formal meetings whilst social distancing measures remained in place, it was noted that formal meetings held remotely continued to take place and be scheduled, and that preparations were being made to deliver meetings which could potentially be attended both remotely and physically, however such physical attendance at meetings would not be introduced until Members felt it appropriate to do so, and that further Member discussions on such matters were required;
- A Member highlighted the importance of the Council taking into consideration service users' feedback and the outcomes from engagement processes when reviewing the Council's response to the pandemic and the adapted delivery of services. Responding to such comments, the Board received updates on a number of service areas including those delivered in crematoria, the distribution of food in communities / the delivery of associated grants, and the delivery of actions addressing period poverty;
- With regard to support for the agricultural sector, specific reference was made to the Council supported 'Pick for Britain' programme. Responding to a Member's enquiry, officers undertook to provide the Member in question with further details on how the Council was engaging in this initiative;
- Also, the Board received updates from several Executive Members regarding related matters within their respective portfolios. These included:-
 - Council decision making processes during the current period;

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- Communication processes established to ensure that local communities remained informed of the help and support available to them, with a number of specific examples being provided;
- The current position within Care Homes in Leeds and the actions being taken to address the challenges which continued to be faced in this area, with specific tribute being paid to the work of frontline care workers during this time;
- The monitoring of the health inequalities agenda;
- The ongoing work aimed at delivering greater active travel provision, and the level of public engagement to date with the 'Common Place' platform.

In conclusion, the Chair highlighted the need for the Government to focus its efforts upon a more localised approach moving forward, with the key role of Local Authorities in such an approach being emphasised.

Finally, on behalf of the Board, the Leader asked all Directors to relay thanks to their respective teams for their continued efforts throughout such challenging circumstances.

RESOLVED –

- (a) That the updated national context and local response to the Coronavirus (COVID-19) pandemic, as detailed within the submitted report, be noted;
- (b) That the updated Response and Recovery plan, which includes the updated aims and objectives, be agreed;
- (c) That the approach towards and messaging for running a safe city, as detailed within the submitted report, be agreed;
- (d) That the submitted report and the comments made in respect of it during the discussion be noted in context with the more detailed report on the financial implications of the Coronavirus pandemic for the Council, as presented within Minute No. 171;
- (e) That all Directors relay to their respective teams Members' thanks for their continued efforts throughout such challenging circumstances

RESOURCES

171 Coronavirus (COVID-19) - Impact upon the Council's 2020/21 Revenue Budget

The Chief Officer, Financial Services submitted a report providing an interim briefing on the forecast position for the Council when considering the scale of the financial challenge faced by the Authority in terms of 2020/21 and future years due to the COVID-19 pandemic.

With the agreement of the Chair, the submitted report had been circulated to Board Members as a late item of business prior to the meeting for the reasons

as set out in section 4.5.2 of the submitted report, and as detailed in Minute No. 166.

In introducing the submitted report, the Executive Member for Resources highlighted the scale of the financial challenge being faced by the Council, which it was emphasised remained an evolving picture. With regard to the recommendation that the Board write to the Government to ask for financial assistance to enable the Council to fulfil its requirements, it was highlighted that it was proposed that in addition to this, Government would be asked to provide support through the proposals, as set out within section 3.5.2 of the report.

Responding to a Member's enquiry regarding the options available to the Council moving forward, the Board was advised that a further report was scheduled to be submitted to the Board in June presenting the financial position over the next 2 years, which would also provide detail of the options available to the Council if further funding was not forthcoming from Government. Also, responding to a Member's enquiry, the Board noted that the issuing of a 'Section 114' report would only be undertaken as a final resort.

In response to a Member's enquiry, it was undertaken that Executive Members would continue to be briefed on relevant matters between this Board meeting and the next scheduled meeting on 24th June.

Members highlighted the need for local Government to continue dialogue with the Treasury in order to explore all potential options available to financially assist Local Authorities during this time and moving forward.

A Member requested an update on the Council's commercial investment portfolio during this challenging period, arising from the national press coverage given to the issues that some Local Authorities were experiencing in this area. In response it was noted that currently there were no specific issues to report on such matters.

RESOLVED –

- (a) That the position, as outlined in the submitted report by the Chief Officer, Financial Services concerning Leeds City Council's financial position as a consequence of the COVID-19 pandemic, be noted;
- (b) That agreement be given for Executive Board to write to Government to ask for financial assistance to enable the Council to fulfil its requirements to deliver services to the residents of Leeds, and that in addition to this, Government support be sought on the proposals, as set out within section 3.5.2 of the report;
- (c) That it be noted that a further report is to be submitted to Executive Board in June 2020 detailing the impact over the financial years 2020/21 and 2021/22 of the COVID-19 pandemic, together with an updated forecast budget position for 2021/22.

LEARNING, SKILLS AND EMPLOYMENT

172 East Leeds Secondary Place Provision - Proposed Purchase of Land at Torre/Trent Road from Arcadia

Further to Minute No. 177, 20th March 2019, the Director of City Development and the Director of Children and Families submitted a joint report which looked to bring together three interconnected workstreams that had been progressed following the Board's previous approval in March 2019 to enter into negotiations with the Arcadia Group Ltd. for the potential acquisition of part of their site at Torre Road for the creation of the new East Leeds Secondary School. The report set out the current position regarding each of those workstreams and presented the rationale for the requirement of the Council to enter into the final Heads of Terms with Arcadia Group Ltd. for the purchase of the site to ensure the delivery of a new Secondary School for opening in September 2021.

Members provided support for the proposals as detailed within the submitted report and appendices.

Following the consideration of Appendix 1 / A 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 progress made to date regarding: the negotiations with Arcadia Group Ltd. for the purchase of part of their site for a new secondary school in East Leeds; the free school presumption under the terms set out in the Education and Inspections Act 2006 (section 6A) and the design development of the scheme to date, be noted;
- (b) That approval be given for the Council to enter into the final Heads of Terms for the acquisition of 2.77ha of the unused playing field land at Torre Road owned by Arcadia Group Ltd from REDCASTLE (FREEHOLDS) LIMITED who are part of the Arcadia Group Ltd., for the new East Leeds secondary school; and that approval also be given to authorise the Director of City Development to use his delegated powers to approve the exchange and completion of the contract for the land purchase by the 31st July 2020;
- (c) That 'authority to spend' the amount as detailed within the exempt appendix 1 / A to the submitted report on the purchase of the playing field land at Torre Road owned by Arcadia Group Ltd., be approved.

DATE OF PUBLICATION: THURSDAY, 21ST MAY 2020

**LAST DATE FOR CALL IN
OF ELIGIBLE DECISIONS:** 5.00 P.M. ON FRIDAY, 29TH MAY 2020

Draft minutes to be approved at the meeting
to be held on Wednesday, 24th June, 2020

Report of Chief Officer Financial Services

Report to Executive Board

Date: 24th June 2020

Subject: Financial Performance - Outturn financial year ended 31st March 2020

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 purpose of this report is to inform members of the final outturn for the financial year 2019/20. The pre-audited accounts will be presented to the Corporate Governance and Audit Committee at its meeting on the 27th July 2020.
- As set out below, the final position on the General Fund shows an overspend of £0.29m after the creation of a number of earmarked reserves. When compared to the provisional outturn position received at Executive Board in April, this is an improvement of £4.1m which is largely due to a £1.2m improvement in respect of Business Rates S31 grant income, a £1.1m reduction in the previously assumed contribution to the regional Business Rates Pool, a £1m improvement with regards to the level of capital receipts realised in 2019/20 and a £0.6m improvement in the debt position in the Strategic Accounts.
- Whilst the main impact of Coronavirus (COVID-19) has impacted on the 2020/21 revenue budget there was still an initial pressure from the loss of income and additional expenditure of £2.64m on the 2019/20 revenue budget. As this has been funded by the COVID-19 Support Grant from Government there is a nil impact on the Council's outturn position.
- A deficit of £5.5m has been declared on the authority's Collection Fund in respect of business rates. This declared deficit is reflected in the approved 2020/21 revenue budget and reduces the revenue funds available to the Council in that year. Any

impact of Coronavirus (COVID-19) on collection in 2019/20 and 2020/21 will impact on the revenue budget in 2021/22.

- The outturn for the year on the Housing Revenue Account shows a net variation of £2.9m when compared against the 2019/20 budget. However, this has been offset by a reduction in the revenue contribution to the capital programme which brings the HRA back to a balanced position.
- As at the 31st March 2019 the level of general reserve was £28.0m and this has increased to £31.5m at 31st March 2020. This planned increase is consistent with the strategy to increase reserves to ensure that the Council's financial position is both resilient and sustainable.

2. Best Council Plan Implications (see 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

- The financial outturn position for 2019/20 is an overspend of £0.29m (excluding the impact of COVID-19). This position takes account of the £4.1m impact of the shortfall in capital receipts previously reported to this Board in April and the variations that are detailed in the Directorates' respective outturn positions which are detailed in this report.
- The Council's Medium Term Financial Strategy assumes a balanced budget position for 2019/20. To achieve this, as agreed by Executive Board in March and April, the variation arising as a consequence of the shortfall in capital receipts receivable and Directorate variations have been funded by a contribution from the Council's general reserve. The financial impact of Coronavirus (COVID-19) has been met from Government grant.
- The business rates deficit declared in December 2019 and reflected in the approved 2020/21 revenue budget is £5.5m. This reduces the revenue funds available to the Council in 2020/21. Any further deterioration in the deficit will impact on the 2021/22 revenue budget but any impact of COVID-19 on the business rates tax base will affect the 2020/21 revenue budget. The impact of COVID-19 on the Collection Fund continues to be reviewed, and a revised position will be incorporated into the updated Medium Term Financial Strategy, which is timetabled to be received at September's Executive Board.

Recommendations

Members of the Executive Board are asked to;

- a) Note the outturn position for 2019/20
- b) Agree the creation of earmarked reserves as detailed in paragraph 6.3 and to delegate their release to the Chief Officer Financial Services;
- c) Note that the Chief Officer Financial Services will be responsible for the implementation of these actions following the 'call in' period.

1. Purpose of this report

- 1.1 This report sets out for the Board the Council's financial outturn position for 2019/20 for both revenue and capital. It also includes the Housing Revenue Account and expenditure on schools.
- 1.2 In addition the report highlights the position regarding other key financial health indicators including Council Tax and Business Rates collection statistics, sundry income, reserves and the prompt payment of creditors.
- 1.3 It should be noted that, in accordance with proper accounting practice, any significant event which occurs prior to the audit sign-off of the accounts which is expected to be in October 2020 could impact on the Council's final published outturn position and hence on the level of reserves. This is known as a post balance sheet event and, should such an event occur, it will be reported back to this Board at the earliest opportunity.
- 1.4 The Council's unaudited accounts are scheduled to be placed on deposit for public inspection in early July 2020.

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 stood at £28.0m. The 2019/20 budget assumed a contribution of £4.5m to this reserve during 2019/20 which supports the requirement of ensuring that the Council continues to be financially resilient and sustainable. This budgeted contribution included repayment of £1.7m which was released from the 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. In year Executive Board approved release of £1m to enable the Council to take advantage of record low interest rates, creating savings for the Medium Term Financial Strategy. A contribution of £0.34m has also added to the general fund reserve in year. Assuming a balanced budget position it was projected that the balance on the general fund reserve would stand at £31.8m at 31st March 2020.
- 2.3 This Board on 22nd April agreed the release of funding from the general reserve to fund any overspend when compared to budgeted assumptions. This variation is now confirmed to be £0.29m, therefore reducing the balance on the general reserve down to £31.5m at the 31st March 2020, although this is still an increase of £3.5m when compared to the balance at 31st March 2019.
- 2.4 Financial 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, 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 The 2019/20 general fund revenue outturn position, after the creation and transfer of a number of earmarked reserves as detailed in paragraph 6.3, is an overspend of

£0.29m. This compares against the £4.4m projected overspend reported to this Board in April.

Table 1 - summary outturn position

3.2

Summary Position - Financial Year 2019/20 Outturn

Directorate	Director	(Under) / Over spend for the current period				Provisional Outturn Position
		Staffing	Total Expenditure	Income	Total (under) /overspend	
		£000	£000	£000	£000	£000
Adults & Health	Cath Roff	(164)	6,106	(6,106)	0	0
Children and Families	Steve Walker	(692)	4,134	(2,797)	1,337	890
City Development	Martin Farrington	(1,478)	1,531	(1,566)	(35)	0
Resources & Housing	Neil Evans	2,119	15,708	(16,026)	(318)	(230)
Communities & Environment	James Rogers	3,782	8,797	(8,862)	(65)	(60)
Strategic	Victoria Bradshaw	(511)	3,710	(4,332)	(622)	3,817
Impact of Coronavirus	Victoria Bradshaw		2,640	(2,640)	0	0
Total Current Month		3,055	42,626	(42,329)	297	4,417
Provisional Outturn (under)/over spend		(546)	11,271	(11,754)	4,417	

This £4.1m improvement in the reported position is largely due to a £1.2m improvement in respect of Business Rates S31 grant income, a £1.1m reduction in the previously assumed contribution to the regional Business Rates Pool, a £1m improvement with regards to the level of capital receipts realised in 2019/20 when compared to the forecast position in April and a £0.6m improvement in the debt position in Strategic. The overspend position in the Children and Families Directorate has worsened by £0.4m, as discussed below, but is largely offset by savings in other directorates.

- 3.3 The reported position also takes account of £2.64m regarding the financial impact of Coronavirus (COVID-19) in this financial year, but this financial pressure has been funded in full by the application of Government grant and therefore this does not have an impact on the outturn position. The estimated impact of Coronavirus is discussed separately in the report and detailed at Appendix 2 and is not reflected on Directorate dashboards.
- 3.4 Following Executive Board approvals in March and April 2020, the reported overspend will be funded through a corresponding release from the Council's general reserve.
- 3.5 Full details of the Directorate variations, budget action plans and risk areas for the year can be found in the financial dashboards attached at Appendix 1. The main directorate issues contributing to the outturn position are as follows:-
- 3.5.1 **Adults & Health** - The Directorate has delivered a balanced position. Savings plans that were required to deliver £13.1m of savings actually delivered £15.2m, the collection of client income being the main reason for the over achievement of the plans.

A net £3.4m of pressures were recorded against community care demand-based budgets; pressures were principally within learning disability, home care and supported accommodation. There were also demand based pressures on contracts managed by Strategic Commissioning. Spend was lower than budgeted within

residential and nursing care and direct payments. The increased spend on home care and lower spend on residential care are intrinsically linked to the success of the directorate's strengths-based approach to social care.

The directorate spent £6.4m on approved schemes related to the Improved Better Care Fund (referred to as the Spring Budget monies). This was funded by grant receivable in year and a drawdown from reserves (from previous years underspends and slippage) of £1.7m.

Over and above its Public Health grant funded expenditure, the service received and spent £2.0m of targeted funding, including £0.5m from the improved Better Care Fund to fund the Physical Activity, Better Conversations and SWIFT programmes; £0.5m of Winter Pressures funding was received to fund programmes including infection control training and immunisation for health and social care workers, £0.4m was received from other local authorities to cover the cost of out of area sexual health services. Funding from Public Health England and partners to deliver population health management and smaller contributions from partners such as the British Heart Foundation, Yorkshire Cancer Research and the Leeds CCG to deliver agreed programme of works were received in year.

Income was £6.1m above budget, of this £1.7m was related to a drawdown on Spring Budget reserves to fund associated expenditure, and £0.5m to unbudgeted inflation related funding from the Better Care Fund and £1.4m of additional client income of through improved processes was achieved. As referenced above Public Health received £2.0m of targeted funding.

3.5.2 Children & Families – The position at outturn for the Directorate was an overspend of £1.337m, an increase of £447k compared to the month 11 projection. This position excludes the impact of COVID-19 in 2019/20 of £497k. As reported previously, the main areas of overspend on the Children and Families budget have been on Children Looked After (CLA), financially supported Non-CLA and the passenger transport budget. Some of the additional spend pressures have been offset by increased utilisation of grant funding in addition to savings in staffing related costs of £0.7m.

The Directorate worked with the Passenger Transport Service during the year on an action plan to mitigate the pressures on the transport budget. The final overspend on this budget was £0.5m, which is consistent with projections since month 9 when the projected overspend was reduced by £0.1m.

Overall CLA placements continued to increase during 2019/20 and the final overspend on CLA was £5m. The number of External Residential (ER) placements at the end of 2019/20 was 72 compared to the budget of 58 placements. The number of Independent Fostering Agency (IFA) placements has increased to 211 at the end of the year against the budget of 184. At Month 11, it was reported that if the number and type of CLA placements did not reduce then this would result in an overspend of £3.8m in 2020/21 against the CLA budget. This projection has reduced at the start of 2020/21 due to lower CLA numbers, however there is still a pressure to address which Children and Families have identified actions to mitigate. Further details of this are provided in the Month 1 Financial Health monitoring report on this agenda.

The overspend on Learning for Life has remained at £0.65m in line with previous projections. This comprises a shortfall in fee income in Children's Centres offset by savings within Family Services and Early Help.

The overspends above were offset by savings on supplies and services, staffing costs and the use of grant funding and reserves to bring the overall outturn position to an overspend of £1.337m.

- 3.5.3 City Development** – At Outturn the City Development Directorate had maintained its forecast balanced budget position from Period 11 and 12 and, excluding the impact of Covid 19 of £250k in the last two weeks of the financial year, actually delivered a small underspend of £35k.

The Markets Service faced 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. Overall, Markets and City Centre services overspent by £0.78m. Planned building works meant that the vacant units required for this work equate to £0.585m in lost revenue and the level of disruption to tenants has led to an increase in demand for rent concessions. The 20% rent concession for April 2019 to October 2019 equates to a further pressure on income of £0.2m.

The Directorate's Strategic Investment Fund required further acquisitions in order to achieve the net budgeted return of £3.36m. Further viable investment opportunities with the right risk profile were sought and financially appraised but none were considered a suitable fit with the authority's investment strategy. £0.15m of Round Foundry reserve has been identified as useable as it was not applied in previous years and has been brought in to aid the bottom line. A further pressure of £0.25m is due to the savings realised through further asset rationalisation accruing to other Directorates rather than to City Development where the savings target was held. This includes the successful move of staff from Navigation House and Hough Top Court to other city centre offices.

The Highways and Transportation Service overspent by £0.18m which arose from minor variations across the service. The Street Lighting LED conversion programme was planned to start in September 2019 however the Deed of Variation for the PFI contract was not signed until March 2020 and full commencement of works could not proceed until then. However some 'small works' instructions for lantern swaps have been issued to ensure energy savings are realised and at present there are no budget pressures arising from this delay.

The Planning & Sustainable Development Service finished the year with a £0.22m underspend, this is the net saving from vacant posts across the service throughout the year, increased CIL Admin income and costs relating to the Core Strategy review, Aireborough Legal challenge and referendum/independent examination costs for Neighbourhood Planning.

Arts and Heritage has a minor overspend of £0.028m. The closure of all sites in mid-March resulted in a reduction in income of approximately £0.13m.

Active Leeds has seen a significant increase in income from Memberships on the back of successful promotional campaigns and has finished the year with a £0.37m underspend. The impact of the closure of all sites in mid-May resulted in a reduction in pay and play income of approximately £0.12m.

Historic balances of £1.391m have been used support revenue budget and offset budget pressures outlined above.

3.5.4 Resources & Housing – At outturn, and excluding the impact of COVID which is reported separately, the Directorate underspent by £0.3m.

Within CEL, facilities management services underspent by £0.8m, primarily relating to business rates following the valuation of Merrion House being confirmed and a backdated refund. The remaining services within CEL outturned in line with the approved budget.

The Resources group of services delivered net savings of £1.6m. Savings in DIS of £0.5m primarily related to Microsoft costs; savings in Legal and Democratic Services of £0.5m mainly in staffing costs, Members allowances and additional court fee income. Strategy and Improvement saved £0.4m mainly from additional income. Other services, Finance, HR, Shared Services and Sustainable Energy services were a net £0.2m under budget.

Housing services underspent by £0.2m, again mainly from staffing savings.

However, offsetting these savings totalling £2.6m were overspends of £0.6m within Corporate Property Management due to additional spend on the maintenance of the Council's buildings and £1.7m in LBS due to a shortfall in turnover of £3m compared to the budget and the under-recovery of overheads from vacant posts in the service. LBS delivered a bottom line contribution to the general fund of £9.3m, compared to the budgeted £11m.

3.5.5 Communities & Environment – the overall outturn position for 2019/20, excluding the impact of Covid 19 is an underspend of £0.07m. The main variations across the individual service areas are as follows:

An overspend of £0.56m within Customer Access mainly reflects additional staffing costs associated with the improvement in call answer rates at the Contact Centre, together with additional staffing and premises costs at Community Hub sites and additional staffing costs within the library service. A further overspend of £0.17m within Communities reflects slippage on grant funded projects and other minor variations across the service.

Within the Waste Management service, the ongoing Refuse review combined with additional costs of recovery have been offset by residual waste disposal contract savings and other expenditure savings identified within the service. It is proposed to carry forward a further £0.54m of disposal contract savings to 2020/21 in support of the route review and developing waste strategy. The main variation of £0.38m relates to additional costs incurred in respect of the SORT disposal contract reflecting lower market prices for recycled materials, and overall the service overspent by £0.38m at the year end.

Offsetting these areas of overspend are underspends of £0.47m within Car Parking services resulting from staffing/expenditure savings of £0.07m and additional net income of £0.4m and savings within Electoral and Regulatory Services of £0.45m, which are due to a combination of expenditure savings and additional income across the service.

Further savings of £0.18m have been made within the Welfare and Benefits service, largely as a result of additional Housing Benefit Grant income, and within the Cleaner Neighbourhood and City Centre Teams (£0.08m) which largely reflects staffing savings resulting from vacancies.

- 3.5.6 **Strategic & Central Accounts** - At Outturn, the Strategic & Central budgets are projecting an underspend of £0.6m, an improvement of £4.4m on the position reported at Month 11. Within this overall position, the MRP (Minimum Revenue Provision) charge to fund debt is £4.1m higher than budgeted for (projected at £5.1m at Month 11), due to delays in realising some capital receipts.
- 3.5.7 There has been an increase of £3.7m in comparison to the budget for net income relating to business rates. Section 31 grants receivable are £1.6m higher than budgeted for, and the council has received a £0.5m distribution as its share of the 2018/19 national levy surplus. In addition, the council's estimated net contribution to the North & West Yorkshire Business Rates Pool is £1.5m lower than budgeted for.
- 3.5.8 The projected outturn position also includes an underspend of £3.2m in the external debt budget (£2.6m at Month 11), reflecting lower than anticipated long term borrowing rates in the first half of the year, a projected improvement in internal revenue balances, and slippage against the forecast capital programme. The costs of borrowing have also been offset by additional capital receipts from the sale of vehicles. However there is an anticipated shortfall of £0.5m in prudential borrowing recharges to directorates. Other key variations are a projected shortfall of £0.6m in New Homes Bonus, and an underspend of £0.8m on the budget set aside for preparations for the City of Culture, which was not required during 2019/20. There have also been shortfalls of £0.7m in comparison to the target for general capitalisation and £1.3m in comparison to the target for schools capitalisation. The Strategic & Central accounts also reflect a debtor of £525k for the agreed settlement of a contractual dispute. This amount has been transferred to the Insurance reserve.

3.6 Impact of Coronavirus (COVID-19) in 2019/20

- 3.6.1 As referenced earlier, whilst the main impact of Coronavirus (COVID-19) will be seen in 2020/21, there has been an impact in the final weeks of 2019/20. The outturn position takes account of £2.64m of additional costs and income lost in this financial year. Impact by directorate is summarised at Table 2 and further detail is provided at Appendix 2.

Table 2 – Impact of COVID-19 by Directorate

Directorate/Service	At Provisional	
	Outturn	At Outturn
	£000s	£000s
Adult Social Care	-	-
Children & Families	340	497
City Development	1,000	250
Communities & Environment	487	1,007
Resources & Housing	675	886
Total Impact 19/20	2,502	2,640

- 3.6.2 To date Government has made payment of £3.2bn of Support Grant funding to local authorities. A letter received from the Secretary of State for Housing, Communities and Local Government on 20th March sets out that this funding is intended to help authorities address the pressures being faced in response to the Covid-19 pandemic across all the services being delivered. In particular this funding should enable authorities to:

- Meet the increased demand for adult social care and enable councils to provide additional support to social care providers.
- Meet the cost of extra demand and higher business-as-usual costs of providing children's social care, including as a result of school closures and the need for increased accommodation to address the need for isolation, including for unaccompanied asylum-seeking children.
- Provide additional support for the homeless and rough sleepers, including where self-isolation is needed.
- Support initial costs incurred by LAs in their critical role in supporting those within the most clinically high-risk cohort who also have no reliable social network (i.e. who are both at high risk clinically and socially).
- Meet pressures across other services, as a result of reduced income, rising costs or increased demand.

3.6.3 Leeds City Council has received £43.749m of Support Grant and will apply £2.640m in 2019/20, carrying forward the remaining £41.109m for use in 2020/21.

3.6.4 The outturn position reported here reflects that COVID-19 financial pressures realised in general fund services in 2019/20 have been funded in full by Government grant and, as such, have a nil impact on the final outturn position.

3.7 **Early Leaver's Initiative**

3.7.1 The Council has operated a voluntary retirement and severance scheme since 2010/11 which has contributed to a reduction in the workforce and subsequent savings which have contributed towards the Council being able to deliver balanced budget positions. In 2019/20 approval has been given for 36.32 FTE's to leave the Authority through the Early Leaver's Initiative and this will generate savings of £4.58m over the five year period up to and including 2024/25.

3.7.2 Utilising capital receipt flexibilities that the Government introduced in 2016 the Council has funded £0.7m of Early Leaver costs associated with staff exiting the authority in 2019/20.

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

4.1 The outturn for the year on the HRA shows net variations of £2.9m when compared against the 2019/20 budget. However, these variations have been offset by a reduction in the revenue contribution to the capital programme which results in a balanced budget position for the HRA in 2019/20.

4.2 Despite the reduced revenue contribution to the capital programme, it is important to note that the actual spend on the capital programme has been maintained and spend in 2019/20 was £83.1m, with funding being switched to the use of prior year and current year Right to Buy receipts and greater use of the Major Repairs Reserve.

4.3 Total income received was £1.1m less than budgeted expectations. An increased level of Right to Buy sales (612 sales compared to the budget of 530 sales) resulted in lower rental income of £0.5m. Other Income was reduced due to £0.42m of salary costs which could not be capitalised as posts were vacant and £0.31m of reduced income from LEEDS PIPES district heating scheme. This was due to elements of the scheme commencing later than the budgeted date.

- 4.4 The budget for disrepair was overspent by £1.73m. This was largely as a result of a combination of resolving an increased number of disrepair cases and the requirement to increase the provision being made for those cases which could not be completed in 2019/20 due to COVID-19.
- 4.5 Against a budget of £44.8m, expenditure on maintaining and repairing the Council's housing stock was £1.49m over budget partially due to a reassessment of the costs of the internal provider with a consequential increased charge to the HRA.
- 4.6 Savings of £1.48m on employee costs arose due to a combination of posts being held vacant awaiting the implementation of new structures and turnover of posts.
- 4.7 Premises costs were approximately £0.33m lower than budgeted for. This was principally due to savings from a review of historic and current utility costs.
- 4.8 Supplies and Services underspent by £0.59m. This was mainly due to savings on Digital Information Services (DIS) spend of £0.16m and the reclassification of LEEDS PIPES costs to Internal Services of £0.46m.
- 4.9 Services commissioned from the Council were £1m above the budgeted level. Additional expenditure of £0.3m was made to the Contact Centre to improve tenant experience of query handling ahead of the change to a new Housing ICT system. An additional £0.39m was spent on disrepair legal claims. Reclassification of LEEDS PIPES costs accounted for the largest variance of £0.41m, offset by supplies and services savings noted above. These pressures were partly offset by savings in other areas, the largest of which are; £0.18m for Horticultural Maintenance and for £0.08m for a reduction in Court fees.
- 4.10 The revenue contribution to the Capital Programme was £2.78m lower than budgeted. However, as referenced above this did not result in any reduction in investment in the housing stock.
- 4.11 The unitary charge for the Housing Private Finance Initiative (PFI) schemes was £0.48m under budget, the largest element of this was an insurance refund of £0.27m. A range of other adjustments to the unitary charge model made up for the balance.
- 4.12 The Capital charges overspend of £0.1m reflects additional costs of borrowing for an expanded Housing Growth programme, the income benefits of which will be seen in future years when the properties are brought online.
- 4.13 Following a review in the level of tenant arrears there was a minor reduction in the provision for doubtful debts of £0.05m and Housing Advisory Panel expenditure was £0.1m under budget, this will be carried forward to 2020/21 through the appropriation account.
- 4.14 The £135k overspend on the appropriation account partly reflects the impact of utilising less PFI sinking fund reserves than had been budgeted.
- 4.15 In summary, the above variations have produced a pressure on the HRA of £2.9m which has been met by reducing the revenue contribution to the capital programme.

5. Schools

5.1 The 2019/20 outturn position for schools is shown in table 3 below;

Table 3

Outturn	£m
Schools Reserves	
Balance Brought Forward	16.5
Net Contribution To Reserves	1.7
Balance Carried Forward	18.2
Extended Services & Partnerships	
Balance Brought Forward	6.3
Net Contribution To / From Reserves	0.0
Balance Carried Forward	6.3
Dedicated Schools Grant	
Balance Brought Forward	1.7
Net Contribution From Reserves	-4.9
Balance Carried Forward	-3.2

- 5.2 As schools are funded from the Dedicated Schools Grant (DSG) their reserves are ring fenced and must be carried forward. At 31st March 2020, mainstream school reserves stand at £18.2m.
- 5.3 In accordance with previous decisions, there is outstanding borrowing against school reserves for school VER costs totalling £0.2m together with a further £4.0m which supported early intervention and preventative services in Children's Services in 2013/14.
- 5.4 After netting the above items from the £18.2m, the net mainstream schools reserves position totalled £14.0m as at 31st March 2020. There is also a further ring-fenced school reserve of £1.4m specifically relating to the carry forward of in year PFI scheme balances and a new SEND funding reserve of £0.1m resulting in an overall school reserves balance of £15.5m as at 31st March 2020.
- 5.5 Extended Services & Partnerships reserves amount to £6.3m as at 31st March 2019. These include balances held by Area Inclusion Partnerships and Clusters.
- 5.6 At the start of 2019/20 the ring fenced DSG reserve was £1.7m. During 2019/20 there has been an overall overspend on DSG services of £4.9m, which is as a result of an over spend on the High Needs Block (£7.2m), partly offset by underspends on the Schools Block (£1.6m), the Early Years Block (£1.0m) and the Central School Services block (£0.2m). In addition, £0.5m of the de-delegated DSG surplus brought forward was refunded to schools during 2019/20. In total a deficit balance of £3.2m will be carried forward to 2020/21, comprising a general DSG deficit of £3.9m with an additional surplus balance of £0.7m on the de-delegated DSG. This position will be reported to Schools Forum in July.
- 5.7 During 2019/20, changes were made to the School and Early Years Finance (England) Regulations 2020 to make it a statutory requirement that a deficit must be carried forward to be dealt with from future DSG income, unless the Secretary of State authorises the local authority not to do this.
- 5.8 A discussion will be held with Schools Forum in July on options for the use of the de-delegated surplus balance. As an alternative to distributing this back out to schools pro-rata to their original contributions, the council is intending to propose

that this be used as a fund to support schools that have incurred exceptional Covid related costs not covered by government funding.

- 5.9 In line with previous years, during 2019/20 there was an underspend on Early Years funding, due to funding being based on the January census which has higher numbers of 2 - 4 year olds than the average of all censuses over the year. The council is looking at how some of this funding could be used to support the Early Years sector with the challenges they are facing due to Covid, which will help to ensure the sufficiency of childcare in the city moving forward.

6. Reserves

- 6.1 A full statement of all Council reserves can be found at Appendix 3. A summary of the reserves is shown in table 4 below. It should be noted that the £24.2m increase in ring-fenced and grant reserves includes £19.3m of COVID-19 Support Grant which will be applied in 2020/21;

Table 4

Reserves	Balance at 31.3.19 £m	Transfer to/(from) £m	Balance at 31.3.20 £m
General Fund:			
General Reserve	28.0	3.5	31.5
Earmarked Reserves	36.5	(6.4)	30.1
Ring-fenced & Grant Reserves	4.7	24.2	28.9
Total	69.1	21.3	90.5
Schools:			
Ring-fenced Reserves	22.0	(3.5)	18.5
Housing Revenue Account:			
General Reserve	6.5	0.0	6.5
Earmarked Reserves	39.4	(17.6)	21.8
Total	45.9	(17.6)	28.3
Total Reserves	137.0	0.3	137.3

6.2 General Reserve

- 6.2.1 The 2019/20 budget assumed a contribution to the general reserve of £4.5m. In year Executive Board approved release of £1m which will result in debt management savings in future years. A contribution of £0.34m has also added to the general fund reserve in year. Following Executive Board approvals in March and April, the final outturn overspend of £0.29m reported here will be funded from the Council's general reserve. This results in a net contribution to the general reserve of £3.5m in 2019/20.
- 6.2.2 This contribution to the Council's general reserve will contribute to the Council's financial resilience, particularly in the context of the impact of COVID-19 which is adding to the inherent uncertainty resulting from delays to the Government's next spending review, the unknown implications of both the Government's intended

move to 75% business rate retention nationally and the outcome of the Government's Fair Funding Review. Adding to this uncertainty is the continued delay in the publication of the Government's green paper on social care which will hopefully provide greater certainty around their future funding intentions.

6.2.3 Table 5 below provides an explanation of the movement in the general reserve:

Table 5

General Fund Reserve	£m
Opening Balance 1st April 2019	28.0
Budgeted Contribution	4.5
Use In Year	(1.0)
Contribution In Year	0.3
In-year Overspend	(0.3)
Closing Balance 31st March 2020	31.5

6.3 Creation of New Earmarked Reserves

It is recommended that the following earmarked reserves are created;

- A Behaviour Service Scheme Reserve £0.02m to carry forward funding from the Clinical Commissioning Group (CCG) to continue the Intensive Positive Behaviour Service in 2020/21
- A Waste Management Reserve of £0.54m, to carry forward waste disposal contract savings identified in 2019/20 in order to support the delivery of the Refuse route review and the developing waste strategy.

7. Capital Programme

7.1 The actual capital expenditure for General Fund and HRA in 2019/20 is £372.2m, an underspend of £15.9m or a 4.1% variation against the February 2020 Capital Programme projected outturn.

General Fund

7.2 The following table (Table 6) shows the in-year actual General Fund capital expenditure against estimate, split by directorate:

Table 6

General Fund	Feb 20 Estimate	May 20 Outturn	Variation	
	£m	£m	£m	%
Adults & Health	6.3	5.5	(0.8)	(12.7%)
Strategic and Central	21.2	18.7	(2.5)	(11.8%)
City Development	153.0	138.4	(14.6)	(9.5%)
Children & Families	32.3	30.9	(1.4)	(4.3%)
Resources & Housing	67.6	66.7	(0.9)	(1.3%)
Communities & Environment	10.0	10.2	0.2	2%
Total Spend	290.4	270.4	(20.0)	(6.9%)
Financed by				
General Fund Borrowing	137.1	128.4	(8.7)	(6.3%)
General Fund Specific Grants and Contributions	148.5	138.8	(9.7)	(6.5%)
General Fund Capital Receipts	4.8	3.2	(1.6)	(33.3%)
Total Funding	290.4	270.4	(20.0)	(6.9%)

- 7.3 A full breakdown of the net variations is detailed in Appendix 4. Comments are also provided for schemes that have a material variation of greater than +/-£500k.
- 7.4 The general fund borrowing variation is £8.7m or 6.3% of the expected spend on borrowing. The treasury outturn position is presented as a separate report to this Executive Board.
- 7.5 The General Fund capital programme delivered £290.4m of expenditure including major works on our Annual maintenance programmes, Highways planned maintenance to our roads and streets network, Connecting Leeds Transport Investment Programme, East Leeds Orbital Road, Flood Alleviation, West Yorkshire Playhouse, Learning Places programme, Clean Air Zone, District Heating Network, Digital & Information services programme, provision of Adaptations grants, and the vehicle replacement programme underpinning the council's emissions reduction programme.

Housing Revenue Account

- 7.6 Table 7 shows the in-year actual Housing Revenue expenditure against estimate:

Table 7

HRA	Feb 20 Estimate	May 20 Outturn	Variation	
	£m	£m	£m	%
Council Housing Growth Programme	12.9	16.4	3.5	27.1%
Housing Leeds Council House Programme	83.1	83.6	0.5	0.6%
BITMO Council House Programme	1.7	1.7	0.0	0%
Total Spend	97.7	101.7	4.0	4.1%
Financed by				
HRA Self-Financing	72.1	72.8	0.7	1%
HRA Capital Receipts RTBs	15.1	16.2	1.1	7%
HRA Specific Grants and Contributions	4.2	2.6	(1.6)	(38.1%)
HRA Borrowing	6.3	10.1	3.8	60%
Total Funding	97.7	101.7	4.0	4.1%

- 7.7 The HRA Capital programme delivered £101.7m of expenditure including £16.4m on the Council House Growth Programme and £85.3m on the refurbishment of our council house properties.

Capital Programme Resources

- 7.8 The following table (Table 8) details the overall capital financing position for the Council:

Table 8

	Feb 20 Estimate £m	May 20 Outturn £m	Variation £m	
Net Capital Spend	388.1	372.1	(16.0)	(4.1%)
Financed by				
General Fund Borrowing	137.1	128.4	(8.7)	(6.3%)
General Fund Specific Grants and Contributions	148.5	138.8	(9.7)	(6.5%)
General Fund Capital Receipts	4.8	3.2	(1.6)	0%
HRA Self-Financing	72.1	72.8	0.7	1%
HRA Capital Receipts RTBs	15.1	16.2	1.1	7%
HRA Specific Grants and Contributions	4.2	2.6	(1.6)	(38.1%)
HRA Borrowing	6.3	10.1	3.8	60%
Total Funding	388.1	372.1	(16.0)	(4.1%)

- 7.9 Capital receipts of £0.9m have been utilised for the early leaver initiative (ELI) severance costs in 2019/20 to fund expenditure capitalised under the government's temporary flexibility for funding transformational change via capital receipts. In line with existing accounting policy £3.89m of receipts have been utilised to fund PFI liabilities, £6.66m have been used to repay debt and £0.89m of general receipts applied to fund in year spend. Borrowing of £3.2m has been undertaken in lieu of section 278 contributions.
- 7.10 HRA Council House Growth Programme, Housing Leeds and BITMO have utilised £72.8m of self-financing funding, £2.6m of external contributions, have utilised £16.2m of Right to Buy receipts and have borrowed £10.1m to fund the programme in 2019/20.
- 7.11 The net debt of the Council as at 31st March 2019 is £2.16bn. Further details of this and the debt financing costs will be presented in the 2019/20 Outturn Treasury Management report to this Executive Board.

8. Other Financial Performance

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

	2010/11 Leeds Actual	2011/12 Leeds Actual	2012/13 Leeds Actual	2013/14 Leeds Actual	2014/15 Leeds Actual	2015/16 Leeds Actual	2016/17 Leeds Actual	2017/18 Leeds Actual	2018/19 Leeds Actual	2019/20 Leeds Actual
Council tax	96.70%	96.60%	96.60%	95.70%	95.70%	95.90%	96.10%	96.10%	96.10%	95.93%
Business Rates	97.90%	97.50%	97.60%	97.10%	97.30%	97.80%	97.50%	98.00%	97.80%	97.29%

8.2 Following the introduction of the Council Tax support scheme in 2013/14 a 19% contribution scheme was implemented for working age claimants and this was increased to 26% for 2014/15 but was then subsequently set at 25% for the years between 2015/16 and 2019/20. The collection position for Council Tax and Business Rates at the end of March was as follows:

- Numbers of Council Tax Support claimants have begun to increase as a consequence of the impact of COVID-19. This has affected the general Council Tax collection rate below and also rates of collection for those now receiving CTS.
- Council Tax in-year collection rate – 95.93%, whilst this is below target (96.1%), the slightly lower collection rate largely reflects the impact of COVID-19 at the end of the year. £364.3m has been collected in respect of 2019/20 bills, an increase of £20.9m when compared to the previous year.
- Collection rate for those affected by Council Tax Support scheme – 73.0% (73.3% last year)
- Collection rate for those previously getting 100% Council Tax Benefit – 66.2% (64.0% last year)
- The collection of non-domestic rates for the year is 97.29% of the current net debit of £389.0m. This represents a decrease of 0.51% in comparison to 2018/19.
- Discretionary Business Rate Relief Scheme – against a budget of £500k in 2019/20 some £470k of local discounts were approved under the scheme to support the creation of employment and economic growth and to increase the business rates base.

Prompt Payment of Creditors

8.3 The prompt payment result at the year-end was 93.87% of undisputed invoices processed within 30 days or within contract terms.

9. Corporate considerations

9.1 Consultation and engagement

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

9.2 Equality and diversity / cohesion and integration

- 9.2.1 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.

9.3 Council policies and the Best Council Plan

- 9.3.1 The 2019/20 budget targeted resources towards the Council's policies and priorities. This report comments on the financial performance against this budget in support of our Best Council ambition of offering value for money through being an efficient and enterprising organisation.

Climate Emergency

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

9.4 Resources, procurement and value for money

- 9.4.1 This is a financial report and all financial implications are detailed in the main body of the report.

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

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

9.6 Risk management

- 9.6.1 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.

10. Conclusions

- 10.1 The 2019/20 financial outturn position for General Fund services, which is a £4.1m improvement when compared with the provisional outturn position reported to April's Executive Board, results in a £3.5m contribution to the Council's general reserve. As a result the level of general reserve at 31st March 2020 is £31.5m.
- 10.2 The outturn for the year on the HRA shows net pressures of £2.9m when compared against the 2019/20 budget. However, these pressures have been offset by a reduction in the revenue contribution to the capital programme to bring the HRA ring-fenced revenue account back into balance.
- 10.3 At 31st March 2020, mainstream school reserves stand at £18.2m. Extended Services & Partnerships reserves amount to £6.3m as at 31st March 2019, including balances held by Area Inclusion Partnerships and Clusters. As a result of an over spend on the High Needs Block, partly offset by underspends on other blocks, and a refund of de-delegated DSG surplus brought forward to schools

during 2019/20, a deficit balance of £3.2m will be carried forward on the DSG reserve to 2020/21.

- 10.4 Expenditure in respect of the General Fund Capital Programme was £20.0m or 6.9% lower than that assumed in the February 2020 Capital Programme projected outturn.

11. Recommendations

- 11.1 Members of the Executive Board are asked to;
- a. Note the outturn position for 2019/20
 - b. Agree the creation of earmarked reserves as detailed in paragraph 6.3 and to delegate their release to the Chief Officer Financial Services;
 - c. Note that the Chief Officer Financial Services will be responsible for the implementation of these actions following the 'call in' period.

12. Background documents¹

- 12.1 There are no background documents relating to this report

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

Outturn

The directorate has delivered a balanced position.

Budget Action Plans were required to deliver £13.1m of savings. By the year-end this target had been exceeded and £15.2m was achieved - even though there was some slippage in several of the demand and partner income BAPS.

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

Staffing (-£0.2m)

There were pressures noted within Resources, Social Work and Social Care Services and Service Transformation but underspends within Commissioning and Health Partnership more than mitigated these.

Community Care Packages (+£3.4m)

Pressures have been evidenced within learning disability, home Care and supported accommodation. Underspends have been recorded within residential and nursing care and direct payments.

Public Health Commissioning (+£2.0m)

Last year's grant underspend has been used to meet anticipated demand and cost pressures. The Children's bereavement programme was funded by reserves. Additional specific income necessitated increased commissioning costs of £1.7m.

Other Costs (+£4.0m)

The main element of this variance (£3.1m) related to Spring Budget schemes funded by the Better Care Fund (funding drawn down from reserves), this was primarily slippage on previous years plans. A number of overspends including IT development costs for the BI and CIS systems, client transport, empty premises costs relating to Waterside, cleaning, catering and legal were recorded; underspends relating to the early repayment and the Corporate ask of savings from non-essential spend helped to partially mitigate this.

Appropriation Accounts

The appropriation account is used to move money to and from reserves

a) Government Grant - Winter Pressures Funding (-£0.2m) to fund social workers to support the transfers from Community Beds and (-£0.2m) for rapid response (homecare).

b) £0.2m of additional income from the Disabilities Facilities Grant was transferred to reserves.

c) Public Health (-£0.1m) – representing underspends from last year to be spent in this year on the children's bereavement programmes (-£0.1m).

d) An additional £0.5m was receivable from the Better Care Fund representing late agreement on the level of inflation to be applied to the sum the Council receives. In line with the directorate's budget plans this sum has been transferred to reserves and forms a part of 2020/21 budget planning.

e) Utilising reserves to fund additional cost for Timely Transfers of Care (-£0.4m).

f) The in-year savings identified from non-essential spend have been transferred to reserves (+£0.1m).

g) Leeds Plan is a partnership account and ring-fenced underspends will be carried forward (+£0.2m).

h) The use of the Improved Better Care Fund reserve for costs incurred by approved IBCF schemes in year (-£3.1m).

i) Use of reserve to fund Population Health Management (-£0.3m).

Income (-£6.1m)

Income is above target in many areas, client contributions are significantly above target. Other noticeable impacts are the additional £0.5m receivable as an inflationary uplift to the Better Care Fund; (£0.2m) from charging the Disabilities Facilities Grant for staff time and additional income (£0.3m) from the CCG to contribute towards the additional costs associated with timely transfer of care work. Additional income received by public health (£2m) will be used to fund increased costs. Spring Budget income drawn from reserves to fund schemes amounted to an additional £1.7m.

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	
Health Partnerships	1,502	(982)	520	(106)	0	(75)	(2)	(2)	(1)	0	0	198	14	(40)	(26)
Social Work & Social Care Services	273,180	(47,974)	225,206	57	28	103	(0)	548	5,140	(2,960)	0	(206)	2,710	(2,745)	(35)
Service Transformation	1,731	(239)	1,493	32	0	(13)	(0)	8	(1)	0	0	0	25	(165)	(139)
Commissioning Services	28,820	(54,732)	(25,911)	(347)	(79)	(119)	(10)	3,069	1,230	0	0	(3,063)	681	(992)	(311)
Resources and Strategy	5,734	(1,762)	3,972	223	15	111	16	223	0	0	0	(3)	585	(73)	512
Public Health (Grant Funded)	43,886	(43,542)	344	(23)	7	206	0	(25)	2,015	0	0	(89)	2,091	(2,091)	0
Appropriation Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	354,854	(149,231)	205,624	(164)	(27)	213	4	3,820	8,382	(2,960)	0	(3,163)	6,106	(6,106)	(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		B	0.3	0.0
3.	Demand Based Savings - Mental Health	S McFarlane		B	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		B	0.3	(0.5)
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		B	0.1	0.0
9.	Premises Running Cost Savings	S McFarlane		B	0.1	0.0
10.	Demand Based Savings - Demand Mgt	S McFarlane		B	0.3	0.0
11.	Managing Budget Reductions	S Hume		B	0.1	0.0
12.	Demand Budgets (Commissioning)	C Baria		B	0.2	0.0
13.	Staffing	Various	primarily use of vacancy factors	B	0.8	(0.0)
14.	Income	Various	better collection of assessed income and recovery of monies from partners	B	2.2	(1.9)
15.	Public Health	V Eaton	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			(0.2)
2.	Community care packages	Various	anticipated variation			5.7
3.	General running costs	All	Savings relating to non-spend of debt budget and non essential spend offset by increased other running costs such as transport, catering and cleaning			4.0
4.	Use of reserves	All	net contribution to reserves (iBCF inflation, additional income from DFG offset by transfers from reserves for Community Beds, Winter Pressures, timely transfer of care and Public Health)			(3.2)
5.	Income	All	client contributions and CCG contribution to CHC transport costs and additional BCF income			(4.3)
Adults and Health Directorate - Forecast Variation						0.0

CHILDREN & FAMILIES 2019/20 FINANCIAL YEAR FINANCIAL DASHBOARD - Outturn

Overall Summary - Outturn for the Directorate is an overspend of £1.337m; adverse movement of £0.375m from the projected position at P12. This excludes Covid related costs of £497k. The adverse movement is predominantly comprised of; £0.8m further CLA Demand pressure, £0.1m net other pressures in Social Care due to higher recharges (DIS / Community Buildings, etc..) and non-delivery of some of the assumed saving plans around supplies & services, offset by further savings in Resources & Strategy Central Overheads Severance £0.273m (net) and increased usage of earmarked reserves, £0.293m (full utilisation of the Troubled Families and National Accreditation & Assessment of Social Work - NAAS).

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 at outturn there were 1,345; no increase from the reported position at Period 12. This has resulted in pressures on the 19-20 External Residential (ER) and Independent Fostering Agencies (IFA) budgets, with the trend over the last 6 months being for increased external placements. Current ER numbers are 72 compared to the budgeted number of 58, whilst the number of Independent Fostering Agencies (IFA) is 211 compared to the budgeted number of 184 taking the overall overspend to £5.007m an increase of **£0.8m** from P12. Secure Justice numbers currently at 5 against budget of 4; reduction of 5 from the reported P11 position. At outturn, adverse movement of £0.8m from the projected position at P12 principally in ER placement costs (£0.7m) and Secure Justice (£0.1m).

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 923; No change from P12 projections.

Staffing: - The staffing budget for 19-20 is £87.4m. A further positive movement of £0.264m from the projected P12 position. Due to further severance savings in Resources and Strategy Central Overhead account. Outturn is an overall saving of £0.692.

Transport : - No change from the projected position at P12; overspend of £0.525m.

Trading and Commissioning : - At Outturn the trading position did worsen, however this impact was due to Covid-19 and is captured on that report. As such no change for this dashboard from the projected P12 position.

Premises, Supplies & Services & Internal Charges:- At Outturn there was a further pressure in Social Care of £0.1m relating to higher recharges from DIS and Community Buildings and non-delivery of action plans for supplies & services. £0.04m lat charges from LBS.

Other Income / Projects: - £0.293m further utilisation of earmarked reserves NAAS and Troubled Families.

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	(350)	0	0	0	(350)	0	(350)
Independent Fostering Agency	7,546		7,546	0	0	0	0	0	1,250	0	0	0	1,250	0	1,250
External Residential	11,913		11,913	0	0	0	0	0	3,707	0	0	0	3,707	(250)	3,457
Other Externally placed CLA	2,566		2,566	0	0	0	0	0	400	0	0	0	400	0	400
Non CLA Financially Supported	12,883	(3,514)	9,369	0	0	0	0	0	250	0	0	0	250	0	250
Transport	15,062	(617)	14,445	0	0	0	525	0	0	0	0	0	525	0	525
Sub total Demand Led Budgets	70,322	(7,779)	62,542	0	0	0	525	0	5,257	0	0	0	5,782	(250)	5,532
Other Budgets															
Partnerships & Health	4,977	(1,603)	3,374	155	0	(267)	117	40	0	0	0	0	45	(561)	(516)
Learning	31,545	(26,950)	4,594	100	0	0	0	0	0	0	0	0	100	(722)	(622)
Social Care	122,260	(75,738)	46,522	(383)	41	20	0	206	100	(293)	0	(500)	(809)	(1,264)	(2,073)
Resources and Strategy	65,318	(60,454)	4,864	(564)	0	(70)	0	(100)	0	0	0	(250)	(984)	0	(984)
Sub total Other Budgets	224,100	(164,746)	59,354	(692)	41	(317)	117	146	100	(293)	0	(750)	(1,648)	(2,547)	(4,195)
Total	294,422	(172,526)	121,896	(692)	41	(317)	642	146	5,357	(293)	0	(750)	4,134	(2,797)	1,337

<u>Key Budget Action Plans and Budget Variations:</u>		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 72 ER and 211 IFA Placements. Partly impacted due to reduced capacity in LCC run homes; currently at 22 against potential 28 when 7 mainstream homes fully operational. At outturn additional costs of £0.8m impacted on the account; principally ER £0.7m and Secure Justice £0.1m).	R		5.257
	Staffing Related Costs	C&F Leadership Team	At Outturn further pay savings of £0.264m due to further severance savings in R&S Central Overhead account.	G		(0.692)
	Learning For Life - Early Start & Youth Services	Sal Tariq / Andrea Richardson	No change from the reported P12 position. However further income pressures £0.15m, reflected on the Covid-19 dashboard.	R		0.650
	Passenger Transport	Sue Rumbold	No change from the P12 reported position.	R		0.525
	Income (Incl. Grants)	C&F Leadership Team	Further income utilised from Earmarked Reserves. Full utilisation of the following reserves:- Additional Troubled Families Earned Autonomy grant funding, £0.1m and National Accreditation and Assessment for Social Work (NAAS), £0.2m.	G		(3.643)
	Premises, Supplies & Services and Internal Charges	C&F Leadership Team	£0.12m additional costs re internal charges from DIS and Community Buildings. Also non-delivery of savings action plans for Supplies and Services. £0.04m last charges from LBS.	A		(0.277)
B. Key Budget Action plans (BAP's)						
Transport	Pasenger Transport - Other Transport savings	Sue Rumbold	Savings from WYCA and additional schools swimming income. Further savings of £0.25m due to full cost recover from DSG for Personal Travel plans.	G	(0.30)	(0.133)
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	Income target not achieved.	G	(0.20)	0.400
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	At P12 reflected additional DSG contribution towards cost for ER / IFA placements. Due to increasing numbers over last 3 / 4 months.	G	(0.60)	(0.250)
C. Contingency Plans						
	Use of strategic contingency for Children Services.	Steve Walker	Request release from strategic budget to support the directorates financial position			(0.500)
Children and Families Directorate - Forecast Variation						1.337

CHILDREN & FAMILIES 2019/20 FINANCIAL YEAR

DEDICATED SCHOOLS GRANT FINANCIAL DASHBOARD - OUTTURN

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 the end of 2019/20 there was an overspend of £5,051k on general DSG and an in year underspend of £596k on de-delegated services.

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 a further underspend of £515k on schools contingency. This is partly offset by increased costs of £201k on maternity and small variances elsewhere giving an overall underspend of £596k. The Growth Fund budget is part of this block and was £1,164k underspent which means that the £400k of the DSG surplus brought forward from 2018/19 which had been earmarked for this was not needed.

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). The admissions service was underspent by £175k as a result of staff turnover and vacancies. Other minor underspend means that the overall underspend on this block is £185k.

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. An estimate has been made of the expected final grant adjustment based on current census information currently available. The effect of this is that there is an underspend of £1,016k. This is largely due to funding being based on the January census, which has higher numbers of 2 - 4 year olds than the average of all censuses over the year.

High Needs Block - This element is used to support provision for pupils and students with special educational needs and disabilities. This block was overspent by £7,232k following increasing costs due to high levels of demand and increasing complexity of cases. The main variances in this block were:-

- a lack of suitable places in Leeds resulted in an overspend on out of area and residential placements of £3,077k.
- an increase in special school places required from September 2019 resulted in an overspend of £711k on SILC funding and a further overspend of £270k on special academies and free schools.
- a general increase in the FFI top-up to mainstream schools and academies produced an overspend £2,231k and there was an overspend of £224k on additional place funding for schools with a higher level of high needs pupils.
- there has been a significant increase in early years FFI top-ups which resulted in an overspend of £625k.
- there is an overspend of £389k due to an increased take up of personal budgets (particularly personal transport).
- the North West SILC is not now expected to become an academy until 2020/21 which means that additional funding needed to ensure that NW SILC is in a sustainable financial position going forward is not now required in 2019/20.
- these overspends are partly offset by underspends on services provided by Leeds City Council, largely as a result of staff vacancies.

On 5th May 2020, the Education and Skills Funding Agency confirmed that the council's request around top-up funding rates in respect of the SEMH provision was successful. Therefore there are no further costs expected on this.

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 was an overall in year overspend of £5,051k which meant that there is a deficit on general DSG carried forward to 2020/21 of £3,954k. Following the repayment of part of the accumulated reserve to schools and the effect of the in-year underspend, the de-delegated reserves stand at £721k.

There have been some recent changes to the DSG conditions of grant. The first is that local authorities are required to carry forward overspends to their DSG into future years. They can apply to the Secretary of State to disregard this requirement if they want to fund some or all of the overspend from other sources. The second change is that the requirement to submit a deficit recovery plan if the overall deficit is greater than 1% of the gross DSG allocation has been removed. Instead, any local authority that has an overall deficit on its DSG account at the end of the 2019 to 2020 financial year, or whose DSG surplus has substantially reduced during the year, must co-operate with the Department for Education (DfE) in handling that situation. This will involve providing a plan on how the deficit will be funded and regular updates on how that plan is working. It would also involve meetings with DfE officers to discuss any issues. Overall, as DSG has moved from a surplus of £1,684k to a deficit of £3,233k, it is possible that we will be asked to take part in this process.

Budget Management - net variations against the approved budget

	Budget £'000	Projection £'000	Variance £'000
Schools Block			
DSG Income	(301,877)	(298,760)	3,117
Individual Schools Budgets	295,697	292,364	(3,333)
De-delegated budgets	4,680	4,084	(596)
Growth Fund	2,900	1,736	(1,164)
Contribution to /from reserves	(1,400)	(1,000)	400
	0	(1,576)	(1,576)
Central School Services Block			
DSG Income	(4,725)	(4,725)	0
CSSB Expenditure	4,725	4,540	(185)
	0	(185)	(185)
Early Years Block			
DSG Income	(55,877)	(59,162)	(3,285)
EEEE 3 and 4 year olds	45,708	47,418	1,710
EEEE 2 year olds	7,312	7,645	333
Other early years provision	2,857	3,083	226
	0	(1,016)	(1,016)
High Needs Block			
DSG Income	(66,389)	(66,293)	96
Funding passported to institutions	59,524	66,867	7,343
Commissioned services	1,702	1,703	1
In house provision	4,605	4,397	(208)
Prudential borrowing	558	558	0
	0	7,232	7,232
Total	0	4,455	4,455

DSG Grant Reserves

General £'000	De-delegated £'000	Total £'000
(1,097)	(587)	(1,684)
400	0	400
(697)	(587)	(1,284)
(1,097)	(587)	(1,684)
5,051	(596)	4,455
0	462	462
3,954	(721)	3,233

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

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)			(0.76)
Schools Block		Underspend due to adjustments made as part of the academy conversion process			(0.22)
Schools Block		Net underspend on de-delegated services.			(0.60)
Central School Services Block		Underspend on admissions service.			(0.19)
Early Years Block		Projected underspend on early years block mainly as a result of funding received for additional hours.			(1.01)
High Needs Block		Increased cost of outside and residential placements.			3.08
High Needs Block		Increase in funding to special schools			0.71
High Needs Block		Increase in FFI top-up and place funding to mainstream schools and academies			2.48
High Needs Block		Increase in early years FFI top-up.			0.60
High Needs Block		Net effect of all other high needs variations			0.36

Dedicated Schools Grant - Outturn Variation

4.45

CITY DEVELOPMENT 2019/20 BUDGET FINANCIAL DASHBOARD - OUTTURN

At Outturn the City Development Directorate has maintained it's forecast balanced budget position from Period 11 and 12 and, excluding the impact of Covid 19 in the last two weeks of the financial year estimated at £250k, actually delivered a small underspend of £35k.

The Planning & Sustainable Development Service finished the year with a £223k underspend, this is the net saving from vacant posts across the service throughout the year, increased CIL Admin income and costs relating to the Core Strategy review, Aireborough Legal challenge and referendum/independent examination costs for Neighbourhood Planning.

Economic Development has a minor overspend mainly due to a small shortfall in income.

Asset Management and Regeneration have managed a number of pressures. The Strategic Investment Fund (SIF) required further acquisitions to be made in order to achieve the net income target of £3.36m and the current shortfall has increased from £592k to £728k. This £136k increase is the net pressure from unforeseen delays in the lettings of the three new Trilogy warehouses. These pressures have been partially offset by the assumed use of the £130k SIF reserve and the slipping of some prudential borrowing charges. Throughout 2019/20 none of the investment opportunities available were considered suitable fits with the authority's investment strategy.

The £250k Asset Rationalisation budget action plan saving did not result in direct savings to City Development although there were some notable successes with the workstream. which have resulted in savings for the Council. Major staffing relocations and asset rationalisations of Hough Top Court and Navigation House were completed in 2019/20 and savings for the Council realised although they were not cashable to City Development as the savings occurred in other service areas. To partially offset these pressures £150k from the Round Foundry provision has been identified as useable (unapplied in previous years) and £86k historic new burdens funding for Self and Custom Build Housing also not applied in previous years.

Employment and Skills have ended the year with a minor underspend mainly relating to staffing.

The Highways and Transportation Service overspent by £180k which was arising from minor variations across the service. The Street Lighting LED conversion programme was planned to start in September 2019 however the Deed of Variation for the PFI contract was not signed until March 2020 and full commencement of works could not proceed until then. However some 'small works' instructions for lantern swaps have been issued to ensure energy savings are realised and at present there are no budget pressures arising from this delay.

Arts and Heritage has a minor overspend of £28k. The closure of all sites in mid-March resulted in a reduction in income of approximately £130k.

Active Leeds has seen a significant increase in income from Memberships on the back of successful promotional campaigns and has finished the year with a £367k underspend. The impact of the closure of all sites in mid-May resulted in a reduction in pay and play income of approximately £120k.

At Kirkgate Market traders had 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 £785k shortfall in income, the rest is due to vacant or unlettable units within the market, and rent free periods on new lettings.

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	9,605	(7,659)	1,946	(457)	(63)	120	(4)	104	0	0	0	0	(300)	77	(223)
Economic Development	2,219	(538)	1,680	18	3	(2)	7	15	283	(283)	0	0	41	22	63
Asset Management & Regeneration	17,427	(20,647)	(3,220)	(1,059)	1,330	11	8	(6)	0	50	0	0	334	790	1,124
Employment & Skills	6,009	(4,314)	1,694	(61)	19	7	(2)	(45)	45	(20)	0	0	(58)	20	(38)
Highways & Transportation	65,382	(48,271)	17,111	(776)	42	1,295	119	360	0	0	0	0	1,040	(860)	180
Arts & Heritage	21,531	(9,931)	11,600	422	(127)	339	51	93	13	(523)	0	0	268	(240)	28
Active Leeds	25,724	(20,585)	5,139	135	(117)	(107)	10	(21)	60	180	0	0	140	(507)	(367)
Resources & Strategy	1,008	(413)	595	300	0	(75)	0	(3)	0	0	0	(20)	202	(1,768)	(1,566)
Markets & City Centre	3,410	(3,702)	(292)	0	(108)	(16)	(1)	(22)	0	11	0	0	(136)	900	764
Total	152,314	(116,062)	36,252	(1,478)	979	1,572	188	475	401	(585)	0	(20)	1,531	(1,566)	(35)

Key Budget Action Plans and Budget Variations:

				RAG	Action Plan Value	Forecast Variation against Plan/Budget
					£m	£m
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	(1.00)	0.73
2.	Asset Management & Regeneration	Angela Barnicle	Asset Rationalisation - savings delivered but realised in other Directorates	R	(0.25)	0.25
3.	Highways & Transportation	Gary Bartlett	LED Street Lighting Conversion	G	(0.70)	0.00
4.	Highways & Transportation	Gary Bartlett	Fees Capitalisation	G	(0.40)	0.00
5.	Active Leeds	Cluny MacPherson	Sport Income	G	(0.22)	(0.39)
6.	Active Leeds	Cluny MacPherson	Sport Efficiencies	G	(0.15)	0.14
Total Budget Action Plan Savings					(2.72)	0.73
B. Other Significant Variations						
1.	Markets & City Centre	Phil Evans	Markets net rental income re 20% rent reduction and loss of income re vacant/unlettable units			0.79
2.	Asset Management & Regeneration	Angela Barnicle	Use of Round Foundry balance and historic new burdens funding for Self and Custom Housing not applied in previous years.			(0.24)
3.	Asset Management & Regeneration	Angela Barnicle	Vacancy savings net of income generating posts			(0.24)
4.	Asset Management & Regeneration	Angela Barnicle	Capital Receipts Fees			0.19
5.	All Services	All	Other minor variations across services			0.13
6.	Resources and Strategy	Phil Evans	Use of historic balances to support revenue budgets			(1.39)
					City Development Directorate - Forecast Variation	
					(0.035)	

RESOURCES AND HOUSING

FINANCIAL DASHBOARD - 2019/20 FINANCIAL YEAR

FINAL OUTTURN

Overall

The Directorate's final outturn was a £318k underspend against its £82.1m net budget, which is in line with the provisional outturn figures previously reported. This reported position does not include any Covid-19 related variations which have been accounted for and reported separately.

The Directorate's position can be broadly explained by an underspend within Resources, CEL and Housing general fund services of £2.6m offset by an under recovery against surplus of £1.6m within LBS plus an overspend within Corporate Property Management (CPM) of £0.6m, with the explanations outlined below.

Resources

Savings of £1.6m have been achieved across services, with DIS £0.5m (mainly Microsoft) and Strategy and Improvement £0.4m (due to additional grant and other income) being the two most significant areas. Within Legal and Democratic Services there are savings £0.5m, with £0.1m on Members allowances the largest single item. HR have achieved over £0.1m savings on staffing costs and £0.2m and additional traded income with schools, offsetting the impact of not receiving budgeted income from the apprentice levy. Financial services underspent by £0.1m

Shared Services has outturned at +£0.2m, mainly due additional staffing cost. However, the service had a £1m savings target in the budget and consequently most has been delivered.

Housing and Property Services

The CPM service overspent by £0.6m. Spend on building maintenance across the Council's portfolio of assets was £0.9m over budget, partially offset by additional capitalisation of spend of £0.4m.

Within Housing general fund services, savings of £0.2m have been achieved, mainly arising from additional income chargeable to capital schemes and additional grant income.

Civic Enterprise Leeds (CEL)

Total savings of £757k have been achieved in CEL mainly as a result of a £781k saving within Facilities Management. This saving arose from savings in both business rates following the confirmation of the valuation by the VOA and savings against the prudential borrowing budget (with both savings relating to Merrion House). Although there were some minor variations within individual services, the remainder of CEL broadly came in on budget

Leeds Building Services

The budget assumed a delivery of an £11m surplus with a turnover of £69.3m. The outturn position came in at £1.6m short against the budgeted surplus. This is due to a combination of a shortfall in achieving the budgeted turnover level (£69.3m), front line vacant posts and an increase in non productive time which have all affected the overall recovery position. LBS have, however, contributed an overall surplus to the general fund (excluding the impact of COVID) in excess £9.3m.

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	98,893	(31,676)	67,217	3,724	310	240	0	378	0	4,101	(2)	198	8,949	(10,566)	(1,617)
LBS	58,336	(69,345)	(11,009)	(2,034)	(157)	2,296	169	4,569	0	0	0	0	4,843	(3,188)	1,655
Housing inc CPM	25,819	(12,475)	13,344	66	1,025	154	101	119	472	(120)	0	(78)	1,739	(1,338)	401
CEL	82,774	(70,196)	12,578	363	(426)	(125)	230	45	1	0	3	86	177	(934)	(757)
Directorate Action Plan				0		0							0		0
Total	265,822	(183,692)	82,130	2,119	752	2,565	500	5,111	473	3,981	1	206	15,708	(16,026)	(318)

				RAG	Action Plan Value	Forecast Variation against Plan/Budget
Service	Budget Action	Lead Officer	Comments		£m	£m
HOUSING						
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)	
Leeds Building Services	To deliver an improved surplus of £1.4m from additional turnover; efficiencies and productivity.	Sarah Martin	Forecat shortfall of surplus manly due to vacant front line posts. (Permanent advert is out for these trades)	R	(1.40)	1.65
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 £166k over on staffing, offset by £159k income; Expected to balance	G	(0.30)	
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)	(0.10)
HR	Development of ULEV scheme	Andrew Dodman (Alex Watson)	Initial Communications and promotion has gone out;	A	(0.06)	0.05
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)	(0.23)
Shared Services	Deliver £0.79m staffing savings to balance the 19/20 budget	Mariana Pexton	Staffing overspend after accounting for extra income on funded posts	R	(0.79)	0.40
Shared Services	Electronic Processing of Invoices	Mariana Pexton	Scheme slipped into 2020/21	R	(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)	(0.44)
B. Other Significant Variations						
1	CPM	Sarah Martin	Pressures on the maintenance budget (net of £0.4m additional capitalisation)	R		0.59
2	Finance -Court Fees	Victoria Bradshaw	Income in line with budget	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 and saving on financing costs at Merrion	G		(0.78)
4	All Other Variations	All	£470k savings mainly from DIS relating to Microsoft; £277k savings in Democratic Services , Review of accruals £200k; Finance £128k under; HR additional income £300k and Shared Services operating costs £200k	G		(1.75)
Resources and Housing Directorate - Outturn Variation						(0.318)

COMMUNITIES & ENVIRONMENT DIRECTORATE SUMMARY

FINANCIAL DASHBOARD - 2019/20 FINANCIAL YEAR

Outturn 2019/20

The overall position for the directorate is a £65k underspend against the budget. This excludes the impact of COVID-19 (+£1,007k) which is shown separately.

Communities (£168k overspend)

The overspend is mainly due to the under recovery of grant in relation to Community-Led Local Development (CLLD) projects £115k and other minor variations across the service.

Customer Access (£569k overspend)

The outturn variation is partly attributable to additional staffing costs within the Contact Centre of £390k due to recruitment to improve call answer rates, which is partially offset by funding of £300k secured from Housing Leeds in respect of Housing enquiries. Community Hubs have overspent by £424k reflecting additional staffing and premises costs including increased security and business rates. Additional staffing costs of £119k within the library service are due to delays in the planned restructure and all other variations across the service give net savings of £64k.

Electoral and Regulatory Services (£453k under budget)

Elections, Licensing and Registrars (£160k under budget)

The underspend of £160k is mainly due to additional income and expenditure savings in the Entertainment Licensing and Registrar services.

Environmental Health (£293k under budget)

The saving of £293k is due to both staffing and operational savings across the functions and additional income from Pest Control services.

Welfare and Benefits (£178k under budget)

The net position in respect of Housing Benefit expenditure/subsidy and overpayment income has resulted in a variation of +£144k against budget. However this has been offset by net savings of £322k across the service which mainly reflects additional Housing Benefit grant income and other net expenditure savings.

Parks and Countryside (£9k overspend)

Although there are net pressures across Attractions and the Arium of £548k, these are offset by additional surpluses at cafes of £73k and other net expenditure savings, mainly within Bereavement (£101k), Grounds Maintenance (£152k) and the cost of prudential borrowing (£165k).

Car Parking (£469k under budget)

The year end variation reflects expenditure savings of £73k and overall additional income of £396k. A shortfall against budget of £323k in respect of on-street parking income has been offset by additional off-street income of £269k and all other income including additional PCN/Bus Lane Enforcement income (£450k).

Community Safety (£32k under budget)

The Community Safety outturn position reflects in year staffing savings of £122k, mainly due to vacancies, partially offset by expenditure and income variations of net £90k which includes the non achievement of planned CCTV infrastructure savings and a shortfall in LeedsWatch income .

Waste Management (£384k overspend)

Pressures within the Refuse service, due to the ongoing Refuse review combined with additional costs of recovery, have been offset by residual waste disposal contract savings and other expenditure savings identified within the service. Staffing variations of £223k within Waste Operations have been largely offset by additional income at the weighbridges. The main variation relates to additional costs incurred in respect of the SORT disposal contract (+£379k) which is largely due to lower market income prices experienced. Price increases in respect of re-let waste stream contracts (+£112k) have been offset by other waste disposal expenditure variations and additional income received.

Cleaner Neighbourhoods Teams (£179k under budget)

The underspend of £179k is mainly due to delays in recruitment during the year, with additional transport costs incurred of £110k being offset by additional income and other minor expenditure savings.

City Centre (£99k overspend)

The overspend of £99k is mainly due to increased staffing (£45k) and vehicle (£35k) costs, part of which is due to covering event clean ups, in addition to one off costs associated with moving depot (£24k).

Budget Management - net variations against the approved budget;

Summary By Service

			Outturn 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		
19,030	(13,686)	5,344	236	(62)	897	13	75	25	(12)	175	0	1,347	(1,179)	168	
24,293	(4,343)	19,950	1,056	191	201	8	32	0	0	0	0	1,488	(919)	569	
8,327	(5,913)	2,414	613	442	784	55	5	0	0	0	161	2,060	(2,513)	(453)	
265,394	(261,307)	4,087	88	(19)	191	(14)	99	0	0	0	0	345	(523)	(178)	
4,874	(13,194)	(8,320)	(95)	91	(119)	4	45	0	0	0	0	(74)	(395)	(469)	
10,037	(7,653)	2,384	(14)	22	(219)	38	371	(157)	0	0	0	41	(73)	(32)	
42,737	(7,718)	35,019	2,080	(23)	354	387	(462)	0	0	0	540	2,876	(2,492)	384	
33,164	(26,483)	6,681	(35)	(369)	847	94	127	0	0	8	0	672	(663)	9	
2,095	(450)	1,645	38	0	101	34	(3)	0	0	0	0	170	(71)	99	
12,772	(4,289)	8,483	(185)	113	(168)	111	(16)	0	0	0	0	(145)	(34)	(179)	
0	(5)	(5)	0	1	16	0	0	0	0	0	0	17	0	17	
422,723	(345,041)	77,682	3,782	387	2,885	730	273	(132)	(12)	183	701	8,797	(8,862)	(65)	

Key Budget Action Plans and Budget Variations:						
		Lead Officer	Additional Comments	RAG	Action Plan Value	Forecast Variation against Plan/Budget
Communities					£m	£m
Communities team	Achievement of staffing efficiencies	Shaid Mahmood	Delivered	G	(0.08)	0.000
Community Centres	Asset transfer savings and general efficiencies within the service	Shaid Mahmood	Asset transfers savings achieved of £30k. Delivery of Facilities Management savings.	G	(0.10)	0.000
Third Sector Infrastructure Fund	10% saving on Third Sector Infrastructure Fund	Shaid Mahmood	Agreed to taper the relief over the year with Voluntary Action Leeds.	G	(0.03)	0.012
Communities	Achievement of base budget vacancy factor	Shaid Mahmood	The receipt of additional grants in year assisted the service in achieving it VF.	G	(0.18)	0.000
Customer Access						
Libraries	Staffing efficiencies achieved through the planned restructure of the Libraries and Information service	Lee Hemsworth	Delayed restructure - mainly cost of agency cover	A	(0.20)	0.119
Libraries	Review and reduce the provision of publications in Libraries	Lee Hemsworth	Not achieved	R	(0.04)	0.040
Libraries	Retender Library management system contract as single contract (18/19 saving)	Lee Hemsworth	Delivered	G	(0.05)	0.000
Customer Access	Achievement of base budget vacancy factor	Lee Hemsworth	Delivered	G	(0.65)	0.00
Customer Access	Achievement of base budget efficiencies (18/19 channel shift saving)	Lee Hemsworth	Agreed additional funding with HRA of £300k to improve performance.	A	(0.31)	0.09
Welfare & Benefits						
Welfare and Benefits	Achievement of staffing efficiencies	Lee Hemsworth	Welfare Rights and Leeds Benefits service - undertaken in year	G	(0.15)	0.00
Welfare and Benefits	Local Welfare Support Scheme - passport the costs of carpets / flooring awarded to Housing Leeds	Lee Hemsworth	Charged to HRA	G	(0.10)	0.00
Welfare and Benefits	Achievement of base budget vacancy factor	Lee Hemsworth	Restructure of Council Tax team	G	(0.05)	0.00
Elections, Licensing, Regulatory Services (incl Environmental Health)						
Registrars	Implement fee review in respect of non-statutory charges	John Mulcahy	Fee review implemented -	G	(0.10)	0.00
Elections	Shared cost of local elections in 19/20	John Mulcahy	Shared cost with Parish councils	G	(0.10)	0.00
All	Achievement of base budget vacancy factor (including Environmental Health £34k)	John Mulcahy	VF achieved in year.	G	(0.10)	0.00
Waste Management						
Refuse	Progress route review to deliver £1.1m savings in the base budget	Helen Freeman	Route review ongoing. Additional costs offset by other savings across the service.	A	(1.10)	0.00
Waste Management - all services	Achievement of base budget vacancy factor	Helen Freeman	Delivery in year	G	(0.08)	0.00

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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.	G	(0.11)	0.00
Car Parking	Increase Sunday / Evening charges by 10%	Helen Freeman	Price tariffs review was delayed during the year.	A	(0.06)	0.05
Environmental Action Services (incl Parks and Countryside)	Achievement of vacancy factor (Car parks £145k, CC £23k, CNT £139k)	Helen Freeman	Delivered in year	G	(0.31)	0.00
Parks and Countryside				G		
Parks and Countryside	Maximise further commercial income generating opportunities	Sean Flesher	Delivered in year	G	(0.05)	0.00
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 been reversed pending further review.	R	(0.03)	0.03
Parks and Countryside	Identify appropriate staffing costs to charge to Capital	Sean Flesher	Delivered in year	G	(0.07)	0.00
Parks and Countryside	Staffing savings - achievement of vacancy factor (5% all services, 9% Parks Operations)	Sean Flesher	Delivered in year	G	(1.18)	0.00
Community Safety						
Community Safety	Identify efficiencies in use of external funding (£50k 18/19 + £60k 19/20)	Paul Money	Delivered in year	G	(0.11)	0.00
Community Safety	Replacement of CCTV infrastructure	Paul Money	Delays in the project.	R	(0.05)	0.05
Community Safety	PCSO staffing savings - achievement of vacancy factor above base	Paul Money	Delivered in year	G	(0.01)	0.00
Community Safety	Achievement of base vacancy factor	Paul Money	Delivered in year	G	(0.31)	0
Directorate Wide						
Other Significant Variations						
All services			Other expenditure variations		(0.46)	
					Communities & Environment - Outturn Variation	
					(0.065)	

STRATEGIC & CENTRAL ACCOUNTS - 2019/20 FINANCIAL YEAR

FINANCIAL DASHBOARD - DRAFT OUTTURN

Overall :

Strategic & Central Accounts has an underspend position of £0.6m with the main variations being -

- Due to delays in realising some capital receipts, additional Minimum Revenue Provision of £4.1m will be required to ensure that a prudent amount of debt is repaid for the year.
- The costs of borrowing have also been offset by additional de-minimus capital receipts of just over a £1.0m from the sale of vehicles.
- There is a projected shortfall in income from the New Homes Bonus grant of £0.6m
- Section 31 grant income for business rates is £1.6m higher than budget, and contributions to the regional business rates pool are £1.5m less than was budgeted for. In addition the council has received a £0.5m distribution from the national business rates levy surplus for 2018/19.
- There is a shortfall of £2.0m in capitalisation against the revised budget.
- A £0.5m debtor has been recognised for the agreed settlement of a contractual dispute. This amount has been transferred to the insurance reserve.
- The procurement exercise for insurance cover generated savings of £0.6m offsetting the overspend on insurance claims.

Budget Management - net variations against the approved budget

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				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	(1,740)	(18,998)	(20,738)	(421)	(174)	1,727						910	2,042	(644)	1,398
Debt	20,860	(17,517)	3,343			(123)					1,963		1,840	(530)	1,310
Govt Grants	6,001	(36,209)	(30,208)							(347)			(347)	(2,655)	(3,002)
Joint Committees	35,902	(7)	35,895						(96)				(96)	(54)	(150)
Miscellaneous	5,836	(833)	5,003	(90)		(78)			2				(166)	(12)	(178)
Insurance	10,470	(10,470)	0			2,087		(734)				(916)	437	(437)	0
Total	77,329	(84,034)	(6,705)	(511)	(174)	3,613	0	(734)	(94)	(347)	1,963	(6)	3,710	(4,332)	(622)

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	Variation anticipated at Period 12 plus replacement of short term with long term borrowing to take advantage of low long term interest rates. Increase in de minimis capital receipts.	G	18.5	(3.2)
2.	Minimum Revenue Provision	Victoria Bradshaw	Additional cost of £4.1m due to delays in capital receipts.	R	1.0	4.1
3.	New Homes Bonus	Victoria Bradshaw	Current forecast is £571k below budget.	R	(10.0)	0.6
4.	Business Rates (S31 Grants & retained income)	Victoria Bradshaw	Current forecast is (£905k) above budget and (£246k) expected from national pool distribution.	G	(20.0)	(3.7)
5.	S278 Contributions	Victoria Bradshaw	(£3,243k) income achieved as expected.	R	(3.5)	0.2
6.	General capitalisation target	Victoria Bradshaw	Revised target achieved	R	(0.7)	0.7
7.	Schools capitalisation target	Victoria Bradshaw	£2.1m shortfall in schools capitalisation target	R	(4.0)	1.3
8.	Joint Committees	Victoria Bradshaw	Minor surplus at year end.	G	35.9	(0.2)
B. Other Significant Budgets						
1.	Insurance	Victoria Bradshaw	Cost of claims offset by lower external premiums, lower legal costs and higher than budgeted income from school plus £0.9m contribution from the insurance reserve.	A	0.0	0.0
2.	Prudential Borrowing Recharges	Victoria Bradshaw	Actuals £484k below budget.	R	(16.1)	0.5
3.	Miscellaneous	Victoria Bradshaw	Minor surplus at year end.	G	5.0	(0.2)
4.	Strategic Account	Victoria Bradshaw	Shortfall of £250k on prompt payment target and £90k on apprenticeship levy income, offset by a saving of £100k on business rates for District Heating and an additional £300k of unidentified miscellaneous income	G	(15.3)	0.1
5.	City of Culture	Victoria Bradshaw	An underspend of £0.8m in the budget for preparations for the City of Culture event	G	1.5	(0.8)
Strategic & Central Accounts - Forecast Variation						(0.6)

Housing Revenue Account - Outturn

Financial Dashboard - 2019/20 Financial Year

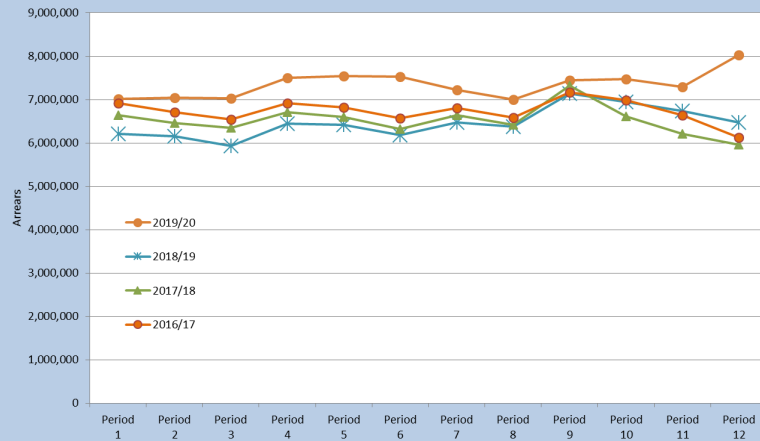
Summary of projected over / (under) spends (Housing Revenue Account)

Directorate	Current Budget	Projected Spend	Variance to budget	Comments	Previous period variance
	£000	£000	£000		£000
Income					
Rents	(209,496)	(208,994)	503	19/20 budgeted RtB sales were 530, outturn was 612 sales.	511
Service Charges	(7,976)	(8,142)	(166)	£113k Sheltered budget assumed 3.3% uplift - charge same as 18/19. [£-48k] Multi Story Flats. [£-243k] Leaseholder income based on 1819 outturn. £12k heating.	(63)
Other Income	(33,711)	(32,928)	782	£418k Reduced capitalisation due to staffing savings, £77k Reduction in Telecom Income, Leeds Pipes Income £314k, £50k court admin fee income, £46k DRM (net off from expend on internal services). [£144k] Apprenticeship levy grant offset in employees costs.	1,125
Total Income	(251,183)	(250,064)	1,119		1,573
Expenditure					
Disrepair Provision	1,400	3,129	1,729	Fewer cases closed due to COVID-19.	1,600
Repairs to Dwellings	44,791	46,284	1,493	Overspend on repairs, partially offset by Gain share income.	(179)
Council Tax on Voids	680	908	228	Includes 3 months charges from 18-19.	228
Employees	30,806	29,324	(1,481)	£85k severance. [£-889k] Housing Management, [£-304k] Housing Growth and [£-518k] Property and Contracts vacant posts. £144k Apprenticeship levy costs, offset by grant income.	(1,695)
Premises	8,716	8,382	(334)	Review of utilities expenditure [£-315k]. Carbon reduction Levy [£-40k]. [£-11k] Navigation House savings. £30k CAMS repairs.	(288)
Supplies & Services	4,100	3,509	(591)	Various ICT savings [£-163k], £83k Changing the workplace, [£460k] Leeds pipes, [£84k] reduction in tenant advertising, membership and insurance costs, £29k NPS fees.	(61)
Internal Services	42,027	43,015	988	£300k Contact Centre staffing, £386k Disrepair legal (inc £158k for external outsourcing to Swinburne Maddison), [£175k] Horticultural Maintenance, [£-79k] Court fees reduction partly offset in other income. £414k Leeds pipes, £103k BSC salaries offset on employees, £77k legal disbursement.	726
Capital Programme	61,117	58,338	(2,779)	Reduced Contribution to Capital	(1,315)
Unitary Charge PFI	9,685	9,203	(482)		(484)
Capital Charges	44,776	44,883	107		-
Other Expenditure	6,192	6,057	(135)	Cost of additional borrowing.	(115)
Total Expenditure	254,288	253,032	(1,256)	[£54k] Bad debt calculation, [£97k] HAPS offset by appropriation, £20k Community payback scheme.	(1,584)
Net Position	3,105	2,968	(137)		(11)
Appropriation: Sinking funds	(2,345)	(2,210)	135		45
Appropriation: Reserves	(761)	(758)	2		(33)
(Surplus)/Deficit	(0)	(0)	0		0
Proposed New Reserves			-		-
Transfer to Capital Reserve			-		-
Total Current Month	(0)	(0)	0		0

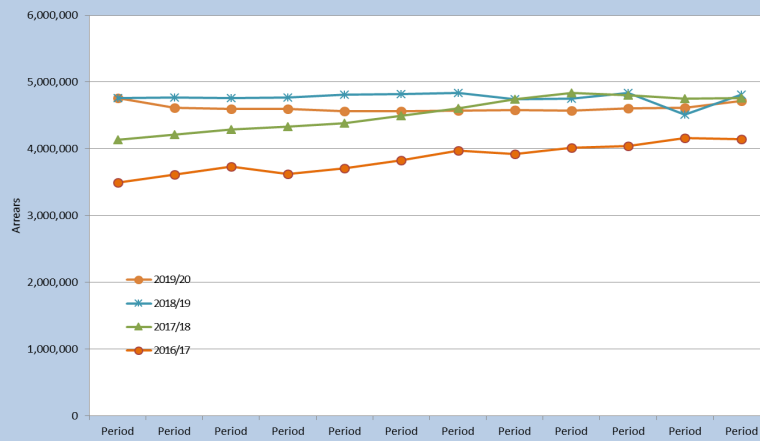
Housing Revenue Account - Outturn

Financial Dashboard - 2019/20 Financial Year

Comparison of Current Tenant Arrears by Financial Year



Comparison of Former Tenant Arrears by Financial Year



Change in Stock	Budget	Outturn
Right to Buy sales	(530)	(612)
Right of First Refusals/ Buybacks	0	45
New Build (Council House Growth)	0	4
Total	(530)	(563)

Right to Buy Receipts	2018/19 Actual	2019/20 Outturn
Total Value of sales (£000s)	32,969	33,931
Average Selling Price per unit (£000s)	53.6	55.4
Number of Sales*	615	612
Number of Live Applications	1,428	1,333

Arrears	2018/19	2019/20	Variance
	£000	£000	£000
Dwelling rents & charges	2018/19 Week 52	2019/20 Week 53	
Current Dwellings	6,471	7,157	686
Current Other	-	873	873
Former Tenants	4,814	4,716	(98)
	11,285	12,745	1,460
Under occupation	2018/19 Week 52	2019/20 Week 53	
Volume of Accounts	3,650	3,051	(599)
Volume in Arrears	1,316	1,198	(118)
% in Arrears	36.1%	39.3%	3.2%
Value of Arrears	295	197	(97)
Collection Rates	2018/19 Week 52	2019/20 Week 53	
Dwelling rents	97.27%	96.43%	-0.8%
Target	97.50%	97.50%	0.0%
Variance to Target	-0.23%	-1.07%	-0.8%

Housing Revenue Account - Outturn

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)	565	0	(807)
Housing Advisory Panels	(410)	0	(97)	(507)
Sheltered Housing	(2,921)	145	0	(2,777)
Holdsforth Place - land purchase	(64)	64	0	0
Early Leavers' Initiative	(408)	0	0	(408)
Wharefedale View	(15)	(8)	0	(23)
Changing the Workplace	(235)	84	0	(151)
ERDMS	(262)	6	0	(257)
	(5,687)	855	(97)	(4,930)
PFI Reserves				
Swarcliffe PFI Sinking Fund	(5,092)	3,618	0	(1,474)
LLBH&H PFI Sinking Fund	(4,617)	0	(1,408)	(6,025)
	(9,709)	3,618	(1,408)	(7,499)
Capital Reserve				
MRR (General)	(21,814)	71,728	(58,193)	(8,278)
MRR (New Build)	(2,179)	1,074	0	(1,105)
	(23,992)	72,802	(58,193)	(9,383)
Total	(45,883)	77,274	(59,698)	(28,307)

		At Provisional Outturn (Month 11)	At Outturn
Directorate/Service	Brief Description	£000s	£000s
Adult Social Care			
	No anticipated impact for the current financial year. Whilst services day services have been shut there are no expected savings. There will be a loss of client income and potential additional costs to cover associated carer costs; however it will prove difficult to unpick income as a client is charged on their ability to pay against a whole care package. Additional carer costs will be picked up as they come through the system in 2020/21.		
Children & Families			
Trading with Schools	Currently 13 areas within C&F directorate trade with Schools & Academies (loss of income and additional expenditure re cancellation costs of venues, Key Note speakers etc.). Full year budget is £4,874k which would need to be pro-rata for any closure period. Expenditure assumes some cancellation costs. Otherwise budgeted expenditure relates to LCC staff costs, therefore other than some savings on casual staff limited scope to offset expenditure against falling income. Excludes Children's Centres, Adel Beck Secure Unit and Youth Projects (detailed separately).	200	195
Children Centres loss fee paying income	Estimates assume no external fee income received although may still receive some for children of priority workers. Assuming DfE Nursery Grant income for 2,3 & 4 year olds is still received, although current allocation is related to attendance.	90	155
Income in Youth Service Projects	Budget is full year income. Would need to be reduced pro-rata based on school closure period. Private bookings also being cancelled now following central government advice on Social Gatherings	20	49
WYCA - both the swimming costs and the costs of the home to school transport provided	WYCA charge the Council based on the "Cooperation Agreement" contract for home to school transport £1M+, MetroCard's, Fee's & swimming transport, even though there is a non supply of service now sports centres are closed and if schools are closed in the future. Impact on income represents school swimming where LCC collects that directly from the Maintained schools. WYCA charges LCC and collects the income for Academies which is then passed over to LCC. The expenditure incurred by WYCA will be charged onto LCC even though there is non supply of service as WYCA argue the contractors still need to be paid - (Legal ruling required).	20	20
School attendance penalty notices	Closure of schools will result in reduction in income. C&F are charging for non-attendance up to end of February 2020 but nothing after that until advised otherwise by Legal. Estimated impact is for whole of summer term, assume more penalties in summer term than other terms due to holidays.	10	23
CLA demand budgets	Impact of higher placement costs due to increase staffing. Further impact of not being able to move child onto a cheaper placement type; for example from ER to In-House foster carer or Secure Justice to LCC run home. Impact on In-House / Kinship allowances - case by case basis re hardship.	-	55
		340	497
City Development			
	Immediate impact in 2019/20 would be from closure of facilities across Culture and Sport. Closure from 18 th March so we have the potential loss of 2 weeks income - see below. Overall around £1m of income at risk with little in the way of expenditure savings. This is probably nearer worst case scenario, perhaps £0.5m more optimistic , but clearly there will be some impact on the P12 position. We are currently building up a more detailed list of the impact. Monthly income for Museum, arts and venues around £400k although we won't have lost a whole months income. Assume 2 weeks loss of income, around £200k Monthly income in Sport is around £1m including £0.4m of DDs. Potential £0.5m loss of income, a lot will depend on policy with DDs which may impact more in early 2020/21. March DDs were processed. Impact of closures will be a 2020/21 pressure. Reduced income in P12 from 2 week closure for pay and play income and school swimming income. There is also a risk that expected capital receipts income (and fee income to City Dev) falls short of current assumptions although difficult to quantify at the moment but there is likely to be a shortfall against our current assumptions – potentially say £0.3m. We will need to discuss the latest capital receipts forecast with colleagues in Asset Management to see what anticipated receipts are now at risk.	200 500 300	130 120
		1,000	250

		At P11	At Outturn
Directorate/Service	Brief Description	£000s	£000s
Communities & Environment			
Directorate Wide			
Temporary Mortuary	Initial cost of refrigeration pods and Body Scoops		150
Communities			
Community Centres	Community centre bookings cancelled	12	16
Customer Access			
Contact centre - service provision	New expenditure on licences to facilitate home working. Spend will be split between 19/20 and 20/21.	94	36
Library - service provision	New expenditure on licences to facilitate home working. Spend will be split between 19/20 and 20/21.		17
Community Hubs/library income + Central Library	Sales/printing income etc		24
Electoral and Regulatory Services			
	Land & Property Search Service Income	10	
Cancellation of May20 elections	Savings on postages normally incurred in financial year prior to election		(106)
Registrars income	Face to face appointments and wedding ceremonies cancelled - loss of income and provision for refunds	34	17
Waste			
Refuse staffing	Cover for additional sickness in March		112
Disposal costs	Additional volumes of waste at RERF		63
	Reduced trade waste being disposed of	10	13
Weighbridge income			
Personal Protective Equipment	Additional cost of PPE for Refuse collectors	2	2
Zero waste Leeds Social media	Additional social media costs £2k per week initially for 10 weeks		3
Hire of artic for bulk haul	2 vehicles hired for first 3 weeks now down to one		3
Cleaner Neighbourhoods Team			
Bulky waste collections	Collections ceased		4
Environmental Enforcement	Net impact of 3GS suspending service		3
Car Parking	Car parking now free of charge and enforcement activity ceased	152	340
Parks & Countryside			
Tropical World - closure	Closure of Tropical World (Admissions, Retail and Café)	83	88
Home Farm & Wildlife World, (admissions/ retail)	Admission income, Lotherton Wildlife World and Home Farm	20	67
Cafés	Golden Acre, Temple Newsam, Lotherton Café	45	70
Arium	Retail & Café at Arium	25	61
Golf	Golf courses closed impacting on admission income and retail sales		6
Parks Operations	Fewer staff available to carry out income earning development works		18
		487	1,007
Resources & Housing			
	Additional spend on cleaning materials -will be new year spend in the main.	100	-
	Food Warehouse		3
	DIS Equipment, net of printing savings		75
	Loss of events income	14	14
	4 week closure of schools results in a £460k net shortfall in income for school meals; Charge schools KS1 USFM grant; Loss of KS2 income and academies KS income.	460	294
	LBS – Based on current absenteeism there is an impact upon the recovery of costs and return. For each 10 operatives a 2 week period would be £35k. OUturn: more operatives self isolating and being stood down as a consequence of reduced work.	102	500
		675	886
Total Estimated Impact 19/20		2,502	2,640

Directorate	Description of Reserve	Balance at	Transfers To & From Reserve	Balance at	Reason for Reserve
		1st		Outturn 2019/20	
		April 2019			
		£k	£k	£k	
	GENERAL FUND	(27,992)	(3,528)	(31,520)	
Adults & Health	S256 funding for Health Inequalities	(2,311)	488	(1,823)	Specific funding from Leeds South and East CCG for tackling health inequalities.
Adults & Health	Health & Social Care (CCG)	(4,254)	89	(4,165)	To fund Health and Social Care priorities
Adults & Health	Prisons Reserve	(205)	79	(126)	CCG funding for social work in prisons
Adults & Health	Drugs Commissioning	(133)	0	(133)	Carry forward of external income for drug and alcohol priorities
Adults & Health	Transforming Care	(2,766)	0	(2,766)	Provision to mitigate against costs associated with the NHS England led transfer of care packages to a community setting, in accordance with 2017/18 budget report
Adults & Health	Social Care Development Reserve	(976)	0	(976)	Provision to meet costs associated with development of social care models e.g. Recovery Model in accordance with 2017/18 budget report
Adults & Health	Resilience Reserve	(1,627)	1,000	(627)	Provision to mitigate against unforeseen demand pressures e.g. caused by hot summers, cold winters, flu outbreaks etc., in accordance with 2017/18 budget report
Adults & Health	Safeguarding (Adults)	(290)	24	(266)	Independent Safeguarding Board - carry forward of partner contributions.
Adults & Health	Spring Budget	(10,874)	3,274	(7,600)	Carry forward of Spring Budget monies from DCLG.
Adults & Health	Skills For Care	(217)	24	(193)	To provide funding for training of Care Workers
Adults & Health	Winter Monies	(178)	178	0	Funding received from Leeds CCG to reduce delays in transferring people out of hospitals back into community based care
Adults & Health	Public Health Children's Bereavement	(102)	102	0	Funding allocated to establish a new Children and Family Bereavement Service - carried forward underspend allocated to projects that address the emotional wellbeing of young people.
Children & Families	Health Innovations	(1,439)	694	(745)	Monies given by Health Service for a number of joint initiatives around commissioning & children's centres
Children & Families	Safeguarding (Children's)	(215)	(15)	(230)	Independent Safeguarding Board - carry forward of partner contributions to fund serious case reviews
Children & Families	NEW - BS Scheme	0	(20)	(20)	Funding from the CCG to continue the Intensive Positive Behaviour Service in 20/21
City Development	Armed Forces Day	(6)	0	(6)	Funding for Armed Forces Days
Communities & Environment	Casino License	(177)	(38)	(215)	Reserve for creation of Social Inclusion Fund as per licence bid
Communities & Environment	Economic, Social and Environmental Wellbeing fund	(209)	0	(209)	Carry forward balances on the wellbeing budgets of Community Committee.
Communities & Environment	Communities Innovation Fund	(20)	0	(20)	To fund work with the 3rd Sector to develop future financial sustainability in the sector.
Communities & Environment	NEW - Waste Reserve	0	(540)	(540)	Balance of waste disposal contract savings secured in 19/20 to support the delivery of the Refuse route review and the developing waste strategy.

Directorate	Description of Reserve	Balance at	Transfers To & From Reserve	Balance at	Reason for Reserve
		1st April 2019 £k		Outturn 2019/20 £k	
Resources & Housing	Homelessness Prevention Fund	(1,684)	637	(1,047)	To fund Homelessness prevention
Resources & Housing	Lord Mayor	(25)	15	(10)	Balance of budget carried forward.
Resources & Housing	Members club	(8)	0	(8)	Surplus on the Members Club.
Resources & Housing	Low Carbon Programme	(8)	0	(8)	To support delivery of work on Air Quality
Resources & Housing	Section 256	(60)	(300)	(360)	Funding from the CCG to be utilised by DIS to fund development of Digital Solutions for Personalised Care
Resources & Housing	Energy Efficiency Reserve - LCC	(195)	(26)	(221)	Energy efficiency reserve to fund invest to save energy efficiency initiatives.
Strategic & Central	General Insurance	(1,400)	(1,878)	(3,278)	To help fund cost of future insurance claims
Strategic & Central	Mutual Municipal Insurance	(11)	0	(11)	Reserve to fund potential claw backs of past insurance receipts from MMI.
Strategic & Central	Legal Cost of VAT claims	(63)	0	(63)	Funds set aside from £8.4m VAT claim refund received in 10/11 (originally £100k) to help fund legal costs for remaining VAT cases
Strategic & Central	Capital Reserve	(1,477)	(268)	(1,745)	Directorate contributions towards borrowing costs of capital schemes. Contributions received over life of asset and released back to revenue to cover debt costs over life of loan. Reserve now exhausted.
Strategic & Central	ELI Reserve	(2,000)	2,000	0	Reserve carried forward to support 18/19 base: ELI severance now funded by capital receipts in line with Council agreed policy therefore funds released to revenue.
Strategic & Central	Invest to Save	(650)	206	(444)	Fund to get projects off the ground to generate future revenue savings.
Strategic & Central	Business Rates Distribution	(2,902)	695	(2,207)	To carry forward 2018/19 Business Rates Pool surplus and funding allocated to projects.
Sub-total Earmarked Reserves		(36,482)	6,420	(30,062)	
Total non-ring fenced Reserves		(64,474)	2,892	(61,582)	

Directorate	Description of Reserve	Balance at 1st April 2019 £k	Transfers To & From Reserve £k	Balance at Outturn 2019/20 £k	Reason for Reserve
Schools	Extended Schools Balances	(6,247)	(4)	(6,251)	Surpluses on extended school activities carried forward
Schools	Schools Balances	(14,050)	(1,348)	(15,398)	Schools balances net of VER, Children's Services and BSF PFI borrowing
Schools	Dedicated Schools Grant	(1,684)	4,917	3,233	Carry forward of ring fenced DSG funding.
Schools	NEW - SEND Fund	0	(100)	(100)	Funding received for work with children with Special Educational Needs and Disabilities
Adults & Health	Public Health Grant	(572)	572	0	Public Health grant carried forward
Communities & Environment	Taxi & Private Hire Licensing Surplus	(86)	(161)	(247)	Ring fenced reserve for taxi and private hire licensing service.
Strategic	Energy Efficiency Reserve - Salix	(415)	(95)	(510)	Energy efficiency reserve to fund invest to save energy efficiency initiatives.
Strategic	Revenue grants	(3,586)	(24,543)	(28,129)	Revenue grants carried forward as per IFRS requirements
	Sub-total General Fund Ring-fenced Reserves	(26,640)	(20,762)	(47,402)	
	Note 1: Revenue Grants				
Adults & Health		0	119	(270)	Revenue Grants Carried Forward
Children & Families (Partners in Education)		(301)	(1,314)	(1,615)	Revenue Grants Carried Forward - DIE Partners In Practise funding.
Children & Families (Other)		(1,491)	238	(864)	Revenue Grants Carried Forward
City Development		(1,215)	(187)	(1,402)	Revenue Grants Carried Forward
Communities & Environment		(51)	0	(51)	Revenue Grants Carried Forward
Resources & Housing		(296)	(4,120)	(4,416)	Revenue Grants Carried Forward
Strategic Accounts (Brexit)		(232)	46	(186)	Revenue Grants Carried Forward
Strategic Accounts (COVID-19 Grant Reserve)		0	(19,325)	(19,325)	Revenue Grants Carried Forward - MHCLG COVID Support Grant
	Sub-total Revenue Grants	(3,586)	(24,543)	(28,129)	

Directorate	Description of Reserve	Balance at 1st April 2019 £k	Transfers To & From Reserve £k	Balance at Outturn 2019/20 £k	Reason for Reserve
	HRA RING FENCED RESERVES				
	HRA General Reserve	(6,495)	0	(6,495)	
	Welfare Reform	(1,372)	565	(807)	To fund pressures arising from welfare reform.
	Housing Advisory Panels (HAPs) Reserve	(410)	(97)	(507)	To fund projects identified by Housing Advisory Panels which benefit the tenants and residents in the community they represent.
	Sheltered Housing	(2,921)	144	(2,777)	To fund investment in sheltered housing schemes which will contain shared bathing facilities and fund improved access for people with mobility issues.
	Holdsforth Place (Land Purchase)	(64)	64	0	To fund the purchase of land at Holdsforth Place, no longer required, balance taken to revenue
	Early Leavers' Initiative	(408)	0	(408)	To fund the cost of approved severance payments
	Wharfedale View SF	(15)	(8)	(23)	Contribution from shared owners towards future costs of replacing furniture and carpets at Wharfedale View Extra Care facility
	Changing the Workplace	(235)	84	(151)	To fund the cost of 'new ways of working' for staff in Housing Leeds as office moves are completed.
	eFiles Box It Project	(262)	6	(256)	Principally to fund the scanning of Housing Management paper files to electronic files - to assist the Housing Service in the preparation for moving to Community Hubs.
	Swarcliffe PFI	(5,092)	3,618	(1,474)	PFI Sinking Fund
	LLBH&H PFI Sinking fund	(4,617)	(1,408)	(6,025)	PFI Sinking Fund
	Major Repairs Reserve	(23,992)	14,608	(9,384)	Ring-fenced to fund capital expenditure or redeem debt.
	Sub-total HRA Reserves	(45,883)	17,578	(28,307)	
	Total Ring-fenced Reserves	(72,523)	(3,184)	(75,709)	
	TOTAL RESERVES	(136,997)	(292)	(137,291)	

CAPITAL PROGRAMME - 2019/20 GENERAL FUND OUTTURN VARIATIONS

The following table highlights main scheme variations between the estimates in February 2020 and the final outturn 2019/20 as at 18th May 2020. The variations are based on those programmes/schemes with significant variations both over/under > £500k.

Directorate	Programme/ Scheme	2019/20 Actual £000s	Variation Under (-)/ Over £000s	Reason for variation
Adults & Health	Assisted Living Leeds	2,718.9	(281.1)	Site development & expansion not progressed as potentially envisaged. Scheme is based on opportunities that may arise in the area and provides funding to move on these opportunities when they arise.
	ICT schemes	1,377.3	(379.9)	The schemes within Business Intelligence, Digital Transformation and schemes to be delivered in partnership with the NHS have slipped to 2020/21 and there are no material variances on these 10 schemes.
	Other schemes	1,386.1	(120.6)	No material variances on remaining 4 schemes within Adults and Health.
		5,482.3	(781.6)	

Directorate	Programme/ Scheme	2019/20 Actual £000s	Variation Under (-)/ Over £000s	Reason for variation
Strategic & Central	General Capitalisations & interest, Transformational Change, PFI Lifecycle costs, CORE Systems review	16,205.5	(202.6)	Year end exercise to assess capital and revenue expenditure resulting in increased costs from directorate revenue of £0.8m as a result of capitalising additional directorate expenditure. This was offset by the transformational change programme which includes provision for the early leaver initiative scheme and the CORE systems review scheme which together came under by £1m. The PFI Lifecycle costs balanced to the budgeted £10.3m.
	Changing the Workplace	2,421.4	(2,316.3)	The major variance is concerned with the Merrion House scheme where the remaining provision we have in for the generator £1.3m can now be taken out as all costs are substantially complete apart from some imminent outstanding defects which are due c£100k. There are no other material variances within the programme, however further scrutiny will be needed on the remaining funding left in the programme as we change the way we work moving forward.
	Other schemes	57.0	0.0	No material variances on remaining Ward Based Initiative schemes schemes within Strategic and Central.
		18,683.9	(2,518.9)	

Directorate	Programme/ Scheme	2019/20 Actual £000s	Variation Under (-)/ Over £000s	Reason for variation
City Development	Highways	116,771.0	(10,294.5)	Highways accounts for 84% of the 2019/20 City Development programme. Main variances occurred on Connecting Leeds Public Transport Initiative a DFT grant funded programme where the full year projection of £46.5m was not adjusted and remained as reported to DFT. The programme achieved £40.2m of spend on a number of high priority schemes which have progressed well, Stourton P&R, Elland Road P&R, Headrow Gateway, A61 South Bus priority, A647 Bus Priority and others as part of the Bus Infrastructure programme. Other schemes not achieving their projections were Cycle City Ambition programme £1.6m, Street Lighted LED replacement programme £1.3m, Regent St Flyover £1m and the Flood Alleviation programme £0.5m some of the reasons being contractors overly optimistic projections, the reaction to COVID19 and delays in supply chains. To offset the underspends an unexpected payment of £1.4m for clean bus technology was paid out to WYCA in March 2020, we also achieved better than expected spend on East Leeds Orbital Road £0.8m and Highways Maintenance programmes £0.5m. Other highways schemes within the 300+ schemes delivered in year net £3.3m underspends have no material variances within this report.
	Asset Mgt	9,414.5	(2,468.7)	The main variance to report in asset mgt was Redhall Demolition £0.5m due to the complexity around utility connection terminations and achieving some savings on material recycling and recovery £0.5m. There were no other material variances to report within the remaining 47 schemes delivered.
	Culture and Sport	8,674.8	(30.9)	While no overall material variances within the Culture and Sport programme there have been some minor over and underspends on the 26 schemes delivered in 2019/20.
	Economic Development	2,509.0	(479.4)	While no overall material variances within the Economic Development programme there have been some over and underspends on the 35 schemes delivered in 2019/20.
	Regeneration	1,103.3	(1,297.5)	While no overall material variances within the Regeneration programme there have been some over and underspends on the 13 schemes delivered in 2019/20.
		138,472.6	(14,571.0)	

CAPITAL PROGRAMME - 2019/20 GENERAL FUND OUTTURN VARIATIONS

The following table highlights main scheme variations between the estimates in February 2020 and the final outturn 2019/20 as at 18th May 2020.
The variations are based on those programmes/schemes with significant variations both over/under > £500k.

Directorate	Programme/ Scheme	2019/20 Actual £000s	Variation Under (-)/ Over £000s	Reason for variation
Children & Families	Learning Places	16,367.9	(652.2)	The main variances within the Learning Places Programme were down to some delays in agreeing final accounts which we assumed would be settled in year. There have also been some minor over and underspends on the 45 schemes delivered in 2019/20.
	Schools Capital Maintenance	6,758.6	(7.7)	While no overall material variances within the Capital Maintenance programme there have been some minor over and underspends on the 28 schemes delivered in 2019/20.
	Other Children's Services Schemes	7,732.7	(757.9)	No material variances on the remaining 48 schemes within Children and Families
		30,859.2	(1,417.8)	

Directorate	Programme/ Scheme	2019/20 Actual £000s	Variation Under (-)/ Over £000s	Reason for variation
Resources & Housing General Fund	District Heating Network, Fuel poverty fund and Clean Air Zone	15,487.2	3,655.4	Significant spend was achieved in the last quarter for the various Clean Air Zone (CAZ) scheme which apportioned an additional net £2.3m in readiness for the CAZ. The District Heating Phase 2 also accelerated spend in the last quarter resulting in additional works being carried out than expected which has led to a £1.8m variance at outturn. This has been offset by the underspend £0.4m on the remaining energy efficiency schemes.
	CPM - works to Corporate buildings, Backlog Maintenance Fire Risk assessment works and Demolitions	7,204.9	(1,641.7)	No individual material variances within the programme where there have been some minor over and underspends on the 225 schemes delivered in 2019/20.
	Vehicles and Total Mobile system	1,113.8	(116.5)	No material variances in the two schemes delivered.
	Vehicle Replacement Programme	22,433.7	2,494.0	The due dates for delivery of an additional 13 refuse vehicles we're brought forward and allowed us to accelerate the replacement programme in 2019/20. An additional £2.5m was achieved.
	Digital Information Services and Finance	11,167.8	(1,637.8)	The contractor was appointed via the Local Full Fibre Network scheme but they we're then re-prioritised to work on the Nightingale Hospital (COVID-19 response) digital infrastructure works £1.2m. While no material variances on the remaining 11 schemes there have been some minor over and underspends on the schemes delivered in 2019/20.
	Housing Supported Loans, Adaptations programme, private sector renewal and Travellers Sites.	9,317.3	(3,676.8)	The new supply affordable and supported housing loans scheme underspent as a result of spend not transpiring in the last quarter of 2019/20 as expected. While adaptations achieved it's budgeted expenditure target additional income as a result of a transfer between HRA and GF in 2019/20 resulted in savings of £1.2m in year. No other individual material variances within the remaining R&H programme.
		66,724.7	(923.4)	

Directorate	Programme/ Scheme	2019/20 Actual £000s	Variation Under (-)/ Over £000s	Reason for variation
Communities & Environment	Parks Main Programme	4,574.5	229.7	While no overall material varainces within the programme there have been some over and underspends on the 91 schemes delivered in 2019/20.
	Community Hubs and Customer Access systems	3,658.5	1,067.7	While no overall material variances within the programme there have been some over and underspends on the 15 schemes delivered in 2019/20.
	Waste Operational	787.2	(963.7)	While no overall material variances within the programme there have been some over and underspends on the 11 schemes delivered in 2019/20.
	Other E&H General Fund	1,185.5	(78.7)	No other material variances on remaining 64 schemes within Communities and Environment.
		10,205.7	255.0	
Total General Fund Variances		270,428.4	(19,957.7)	

CAPITAL PROGRAMME - 2019/20 HRA, HOUSING LEEDS & BITMO OUTTURN VARIATIONS

The following table highlights main scheme variations between the estimates in February 2020 and the final outturn 2019/20 as at 18th May 2020.

The variations are based on those programmes/schemes with significant variations both over/under > £500k.

Directorate	Programme/ Scheme	2019/20 Actual £000s	Variation Under (-)/ Over £000s	Reason for variation
Resources and Housing HRA	Council Housing Growth Programme	16,441.6	3,583.3	The overall council house growth newbuild programme performed better than expected and delivered more in the last quarter with increased net spend of £1.7m relating to Phase 1 newbuild schemes at Beech Walk and Nevilles . The council was also able, despite challenging circumstances to exchange contracts to purchase 21 homes in Seacroft and Killingbeck ward and completed on the first 4 in March £1m. The CHGP team achieved 45 purchases in 2019/20 within the right of first refusal scheme which resulted in additional spend of £2.1m and continues to progress well.
	Housing Leeds & Other HRA	83,648.6	565.9	Housing Leeds outturn is £0.6m above projections mainly due to accelerating some schemes in year. Existing funding was brought forward to match final account provision. Movements in year between budgets have been contained within the overall budget provision and while there have been overs and unders on some budget headings during the year HL have managed the 2019/20 programme within the existing overall funding available.
	BITMO	1,674.2	(64.8)	No material variances
Total HRA Variances		101,764.4	4,084.4	
Total Capital Program Variances		372,192.8	(15,873.3)	



Report author: B Chana

Tel: 88044

Report of Chief Officer Financial Services

Report to Executive Board

Date: 24th June 2020

Subject: TREASURY MANAGEMENT OUTTURN REPORT 2019/20

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
Is the decision eligible 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 of main issues

1 Main Issues

- 1.1 This report sets out for Members' approval the Treasury Management Outturn Report for 2019/20.
- 1.2 This report shows that net external debt at 31st March 2020 was £2,162m, £47m lower than the February 2020 forecast. This movement is due to higher than anticipated revenue balances of £51m and an increase in assumed treasury borrowing of £4m for the capital programme. The level of debt and liabilities should be viewed in the context of the Council's assets which were valued at £5.6bn as at 31st March 2019. The value of assets as at 31st March 2020 are pending the completion of the Council's draft balance sheet and statement of accounts which are not finalised at this time.
- 1.3 The level of debt has remained within the authorised limit and operational boundary as approved by the Council in February 2020.
- 1.4 The average rate of interest paid on the Council's external debt was 3.30% for 2019/20 compared to 3.28% for 2018/19.

2 Best Council Plan Implications

- 2.1 Treasury Management strategy secures funding to support the Council's Policies and City Priorities as set out in the Council capital programme and is consistent with the Best Council Plan.

3 Resource Implications

- 3.1 This treasury strategy recognises the borrowing necessary to fund the capital programme requirements of both General Fund and HRA. The revenue costs of borrowing are included within the revenue budgets of the general fund and HRA.
- 3.2 The strategy for 2019/20 has delivered a saving of £2.8m against the revised budget which includes an additional £1m from reserves to fund the cost of switching short term borrowing to long term borrowing in the year. These savings are principally due to funding at lower rates than anticipated and from increased income for external investments.

Recommendations

1. Executive Board are asked to note the Treasury Management outturn position for 2019/20 and that treasury activity has remained within the Treasury Management Strategy and policy framework.

1 Purpose of this report

- 1.1 This report provides members with a final update on Treasury Management Strategy and operations in 2019/20.

2 Background information

- 2.1 The operation of the treasury management function is governed by provisions set out under part 1 of the Local Government Act 2003, whereby the Council is required to have regard to the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance in Local Authorities 2017 in particular:
- The amended 2017 Prudential Code requires that full Council set certain limits on the level and type of borrowing before the start of the financial year together with a number of prudential indicators.
 - Any in year revision of these limits must be agreed by Council.
 - Policy statements are prepared for approval by the Council at least twice a year.
- 2.2 These codes have been updated and re-issued late in 2017/18 together with the Ministry of Housing, Communities and Local Government (MHCLG) guidance in relation to Investments and Minimum Revenue Provision (MRP). The CIPFA codes and MHCLG guidance have been formally adopted.

3 Main Issues

3.1 Review of Strategy 2019/20

- 3.1.1 Table 1, below shows that net borrowing in 2019/20 was £2,162m, £47m lower than the February 2020 forecast. This movement is due to higher than anticipated revenue balances of £51m and an increase in assumed treasury borrowing of £4m for the capital programme. The actual movement in the capital programme is explained the revenue outturn report elsewhere on the agenda. The increase in revenue balances is mainly attributable to the receipts of £43m of Government grant relating to the first tranche of the Covid-19 grant and S31 grant.

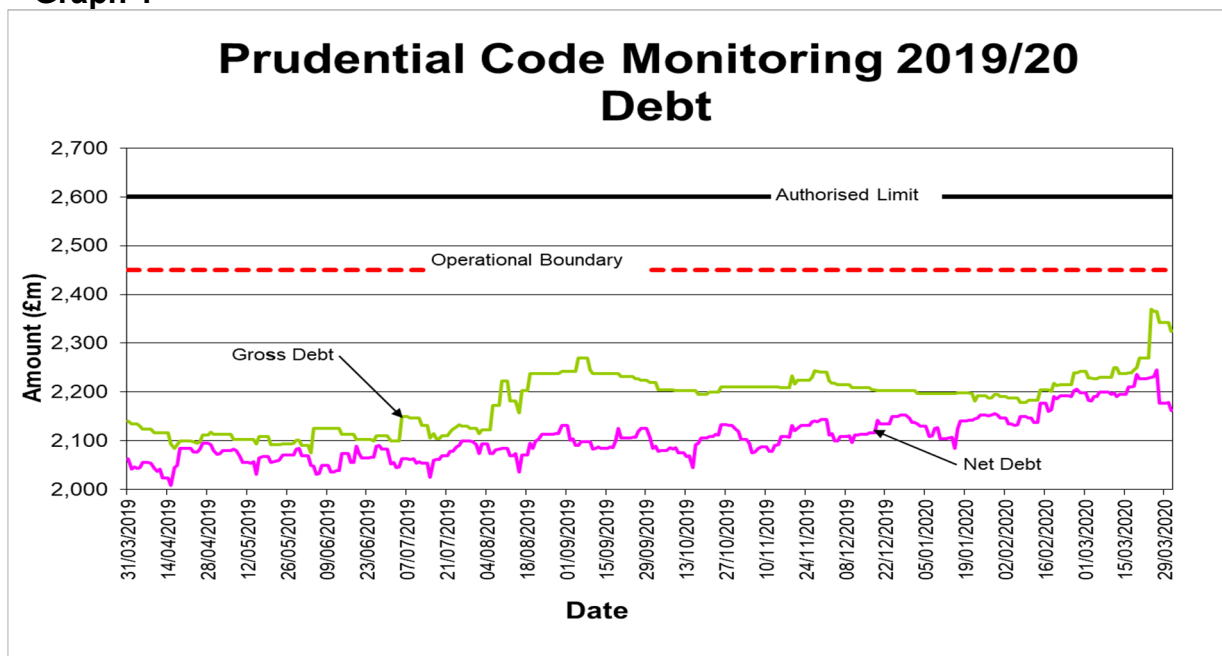
TABLE 1

	2019/20 Nov 19 Report	2019/20 Feb 20 Report	2019/20 This Report
ANALYSIS OF BORROWING 2017/18	£m	£m	£m
Net Borrowing at 1 April	2,063	2,063	2,063
New Borrowing for the Capital Programme – GF	162	132	132
New Borrowing for the Capital Programme – HRA	6	6	10
Debt redemption costs charged to Revenue (Incl HRA)	(20)	(18)	(18)
Reduced/(Increased) level of Revenue Balances	26	26	(25)
Net Borrowing at 31 March	2,237	2,209	2,162
Capital Financing Requirement*			2,492
Other long term liabilities capital financing requirement			565
Net Borrowing 31st March comprised as follows			
Long term Fixed	2,078	2,098	2,234
Variable (less than 1 Year)	20	0	0
New Borrowing	169	141	90
Short term Borrowing	0	0	0
Total External Borrowing	2,267	2,239	2,324
Less Investments	30	30	162
Net External Borrowing	2,237	2,209	2,162
% borrowing funded by short term and variable rate loans	8%	6%	4%
Limit for variable rate Borrowing	40%	40%	40%

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

- 3.1.2 The level of debt and liabilities should be viewed in the context of the Council's assets which are valued at approximately £5.6bn as at 31st March 2019. The value of assets as at 31st March 2020 are pending the completion of the Council's draft balance sheet and statement of accounts which are not finalised at this time. The Capital programme outturn position is reported in the June Financial Performance - Outturn Report to Executive Board elsewhere on the agenda.
- 3.1.3 Graph 1, below shows that the level of debt during 2019/20 remained within Authorised limits during the year. The Authorised Limit is the maximum permitted amount of borrowing the Council can have outstanding at any given time and has not been breached during 2019/20. The operational boundary is a key management tool and can be breached temporarily depending on cash flow. This limit acts as a warning mechanism to prevent the Authorised limit from being breached. Treasury management activity has resulted in no breach of its prudential indicators which are detailed in Appendix A. All of these other prudential indicators are within the normal tolerance levels of treasury management.

Graph 1



- 3.1.4 The 2019/20 borrowing strategy continued to fund the capital programme borrowing requirement from short dated loans and internal cash balances whilst looking for opportunities to lock into attractive longer dated funding. Whilst this approach continues to deliver lower costs of financing, the proportion of borrowing funding by short terms loans has been reduced to 4% (Table 1) due to the longer term funding of £486.5m taken during 2019/20 as detailed in Table 2. This exposure to interest rate refinancing has decreased significantly from 2018/19 however it is expected to rise to approximately 24% in 2022/23 if only short term funding is utilised. Provision exists in 2021/22 and 2022/23 within the MTFS to enable the switching of all short term borrowing to Long term funding in which case the interest rate exposure would fall to 2%.
- 3.1.5 Since the economic update to Members in February, the uncertainty surrounding Brexit has continued and the impact of the Covid-19 outbreak provide the backdrop for the economic performance outlined below. The key movements are:

- Inflation as measured by the CPI index was between 1.5% and 2% for most of the year however it fell from 1.5% in March to 0.9% in April as economic activity declined. Likewise commodity prices have also fallen with oil reaching levels not seen since 2016 as supply exceeded demand. Brent crude traded between \$55 and \$70 for most of the year before falling below \$25 in March. Average earnings have also decreased during the year after reaching a peak of just over 4% in June 2019 the 3 months to March fell to 2.4% The fall in inflation and increase in average earnings together represent an increase in household disposable income which is supportive of the wider economy.
- Unemployment having remained at low levels posting a figure of just below 4% for most of the year and ending at 3.9%. As the impact of the Covid-19 begins to percolate through the economy this figure is however expected to rise
- After starting the year at 0.75% the Bank of England (BOE) Base rate was expected to rise gently over the next few years, however on 11th March the Monetary Policy Committee (MPC) introduced an emergency cut to 0.25% followed on 19th March with another emergency cut to 0.1% which is the lowest level since records began in 1694. Additionally in March the MPC increased the Quantitative Easing package from £475bn to £675bn in response to the Covid-19 crisis.
- In the US the economy grew 3.1% in Quarter 1 however this fell to around 2% for the remaining 3 quarters and this prompted the Federal Open Markets Committee (FOMC) to cut rates. 3 cuts of 0.25% were implemented in 2019 and in March US rates were reduced to 0% to 0.25% as the Covid19 impact was felt. The US is entering a serious recession and despite a \$2 trillion stimulus package and other measures unemployment is rising and has reached 14.7% from a level of below 4% in February and. Non-farm payroll figures fell by £20.5m in April 2020 alone.
- In Europe growth of 1.8% in 2018 fell to only 0.9% in Q4 2019. Inflation remains below the 2% target and the QE programme which ended in December 2018 it introduced a third round providing cheap 2 year funding to banks from September 2019. In response to Covid-19 in expanded this further in March 2019 although the fiscal response by national governments has been patchy.
- In China economic growth continues to weaken and is viewed against a backdrop of the trade issues with the US during 2019. China was amongst the first to begin a lock down in response to Covid-19 and although the restrictions are now slowly being lifted ongoing economic issues remain.
- GDP growth in Japan continues to struggle however inflation again remains below target despite continued and continuing monetary and fiscal stimulus.
- Current projections for interest rates are uncertain due the unprecedented impact of the Covid-19 outbreak and the position is being kept under review as the situation evolves.

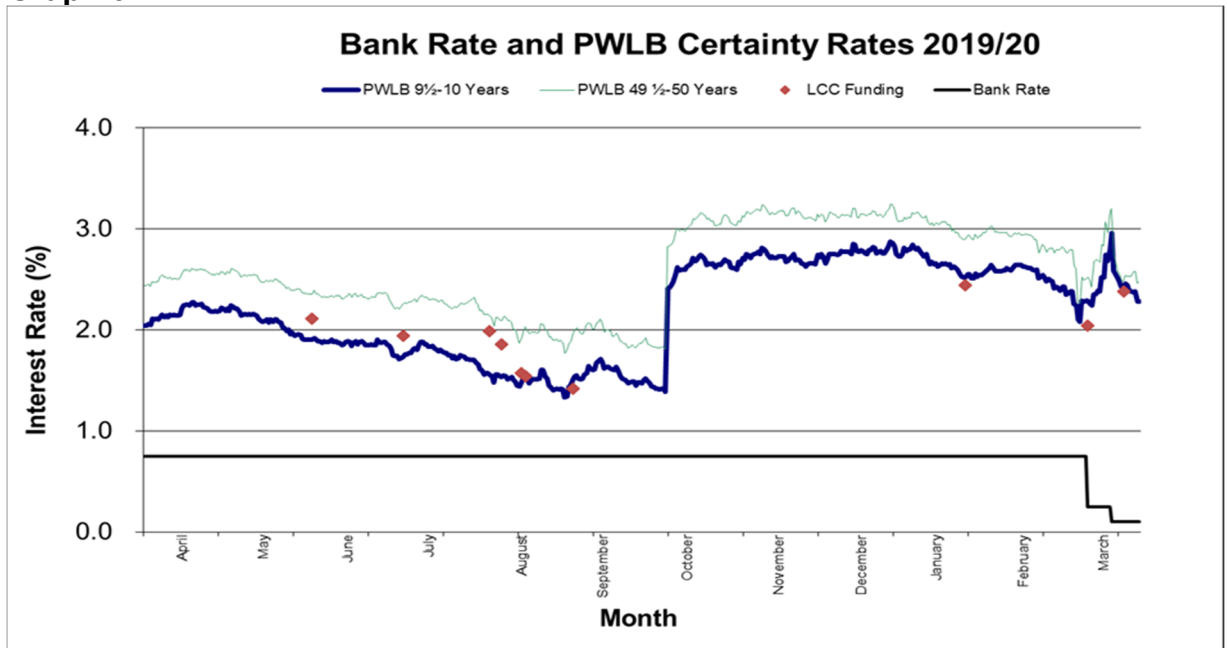
3.1.6 Graph 3 below shows the movement in PWLB interest rates over the year. Gilt yields have fallen over the year by around 1% in the 50 year and PWLB rates have mirrored this trend. Longer term PWLB rates (49½-50 year) have varied during the year but ended the year at higher levels than the start and achieved a low point which occurred in early September. Shorter term rates (9½-10 year) have also risen from the start of the year and again hit a low point in September. This apparent disconnect between underlying gilts and PWLB rates on offer is due to action taken by Her Majesty's Treasury (HMT) who changed the rates structures on 9th October without any warning

or consultation by increasing rates by 1% across all structures and can be clearly seen in Graph 3. This was partially reversed on 11th March when HRA borrowing was re-instated at the previous levels. WPLB rates can now be summarised as follows

- **PWLB Standard Rate** is gilt plus 200 basis points (G+200bps)
- **PWLB Certainty Rate** is gilt plus 180 basis points (G+180bps)
- **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)
- **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)

The graph below also shows the long term funding activity undertaken as detailed in table 2 below.

Graph 3



3.1.7 Net debt savings of £2.8m have been generated against the revised budget. These savings are principally due to continuing to fund short term borrowing at low short term rates and from the use of internal resources to defray external borrowing.

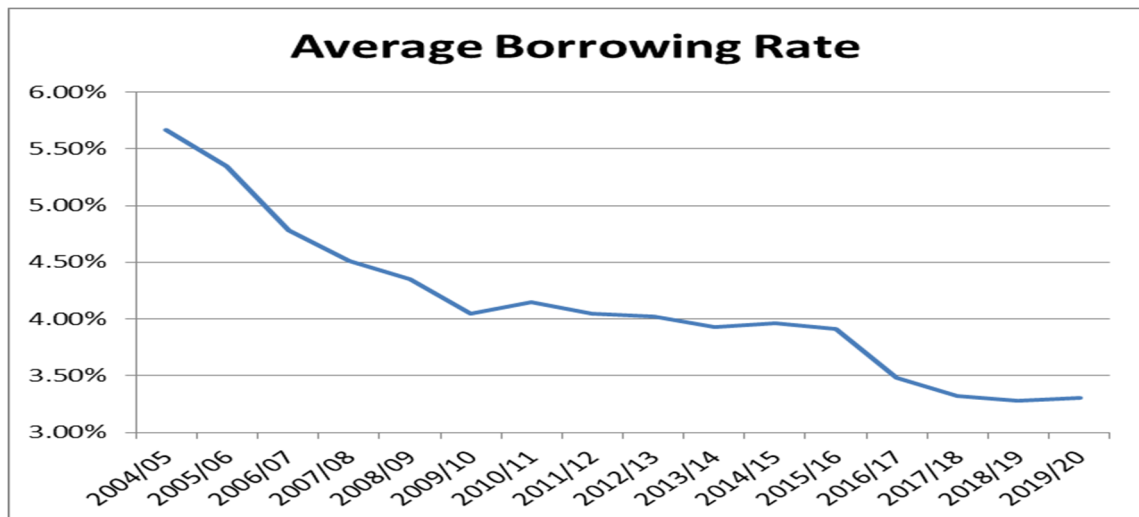
Table 2 shows £486.5m of longer term funding was secured during the year the majority of this before the surprise increase in PWLB rates as rates fell during early 2019. The table also shows that no market loans options were exercised during the entire year, £26m PWLB loans reached maturity during the period. Approximately half of market loans outstanding are termed Lenders Option Borrowers Option (LOBO) and contain clauses which allows the lender, at pre-determined dates, to vary the interest rate on the loan. If one of these options is exercised and the new rate is not accepted, the borrower then has the option to repay the loan without penalty. The Council has £215m of loans with Barclays of which £110m are the subject of a class action initiated by a total of 7 Councils. These LOBOs contained clauses that referenced London Inter Bank Overnight Rate (LIBOR) at a time when Barclays were subsequently convicted and fined for fraudulently fixing LIBOR. An initial hearing date had been set on 6/7th April to consider a preliminary issue however this has now been pushed back to January 2021. This is an ongoing action and further details will be reported as appropriate.

Table 2

Loan repayments and borrowing 2019/20							
Loan Repayments				New Borrowing			
Date	Amount	Original Rate	Discount Rate	Date	Amount	Term	Interest Rate
	(£m)	(%)			(£m)	(Years)	(%)
FWLB Loans				FWLB			
15/07/2019	26.4	3.83%	n/a	04/06/2019	30.0	30	2.08
				04/06/2019	20.0	20	2.16
				05/07/2019	25.0	25	1.87
				05/07/2019	25.0	25	2.01
				06/08/2019	50.0	50	1.99
				09/08/2019	50.0	50	1.86
				16/08/2019	25.0	25	1.30
				16/08/2019	25.0	25	1.84
				19/08/2019	25.0	25	1.31
				19/08/2019	25.0	25	1.76
				05/09/2019	25.0	25	1.24
				05/09/2019	25.0	25	1.60
				28/02/2020	16.5	16.5	2.44
				11/03/2020	10.0	10	2.00
				11/03/2020	10.0	10	2.07
				24/03/2020	25.0	25	2.22
				24/03/2020	25.0	25	2.67
				24/03/2020	25.0	25	2.06
				24/03/2020	25.0	25	2.57
Sub Total	26.4				486.5		
Non FWLB Loans				Non FWLB Loans			
Sub Total	0.000				0		
Total	26.4			Total	486.5		

3.2 Interest Rate Performance and Average Maturity Profile

- 3.2.1 The average rate of interest paid on the Council's external debt was 3.30% (up from 3.28%) as shown in Graph 3. This increase is due to the level of longer term funding taken during the year at attractive rates but at levels higher than short term rates achievable.

Graph 3

- 3.2.2 Whilst the average borrowing rate remains low it is important to note the average maturity profile of the Council's debt. The average length of all loans to final maturity including temporary loans is 35.1 years. The average length of all loans to the next option date including temporary loans is 31.8 years. This provides a large degree of funding certainty within the overall debt portfolio. Appendix B analyses debt as at 31st March 2020 by interest rate band and the year of maturity or first option date for LOBO loans. The final maturity of LOBO loans is shown as a memo item in the table at the bottom of Appendix B.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 This report is an update on strategy as presented to Executive Board in February 2020, as such no consultation has taken place. However, consultation with the Council's treasury advisors takes place regularly throughout the year.

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

4.2 Equality and Diversity / Cohesion and Integration

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

4.3 Council Policies and Best Council Plan

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

Climate Emergency

4.3.2 The Council declared a Climate Emergency at full Council in March 2019. As the Treasury Management strategy secures funding for the Council's capital programme the impact of the Council's activity and implications for the climate emergency will be considered in each individual capital programme and scheme project report.

4.4 Resources, Procurement and Value for Money

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

4.4.2 Net debt savings of £2.8m against the revised budget have been delivered.

4.5 Legal Implications, Access to Information and Call In

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

4.6 Risk Management

4.6.1 This report sets out performance against the 2019/20 treasury strategy. The execution of strategy and associated risks are kept under regular review through:

- Monthly monitoring of debt costs and reporting forms part of the monthly update on the Council's Revenue position to Executive Board.

- Quarterly strategy meetings with the Chief Officer Financial Services and the Council's treasury advisors; and
- Regular market, economic and financial instrument updates and access to real time market information.

5 Conclusions

- 5.1 This Treasury Management Outturn Report for 2019/20 provides a final update on loans undertaken to fund the capital programme requirements for both General Fund and HRA. Treasury activity during the year was conducted within the approved borrowing limits for the year and resulted in overall savings to the revenue budget as detailed in 3.1.7.

6 Recommendations

- 6.1 Executive Board are asked to note the Treasury Management outturn position for 2019/20 and that treasury activity has remained within the treasury management strategy and policy framework.

7 Background documents ¹

None

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

Leeds City Council - Prudential Indicators 2019/20

No.	PRUDENTIAL INDICATOR	Feb 19 Report	Feb 20 Report	Outturn (This Report)
(1). EXTRACT FROM BUDGET AND RENT SETTING REPORTS				
Ratio of Financing Costs to Net Revenue Stream				
1a	General Fund (Borrowing Only)	11.96%	12.35%	12.23%
1b	General Fund (Borrowing and Other Long Term Liabilities)	20.98%	21.36%	21.24%
2a	HRA (Borrowing Only)	11.65%	11.63%	11.73%
2b	HRA (Borrowing and Other Long Term Liabilities)	18.64%	18.64%	18.82%
5	Gross external borrowing requirement (Gross Debt and CFR) The Net Borrowing Requirement should not exceed the capital financing requirement (Note 3)	2,341,000 OK	2,239,000 OK	2,323,718 OK
Estimate of total capital expenditure (including PFI)				
6	General Fund	£'000 337,700	£'000 290,386	£'000 270,428
7	HRA	122,510	97,680	101,764
	TOTAL	460,210	388,066	372,192
Capital Financing Requirement (as at 31 March)				
8	General Fund	£'000 2,259,057	£'000 2,242,013	£'000 2,241,809
9	HRA	827,744	810,753	814,565
	TOTAL	3,086,801	3,052,766	3,056,374

No.	PRUDENTIAL INDICATOR	Feb 19 Report	Feb 20 Report	Outturn (This Report)
(2). TREASURY MANAGEMENT PRUDENTIAL INDICATORS				
10	Authorised limit for external debt - (Note 3) borrowing other long term liabilities TOTAL	£'000 2,600,000 690,000 3,290,000	£'000 2,600,000 690,000 3,290,000	£'000 2,600,000 690,000 3,290,000
11	Operational boundary - (Note 3) borrowing other long term liabilities TOTAL	2,450,000 670,000 3,120,000	2,450,000 670,000 3,120,000	2,450,000 670,000 3,120,000
14	Upper limit for fixed interest rate exposure expressed as either:- Net principal re fixed rate borrowing / investments OR:-	115%	115%	115%
15	Upper limit for variable rate exposure expressed as either:- Net principal re variable rate borrowing / investments OR:- Net interest re variable rate borrowing / investments	40%	40%	40%
17	Upper limit for total principal sums invested for over 364 days (per maturity date)	£'000 150,000	£'000 150,000	£'000 150,000
18	Net Debt as a Percentage of gross Debt	98.72%	98.66%	93.06%

16	Maturity structure of fixed rate borrowing 2019/20	Lower Limit	Upper Limit	Actual 31/03/20	
	under 12 months	0%	15%	0%	
	12 months and within 24 months	0%	20%	2%	
	24 months and within 5 years	0%	35%	11%	
	5 years and within 10 years	0%	40%	6%	
	10 years and within 20 years			7%	
	20 years and within 30 years			0%	
	30 years and within 40 years	25%	90%	35%	81%
	40 years and within 50 years			34%	
	More Than 50 Years			6%	
				100.0%	

Notes.

- The indicator for the ratio of financing costs to net revenue stream for General Fund is now calculated based on the External Borrowing costs only and Borrowing and Other long term Liabilities (PFI and leasing)
- The Changes to the Prudential Code 2017 retired the Indicator 3 and 4 on the incremental impact of New Capital decision on HRA and GF as well as Indicator 13 the need to explicitly adopt the Code of Practice. In addition Indicator 9 the relating to the MHCLG imposed HRA borrowing debt ceiling has been recinded and is therefore no longer reported
- In order to ensure that over the medium term gross borrowing will only be for a capital purpose, the Council should ensure that gross external borrowing does not exceed the total capital financing requirement in the preceding year plus estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence and was changed from Net Borrowing to gross borrowing under the update to the Codes in 2017.
- Prudential indicator 12 relates to actual external debt at 31st March, which will be reported in the Treasury Management Annual Report.
- Indicators 14 and 15 are no longer explicit within the updated codes however these have been but have been retained pending further review
- Indicator 17 relates solely to Treasury Management investments made under Section 12 of the Local Government act 2003

Debt as at 31st March 2020						Appendix B	
Table below shows a breakdown of the maturity structure of the authority giving totals							
Year Ending 31st March	to 2%	2% to 2.99%	3% to 3.99%	4% to 4.99%	Greater Than 5%	Principal	
Fixed Rate Loans - LOBO to First Option							
2021	-	-	13,812	55,000		68,812	
2022	-	-	41,436	20,000	-	61,436	
2023	-	20,000	27,624	35,000	-	82,624	
2024	-	-	30,000	71,436	-	101,436	
2025	-	25,000	20,000	-	-	45,000	
2026	-	-	-	-	-	-	
2027	5,675	-	28,812	-	-	34,487	
2028	-	25,000	-	-	-	25,000	
2029	-	15,000	20,000	-	-	35,000	
2030	25,000	-	-	-	-	25,000	
2031	25,000	-	-	-	-	25,000	
2032	25,000	-	-	-	-	25,000	
2033	-	16,500	-	-	-	16,500	
2034	-	10,000	-	-	-	10,000	
2035	25,000	-	5,000	-	-	30,000	
2036	-	30,000	-	-	-	30,000	
2037	-	25,000	-	-	-	25,000	
2052	-	-	-	28,727	-	28,727	
2053	-	-	-	145,396	-	145,396	
2054	-	-	-	49,347	-	49,347	
2055	-	-	5,000	75,782	-	80,782	
2056	-	-	10,000	72,173	-	82,173	
2057	-	-	-	115,436	-	115,436	
2058	-	-	-	102,218	14,099	116,317	
2059	-	25,000	-	-	-	25,000	
2060	100,000	-	-	-	-	100,000	
2061	25,000	-	-	17,624	-	42,624	
2062	-	-	17,624	-	-	17,624	
2063	-	50,000	-	-	-	50,000	
2064	-	40,000	10,000	-	-	50,000	
2065	-	70,000	-	-	-	70,000	
2066	-	40,000	10,000	35,000	-	85,000	
2067	-	55,000	30,000	5,000	-	90,000	
2068	-	100,000	-	-	-	100,000	
2069	-	115,000	-	-	-	115,000	
2070	50,000	55,000	-	-	-	105,000	
2077	-	-	20,000	-	-	20,000	
2078	-	-	-	85,000	-	85,000	
2079	-	-	-	20,000	-	20,000	
Sub Total	280,675	716,500	289,307	933,137	14,099	2,233,718	
Temporary Loans							
2020	90,000	-	-	-	-	90,000	
Sub Total	90,000	-	-	-	-	90,000	
CABP							
	370,675	716,500	289,307	933,137	14,099	2,323,718	
Memo : LOBO Variable Rate Loans to Maturity							
2047	-	-	-	-	-	-	
2055	-	-	-	15,000	-	15,000	
2056	-	-	-	45,000	-	45,000	
2066	-	-	10,000	10,000	-	20,000	
2067	-	-	25,000	15,000	-	40,000	
2077	-	-	40,000	15,000	-	55,000	
2078	-	-	-	55,000	-	55,000	
2079	-	-	-	-	-	-	
Sub Total	-	-	75,000	155,000	-	230,000	

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Report of the Chief Officer Financial Services

Report to Executive Board

Date: 24th June 2020

Subject: Financial Health Monitoring 2020/21 – Month 1

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?	☒ 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 inform the Executive Board of the financial health of the authority in respect of both the General Fund revenue budget and the Housing Revenue Account for the first quarter of the financial year.
- The Council to date has managed to achieve considerable savings since 2010 and the budget for 2020/21 requires the Council to deliver a further £28.4m 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 first budget monitoring report of the year, and Executive Board will recall that the 2020/21 general fund revenue budget, as approved by Council, provides for a variety of actions to reduce net spend through the delivery of £28.4m of budget action plans by March 2021. At this early stage of the financial year, it is clear that COVID-19 has impacted on the delivery of some of these actions.

- In addition the Council continues to incur additional expenditure and to lose income across services as a consequence of COVID-19. As a result Directorate dashboards highlight a potential COVID-19 related overspend of £129m. This is offset by projected non-COVID net savings of £4.1m resulting in an overall overspend of £124.9m.
- The addition of corporate COVID pressures in relation to staffing costs which cannot be capitalised as a consequence of the impact of COVID-19 on the capital programme and the projected losses of council tax and business rates income results in a total projected overspend of £193.5m at Month 1, £197.6m of which is COVID-19 related.
- This £197.6m COVID financial pressure is £3.4m lower than the £201.0m cost of COVID-19 reported to MHCLG in May, which contained a pre-COVID pressure of £2.5m within the Children and Families Directorate. The additional £0.85m variation relates to timing differences between the production of the MHCLG return and the Financial Health reports.
- To date the Council has received £43.7m of Government funding towards the costs of COVID-19, of which £2.6m has been applied in 2019/20. Application of the remaining £41.1m of grant in 2020/21 would reduce the COVID financial pressure to £156.5m. It is currently assumed that Collection Fund income shortfalls of £60.9m would impact in 2021/22, leaving a COVID funding gap of £95.6m for 2020/21.
- At Month 1, 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 2020/21 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

- The projected overspend largely relates to COVID-19 pressures of £197.6m. However, at Month 1 there are also projected underspends not relating to COVID-19 across a number of directorates totalling £4.1m. At Month 1 an overall overspend of £193.5m is projected against the approved 2020/21 budget.

Recommendations

Executive Board are asked to:

- a) Note the projected financial position of the authority as at Month 1 and note the projected impact of COVID-19 on that position.
- b) Note the savings plan provided by the Director of Children and Families which identifies initial proposals to address pressures in Children Looked After budgets and a reduction in grant funding announced after the 2020/21 budget had been set.
- c) Note that, in line with principles laid out by government, the Council has continued to charge schools as normal for council services disrupted by COVID-19 for which they have a regular financial commitment.

1. Purpose of this report

- 1.1. This report sets out for the Executive Board the Council's projected financial health position for 2020/21 at Month 1.
- 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 month of the year.

2. Background information

- 2.1 Executive Board will recall that the net budget for the general fund for 2020/21 was set at £525.7m.
- 2.2 Following the closure of the 2019/20 accounts, the Council's general fund reserve stands at £31.5m. The 2020/21 budget assumes further use of £9.0m from this reserve during the current financial year. It is anticipated that general fund balances will be added to in year but in light of the potential impact of COVID-19 on capital receipts this position will be kept under review.
- 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.
- 2.4 Looking beyond 2020/21, a report providing more detail on the impact of COVID-19 on Council's general fund budget in the financial years 2020/21 and 2021/22 is also on this agenda. A full update of the Medium Term Financial Strategy is timetabled to be received by this Board in September 2020.

3. Main Issues

- 3.1 At Month 1 an overspend of £193.5m is projected, of which £197.6m is COVID-19 related, as shown in Table 1 below.
- 3.2 To date the Council has received £43.7m of Government funding towards the costs of COVID-19, of which £2.6m has been applied in 2019/20. Application of the remaining £41.1m of grant in 2020/21 would reduce the COVID financial pressure to £156.5m. It is currently assumed that Collection Fund income shortfalls of £60.9m would impact in 2021/22, leaving a COVID funding gap of £95.6m for 2020/21.

Table 1

Summary Position at Month 1 - Financial Year 2020/21

Directorate	Director	(Under) / Over spend for the current period				Total related to COVID	Total Non-COVID related	Previous month's Position
		Staffing	Total Expenditure	Income	Total (under) / overspend			
		£000	£000	£000	£000	£000	£000	£000
Adults & Health	Cath Roff	583	7,596	1,134	8,730	8,730	0	0
Children and Families	Steve Walker	2,651	7,080	2,922	10,002	10,002	0	0
City Development	Martin Farrington	(4,550)	(4,550)	26,210	21,660	23,570	(1,910)	0
Resources & Housing	Neil Evans	2,560	13,764	18,602	32,366	32,615	(249)	0
Communities & Environment	James Rogers	2,256	4,948	19,232	24,180	26,126	(1,946)	0
Strategic	Victoria Bradshaw	(59)	27,934	25	27,959	27,993	(34)	0
Total Current Month (Dashboards)		3,441	56,772	68,125	124,897	129,036	(4,139)	0
Capitalised Staffing					7,662	7,662		0
Council Tax & Business Rates Losses					60,935	60,935		0
					193,494	197,633	(4,139)	0

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

3.3.1 **Adults & Health** – though very early in the financial year the directorate is projected to overspend its budget by £8.7m. However, it should be noted that this position is entirely related to COVID-19 related cost pressures.

The pressure is related to a number of actions taken by the directorate in light of the pandemic and the resultant impact of those changing priorities on delivering a number of budgeted savings plans. It is currently projected that £1.5m of savings plans will not be delivered this financial year; though it is assumed that once a return to 'normal' is achieved the work needed to deliver these plans will resumed, but there will be slippage in the delivery.

COVID related pressures that make up the remaining £7.2m pressure are the £0.6m of anticipated pressure of the additional pay award; additional care packages to meet the needs of people affected by day centre closures (£0.5m) and 'paying to plan' on home care (£0.5m). £4.5m has been committed to meet pressures within the care sector. In line with national guidance to support the pressures within the provider market a 10% fee, based on historic payments, will be paid to providers in each of the first three months of the year. £0.4m has been incurred to fund PPE and equipment to facilitate early discharge. Income is also affected pressure caused by the cessation of face to face financial assessments and the delay in the commencement of the dementia beds scheme which was partly funded by the CCG has placed a £0.2m pressure on the Council.

It should be noted that there are potential non-COVID-19 pressures that have arisen in-year, notably slippage in CCG funding and the impact of the late detail and conditions surrounding the Public Health grant specifically relating to the Agenda for Change (AfC) programme. At this stage the directorate are working on verifying the pressures and delivering plans to meet these pressures and as such these are noted but not reflected in the figures above.

3.3.2 Children and Families – The Month 11 Financial Health Monitoring report to the April Executive Board meeting highlighted a potential pressure of £3.8m on the CLA budget for 2020/21 if the number and type of placements remained as they were. Children and Families were asked to bring an action plan to the June meeting of Executive Board detailing how they would mitigate this pressure. The details of this plan are provided at Appendix 2 and summarised below.

Since the Month 11 projections there has been a reduction in CLA numbers, particularly in relation to the more costly placements, which has reduced the projected CLA pressure down to £2.2m for 2020/21, excluding any impact attributable to COVID-19. This £2.2m pressure is due to the External Residential (ER) and Independent Fostering Agency (IFA) placements being higher than the budgeted assumptions. As at the end of Month 1, External Residential (ER) numbers were 67 compared to the budgeted number of 58 and IFA placements were 205 against the budgeted number of 183.

In addition to identifying savings to offset the £2.2m CLA pressure, the Directorate has also sought to address a further £324k pressure created by a reduction in grant funding which was announced after the 2020/21 budget had been set. In summary the Directorate's proposals to identify £2.524m of savings are:

- £1.14m from proposals relating to CLA costs. This would involve realigning internal resources to focus on reducing costs while maintaining outcomes, with a view to moving some external residential and Independent Fostering Agency placements to in-house or Leeds Foster Carer provision. In the time elapsed since the April Executive Board and in recognition of the significant workloads involved in response and recovery, the robustness of these proposals has not been tested to any great extent and should be considered as a statement of intent. Further work will determine the robustness of the assumptions.
- £0.65m from areas such as staffing, non-essential spend and transport.
- £0.734m from additional utilisation of grant funding.

As detailed on the appended dashboard, the current year-end forecast for the Children and Families directorate is an overspend of £10m, all of which is attributable to COVID-19. This position includes both expenditure and loss of income directly attributable to COVID (£6.9m), as well as assumed budget actions that the Directorate is unable to address at this stage due to the current situation (£3.1m).

It is likely that there will be an increase in CLA numbers later in the year as a consequence of COVID-19, therefore it is estimated that there will be further CLA residential costs of £2.2m during 2020/21 due to COVID.

A further key impact of COVID on the Children and Families budget is on income, and in total a £2.9m pressure has been identified due to loss of income from children's centres, school trading and the secure residential unit. In line with principles laid out by Government, the Council has taken the approach that schools should be charged as normal for disrupted council services for which they have a regular financial commitment. However there is still some loss of income projected for ad hoc traded services to schools and those paid for through parental contributions, such as music.

The 2020/21 budget included savings of £1.63m to be delivered through budget action plans and it is currently anticipated that these will be achieved. However the budget also included some assumed savings relating to pay and income which are reported as £2.4m of pressures for month 1. It is currently assumed that these pressures will not be addressed due to COVID, however further work will be required to identify what savings can be delivered.

At the end of 2019/20 there was a deficit balance of £3.95m on the general Dedicated Schools Grant (DSG). At this early stage in the year a balanced position is currently forecast, however there are risks that the high needs block of the DSG could be overspent due to high levels of demand and increasing complexity of cases for pupils with special educational needs and disabilities. Further work will be carried out to assess these risks for month 2 reporting.

3.3.3 City Development – At Period 1 the Directorate is projecting an overspend of £21.6m. This includes an estimated impact of COVID 19 of £23.57m. The Directorate's financial position has been significantly affected by the current restrictions in place and the subsequent impact on the economy with the vast majority of the overspend resulting from reduced income across a number of services. The full extent of this will not be apparent until later in the year but the projections have been made based on current intelligence. There is still a great deal of uncertainty around some of the income projections and there is a risk that the financial position worsens. The impact on each service area will be regularly reviewed and updated during the year.

The most significant loss in income is in Active Leeds where all facilities are currently closed and the re-opening of facilities is expected to be later in the year on a staggered basis and with reduced capacity. The year-end financial position for Active Leeds is projected to be an overspend of just under £10m.

Other services also facing projected reductions in income include:

- Arts and Heritage - £1.88m following the closure of sites and cancellation of events and more limited scope to generate income for the rest of the year.
- Asset Management and Regeneration - £5.34m from expected reductions in rental and other commercial income
- Planning and Sustainable Development - £1.38m through an estimated reduction in planning and building fee income.
- Markets and City Centre - £1.49m from a reduction in rental and advertising income.
- Highways and Transportation - £2.1m through a reduction in chargeable fees and recovery of overheads mainly in the Highways DLO.

Whilst the impact of COVID 19 on City Development is mostly on income some additional costs are also being incurred. A sum of £0.5m for the year is currently projected across the Directorate. The additional cost of the proposed higher pay award is estimated at £0.37m.

The projected position includes anticipated staff savings of £0.75m on non-chargeable vacant posts net of the additional costs of the higher pay offer. Savings of £0.5m have also been included for reduced spend on general running costs and travel and subsistence.

3.3.4 Resources & Housing – Based on the indicative impact of COVID19 in the directorate, an overspend of £32.4m is initially forecast. The projections are based on a number of assumptions around the estimated impact on services when lockdown is released and undoubtedly these forecasts will change as more intelligence is gathered.

Of the £32.4m projection, £32.6m is COVID related. The COVID pressures can be broadly summarised into the following areas:-

• Reduction in income in LBS	£15.2m
• Additional PPE (LCC wide)	£8.3m
• Homelessness accommodation	£3.2m
• Catering income & emergency meals	£1.9m
• Other income reductions (capital/court fees)	£2.3m
• Delays to budget action plans	£0.5m
• Non-realisation of savings to fund additional pay award	£1.2m

All other pressures and running cost savings net to -£0.2m

3.3.5 Communities & Environment - the overall position for the directorate at this early stage of the year is a projected overspend of £24.2m.

Of this, £26.1m relates to the estimated impact of COVID-19 although this figure is based on a number of assumptions and is therefore subject to variation as the situation progresses. In particular, there is a great deal of uncertainty around income projections in a number of service areas and these will be kept under review throughout the year.

The main areas of variation in respect of COVID-19 are currently estimated as follows:

- Loss of car parking and enforcement income £6.2m
- Loss of Parks & Countryside income £9m. This includes income from visitor attractions, bereavement services, chargeable works within Parks Operations and Forestry teams and the cancellation of planned events.
- Loss of Electoral and Regulatory Services income £1.6m. This includes Registrars, Entertainment Licensing, Land and Property Searches, Taxi & Private Hire and Environmental Health activities, partially offset by savings resulting from the cancelled May 2020 local elections.
- Waste Management - additional expenditure £5.1m. This includes the cost of providing additional crews and vehicles to deal with increased volumes of waste, the cost of disposing of the additional waste and the cost of providing staffing cover and PPE equipment across the service as well as income losses at Household Waste sites.
- Welfare & Benefits – additional expenditure £1.2m. This includes the estimated net cost of Housing Benefit claims for rough sleepers and an anticipated additional call on the Local Welfare Support scheme.
- Cost to LCC of providing a temporary mortuary facility £1m - created as part of the Council's emergency planning arrangements to deal with a potential increase in mortality rates over and above current capacity for Leeds and Wakefield.

- Cost of the local government pay offer £0.7m. This represents an additional 0.75% over the amount budgeted and the COVID-19 situation will impact on the ability to deliver the savings required to mitigate this additional cost.
- Other areas of income loss/additional expenditure across the directorate £1.3m. This includes estimated income losses from community centres, bulky waste collections and from environmental enforcement and the additional cost of providing software and equipment to support home working and other PPE/Social distancing/cleaning equipment. It also includes the cost of providing for city wide mailout and other staffing related costs in support of the Council's response to the crisis.

The overall position for the directorate also includes assumptions around other expenditure savings totalling £1.9m, based on an initial assessment at this early stage of the year. These include estimated savings both from the implementation of tighter controls on recruitment (£0.8m) and on other expenditure budget headings across the directorate (£1.1m).

3.3.6 Strategic & Central Accounts - At Month 1, the Strategic & Central accounts projection recognises the potential for an overspend of £28.0m in MRP, as a result of a reduced level of capital receipts being available to repay debt as a consequence of the impact of COVID-19. This position will continue to be reviewed and updated. No other significant variances have been identified at this stage, although as a result of the economic shutdown there are significant risks around business rates retained income and S278 developer contributions.

3.3.7 Impact of COVID-19

	Savings	Expenditure	Income	TOTAL
Directorate/Service				£m
Adult Social Care	2.1	6.6		8.7
Children & Families	2.4	4.7	2.9	10.0
City Development	0.9		22.7	23.6
Communities & Environment	0.1	7.8	18.2	26.1
Resources & Housing		29.8	2.8	32.6
Strategic & Central		28.0		28.0
Projected Impact 20/21 - directorate dashboards	5.4	77.0	46.7	129.0
Corporate pressures:				
Capitalised Staffing		7.7		7.7
Council Tax/Business Rates Income Losses			60.9	60.9
Projected Total GF Impact 20/21	5.4	84.6	107.6	197.6

Directorate dashboards highlight a projected overall overspend of £124.9m of which £129.0m is COVID-19 related. The addition of corporate COVID pressures in relation to staffing costs which cannot be capitalised as a consequence of the impact of COVID-19 on the capital programme and the projected losses of council tax and business rates income results in a total projected overspend of £193.5m of which £197.6m is COVID-19 related.

3.3.8 The reported £197.6m COVID financial pressure is £3.4m lower than the £201.0m cost of COVID-19 reported to MHCLG in May, which contained a pre-COVID pressure of £2.5m within the Children and Families Directorate. The additional

£0.85m variation relates to timing differences between the production of the MHCLG return and the Financial Health reports.

- 3.3.9 The split between expenditure and income shown above is presentationally different to the split shown on directorate dashboards and summarised in Table 1. This arises as a consequence of differences in the classification of COVID impacts as set out by MHCLG when compared with the Council's own internal reporting, for example treatment of internal income losses.
- 3.3.10 To date the Council has received £43.7m of Government funding towards the costs of COVID-19, of which £2.6m has been applied in 2019/20. Application of the remaining £41.1m of grant in 2020/21 would reduce the COVID financial pressure to £156.5m. It is currently assumed that Collection Fund income shortfalls of £60.9m would impact in 2021/22, leaving a COVID funding gap of £95.6m for 2020/21.
- 3.3.11 If the Chief Officer – Financial Services, in undertaking their statutory S151 role, considers that in their professional opinion it is clear that the Council cannot deliver a balanced budget position in 2020/21 then it is incumbent on them under the Local Government Finance Act 1988, Section 114 (3) to “make a report under this section if it appears....that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure”.
- 3.3.12 A Section 114 report would be issued after consultation with the Senior Management Team, this Executive Board and External Audit. Under S115 of the Local Government Finance Act 1988 Councillors would then have 21 days from the issue of a Section 114 report to discuss the implications at a Full Council meeting and before the consideration of an emergency budget.
- 3.3.13 More detail regarding the Section 114 process and options to address the financial impact of COVID-19 can be found in the report “Impact of Coronavirus COVID-19 upon Leeds City Council's 2020/21 Financial position and update on the forecast budget position for 2021/22”, also on this agenda.

3.4 Other Financial Performance

3.4.1 Council Tax

The Council Tax in-year collection rate at the end of April is 9.82% which is 0.31% lower than performance for the same period last year. This lower collection rate will in part reflect agreed payment deferrals, currently to the end of June. When setting the 2020/21 budget the target collection rate for the year was assumed to be 96.11%, in line with previous years. If the forecast is achieved this would collect some £378.8m of income. However, in light of the potential impact of COVID-19, the collection rate will continue to be closely monitored.

3.4.2 Business Rates

The budgeted collection rate for business rates is to achieve an in-year collection target of 97.7%, collecting £363.2m of business rates income billed at 1st April. However, the Board will be aware that in response to the COVID-19 pandemic

Government awarded significant additional business rates reliefs, reducing the income to be collected from business to £241.2m. These reliefs will be funded in full by Government through Section 31 grants. Whilst this reduces the risk to the authority regarding non-collection of business rates income, the business rates collection rate at the end of April was 9.37%, which is 1.35% lower than performance in 2019/20. As with Council Tax, this lower collection rate will in part reflect agreement to defer payments.

The total rateable value (RV) of business properties in Leeds at the start of the year was £935.3m. In light of the current situation we expect to see losses of business rates income through non-payment and reduction in rateable value where businesses may cease to trade or revise their business model to reduce business rates and other costs. Business rates income continues to be closely monitored and reported to the Board in these monthly financial health reports.

3.4.3 Business Rates Appeals

The opening appeals provisions for 2020/21, subject to completion of the 2019/20 NNDR3 forms, are £22.6m, made up of £16.3m relating to appeals received against the 2010 ratings list and £6.3m estimated costs in relation to the 2017 ratings list. Under 50% Business Rates Retention Leeds' budget is affected by 49% of any appeals provisions required to be made during this year.

In March 2020 there were 1,116 appeals outstanding against the 2010 ratings list. No appeals have been received to date against the 2017 list, with only 1.0% of the city's total number of hereditaments in the 2017 list currently subject to either a 'check' or a 'challenge', the pre-appeal stages of the new appeals. We will continue to monitor the level of appeals provisions as we go forward.

3.4.4 Impact of COVID-19

It is still very early in the year to estimate the ultimate impact of COVID-19 on council tax and business rates income. The Council has, however reported to MHCLG projected losses of £60.9m in total: £38.1m in council tax and £22.8 in business rates. These initial estimates will continue to be refined as more data becomes available. The report "Impact of Coronavirus COVID-19", also on today's agenda, provides more detail on options to deal with this projected loss of income.

4. Housing Revenue Account (HRA)

4.1 At the end of Month 1 the HRA is projecting a balanced position against the 2020/21 budget.

There is a forecast reduction in total income of £3m. This is arising from a temporary increase in the number of void properties due to COVID-19, the impact of lower staff charges to capital from the reduced capital programme and a small reduction in commercial rent income.

Additionally, and as a consequence of an increase in tenant arrears in April 2020, it is prudent to project an increase in the provision for doubtful debts of £0.5m. This position will be updated each month with the latest available data.

With respect to the repairs budget, responsive repairs has been delivering 'Essential Services' only during lockdown, however the demand for repairs has not gone away. As such, there is a significant backlog of repairs with an estimated value of c.£3.9m. Currently the only restriction on spend will be our ability to complete all new and backlog repairs within the financial year. This is under continuous review but is not yet anticipated to yield significant in-year savings. Due to COVID, the HRA capital programme for 2020/21 has been revised from £80m to circa £62m based on the ability to deliver the full programme. As a result, the revenue contribution (RCCO) that funds most of the HRA capital programme will not be required at the original budgeted level.

This reduction in RCCO is to be flexed each month to allow the HRA to maintain a balanced position in year despite forecast pressures on income and costs outlined above. Should the RCCO be higher than the capital programme actually requires this year, then it is proposed that this will be transferred to the Major Repairs Reserve for use in future years capital programmes.

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 2020/21 was subject to Equality Impact Assessments where appropriate and these can be seen in the papers to Council on 26th February 2020.

5.3 Council policies and the Best Council Plan

5.3.1 The 2020/21 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 2020/21 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 2020/21.

6. Conclusions

- 6.1 This report informs the Executive Board of the Month 1 position for the Authority in respect of the revenue budget which currently projects an overspend of £193.5m, of which £197.6m relates to the impact of COVID-19. Options to address the impact of COVID-19 are discussed in the report "Impact of Coronavirus COVID-19", also on today's agenda.
- 6.2 To date the Council has received £43.7m of Government funding towards the costs of COVID-19, of which £2.6m has been applied in 2019/20. Application of the remaining £41.1m of grant in 2020/21 would reduce the COVID financial pressure to £156.5m. It is currently assumed that Collection Fund income shortfalls of £60.9m would impact in 2021/22, leaving a COVID funding gap of £95.6m for 2020/21.
- 6.3 The Housing Revenue Account is projecting a balanced budget position.

7. Recommendations

- 7.1 Executive Board are asked to:
- a) Note the projected financial position of the authority as at Month 1 and note the projected impact of COVID-19 on that position.
 - b) Note the savings plan provided by the Director of Children and Families which identifies initial proposals to address pressures in Children Looked After budgets and a reduction in grant funding announced after the 2020/21 budget had been set.
 - c) Note that, in line with principles laid out by government, the Council has continued to charge schools as normal for council services disrupted by COVID-19 for which they have a regular financial commitment.

8. Background documents¹

- 8.1 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.

ADULTS AND HEALTH

Financial Dashboard - 2020/21 Financial Year

Month 1 (April 2020)

Though very early in the financial year the directorate is projected to overspend its budget by £8.7m. However, it should be noted that this position is entirely related to C-19 related cost pressures.

The pressure is related to a number of actions taken by the directorate and the impact of the changing priorities on delivering a number of savings plans, to such a degree that it is assumed that £1.5m of these plans will not be delivered in year.

It should be noted that there are several non-C19 pressures that have surfaced already, notably the likely additional pay award to that budgeted, slippage in CCG funding and the impact of the late detail surrounding the Public Health grant specifically relating to the Agenda for Change (AfC) programme. At this stage the directorate are working on delivering plans to meet these pressures and as such these pressures are noted but not reflected in the figures below.

This report is very high level and only highlights known variances. Detailed reporting is likely to commence at Period 3.

The main variations reported at Period 1 across the key expenditure types are as follows:

Staffing (0.6m)

The impact of the proposed pay award which is above the budgeted assumptions is shown as C19 pressure as the urgent and necessary reaction to the pandemic has meant that plans to recover this pressure have had to be deferred.

Community Care Packages (£2.0m)

These pressures are C-19 related and include the cost of additional care packages to meet the needs of people affected by day centre closure (£0.5m), paying to plan on home care (£0.5m) and slippage in a number of savings plans because staff required to deliver these have been redirected to deal with the crisis.

Commissioning (£4.8m)

The pressure is C-19 related and includes £4.5m to meet pressures within the care sector. In line with national guidance to support the pressures within the provider market a 10% fee, based on historic payments, will be paid to providers in each of the first three months of the year. The payments are subject to validation. The directorate has funded 33 organisations with £5k grants to help support their communities. £90k of PPE has been purchased.

General Running Costs (£0.3m)

£0.3m of equipment to facilitate early discharge has been incurred. It is possible this may be recoverable from the NHS funding for early discharge.

Income (£1.1m)

Income is affected by the C-19 pandemic and has impacted upon savings plans for the recovery of income within client contributions and staffing costs. Because of the C-19 pandemic the CCG has delayed the commencement of the dementia beds scheme, as this was jointly funded and the costs are in place this has placed a £0.2m pressure on the Council.

Budget Management - net variations against the approved budget

				PROJECTED VARIANCES											Total (under) / overspend £'000
	Expenditure Budget	Income Budget	Latest Estimate	Staffing	Premises	Supplies & Services	Transport	Internal Charges	External Providers	Transfer Payments	Capital	Appropriation	Total Expenditure	Income	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Health Partnerships	1,496	(964)	532	0	0	0	0	0	0	0	0	0	0	0	0
Social Work & Social Care Services	286,474	(50,294)	236,181	573	0	300	0	0	1,950	0	0	0	2,823	1,084	3,907
Service Transformation	2,360	(369)	1,991	10	0	0	0	0	0	0	0	0	10	0	10
Commissioning Services	23,372	(66,192)	(42,820)	0	0	0	0	0	4,755	0	0	0	4,755	50	4,805
Resources and Strategy	6,005	(992)	5,013	0	0	0	0	0	0	0	0	0	0	0	0
Public Health (Grant Funded)	45,293	(44,949)	344	0	0	8	0	0	0	0	0	0	8	0	8
Appropriation Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	365,001	(163,759)	201,241	583	0	308	0	0	6,705	0	0	0	7,596	1,134	8,730

Key Budget Action Plans and Budget Variations:

		Lead Officer	Additional Comments	RAG	Action Plan Value £m	Forecast Variation against Plan/Budget £m
A. Key Budget Action Plans						
1.	Demand based savings - LD	S McFarlane	slippage on review due to social work priorities being C19 related	R	1.0	0.5
2.	Demand based savings - reablement	S McFarlane	slippage on review due to social work priorities being C19 related	R	0.5	0.3
3.	Demand based savings - home care	S McFarlane	slippage on review due to social work priorities being C19 related	R	0.1	0.1
4.	Demand based savings - PI	S McFarlane	slippage on review due to social work priorities being C19 related	R	0.1	0.1
5.	Demand based savings - assistive technology	S McFarlane	slippage on review due to social work priorities being C19 related	R	0.2	0.1
6.	Staff recovery LDPB	C Baria	slippage on review due to social work priorities being C19 related	R	0.1	0.1
7.	Income	Various	slippage on review due to social work priorities being C19 related	R	1.0	0.5
B. Other Significant Variations						
1.	Staffing	All	additional pay award less savings			0.6
2.	Community care packages	Various	anticipated variation			1.0
3.	General running costs	All	Savings relating to non-spend of debt budget and non essential spend offset by increased other running costs such as transport, catering and cleaning			0.3
4.	Other C19	C Baria	support to the care market, PPE and grants			4.8
5.	Public Health	Victoria Eaton	pressures associated with Agenda for Change - late announcement of grant usage and implied additional funding			0.0
6.	Income	S. McFarlane	pressures re non-face to face financial assessments and delay in the dementia beds facility			0.6
				Adults and Health Directorate - Forecast Variation		
				8.7		

CHILDREN & FAMILIES 2020/21 FINANCIAL YEAR

FINANCIAL DASHBOARD - Period 1

Overall Summary - At P1 the directorate is reporting a pressure of £10.002m, all of which is attributable to Covid-19. This includes both expenditure and loss of income directly attributable to Covid, as well as assumed budget actions that the Directorate is currently unable to address due to the ongoing situation.

Children Looked After (CLA): - The budget for 20-21 is £43.8m, an increase of £1.45m from 19-20. The budget supports 1,346 CLA placements; 58 External Residential (ER) and 183 Independent Fostering Agency (IFA). At P11 19-20 an early pressure of £3.8m was identified for 20-21, however due to reductions in ER placements and proposals by the service for savings on both CLA and non-CLA budgets this pressure is projected to be addressed. CLA numbers as at 3rd May were 1,338 of which 67 are ER and 205 are IFA. There are however expected to be additional pressures from Covid-19 during the year and these are detailed in the Other Significant Variations section below.

Non CLA Financially supported: - The non-CLA financially supported budget was increased by £1.0m to £13.9m in the 2020/21 budget. Budgeted 20-21 numbers are 913 placements (+46 20-21 -v- 19-20); current numbers are 935 (+22) creating a pressure of £0.386m. There is also a further £0.25m of costs for an increase in the rate of the care leavers allowance due to Covid.

Staffing: - Pay pressures of £2.713m have currently been identified. This is comprised of £2.0m existing pressures in Early Help and Social Care Management, additional pay costs directly attributable to Covid, a £0.68m impact of the additional 0.75% pay award offer, offset by £0.25m savings from vacancy control and £0.1m savings on severance/retirement costs for former teachers.

Transport: - The Passenger Transport expenditure budget has increased compared to 19-20 by £0.465m to £15.2m. At P1 we are assuming a small saving of £0.05m due to the plan to bring in-house the Independent Travel Training contract. However there is a risk that costs on the transport budget may increase later in the year due to Covid as a result of distancing requirements.

Trading and Commissioning: - There is a Children Centres fee income pressure of £0.4m due to assumed budget actions that the directorate is unable to address due to Covid, in addition to losses of income due to Covid for both Children's Centres and trading with schools.

Supplies & Services & Internal Charges:- £0.1m savings in Travel & Subsistence costs have been identified and are reflective of the current home-working arrangements during Q1 20-21.

Other Income / Projects: The projections include a pressure of £0.324m due to the reduction in 20-21 of the Troubled Families Earned Autonomy Grant, which was notified after the budget had been set. In response to the CLA pressures noted above, current income projections assume utilisation of £0.734m of grant funding.

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	21,079	0	21,079	0	0	0	0	0	(204)	0	0	0	(204)	0	(204)
Independent Fostering Agency	7,681	0	7,681	0	0	0	0	0	900	0	0	0	900	0	900
External Residential	12,096	(3,995)	8,101	0	0	0	0	0	2,245	0	0	0	2,245	0	2,245
Other Externally placed CLA	2,967	0	2,967	0	0	0	0	0	(76)	0	0	0	(76)	0	(76)
Non CLA Financially Supported	13,872	(5,610)	8,262	0	0	0	0	0	636	0	0	0	636	0	636
Transport	15,586	(897)	14,689	0	0	(50)	0	0	0	0	0	0	(50)	0	(50)
Sub total Demand Led Budgets	73,282	(10,502)	62,780	0	0	(50)	0	0	3,501	0	0	0	3,451	0	3,451
Other Budgets															
Partnerships & Health	5,101	(1,319)	3,782	0	0	0	0	0	0	0	0	0	0	0	0
Learning	35,565	(30,165)	5,400	0	0	0	0	0	0	0	0	0	0	1,310	1,310
Social Care	137,289	(92,316)	44,973	2,751	0	500	(100)	0	578	0	0	0	3,729	1,612	5,341
Resources and Strategy	66,885	(61,449)	5,437	(100)	0	0	0	0	0	0	0	0	(100)	0	(100)
Sub total Other Budgets	244,841	(185,250)	59,592	2,651	0	500	(100)	0	578	0	0	0	3,629	2,922	6,551
Total	318,123	(195,752)	122,371	2,651	0	450	(100)	0	4,079	0	0	0	7,080	2,922	10,002

Key Budget Action Plans and Budget Variations:		Lead Officer	Additional Comments		Action Plan Value	Forecast Variation against plan/budget
				RAG	£m	£m
A. Key Budget Action plans						
Transport	Passenger Transport	Sue Rumbold / CEL Group	20-21 budget assumes savings on Passenger Transport costs via re-commissioning routes, reviewing occupancy levels on routes, route rationalisation and Independent travel Training.	G	(0.44)	0.0
Transport	Passenger Transport	Tim Pouncey	Full cost recovery of Personal Travel Allowances from Schools DSG funding.	G	(0.35)	0.0
Social Care	Children Looked After & Financially Support Non-CLA Demand Budgets.	Tim Pouncey	Recovery of Education costs of External Residential placements from Schools DSG funding.	G	(0.15)	0.0
Children & Families Directorate	Increased income target	C&F Leadership	Review and identify additional income, via additional trading, fee paying, grants, etc.	G	(0.21)	0.0
Children & Families Directorate	Increased income target from Schools Trading and Youth Justice Board.	C&F Leadership	£0.1m additional income from schools trading and £0.1m from Youth Justice Board source.	G	(0.20)	0.0
Children & Families Directorate	Running cost savings	C&F Leadership	Identify running cost savings via controls on internal spend and commissioning.	G	(0.28)	0.0
B. Other Significant Variations						
	Children Looked After & Financially Support Non-CLA Demand Budgets.	Sal Tariq / Julie Longworth	The CLA budget supports 1,346 CLA children of which 58 is for ER and 183 for IFA placements. Current numbers are 67 (+9) ER and 205 (+22) IFA. Projection reflects new £1m in-year action plan savings target plus £140k ER placements moving in house.			1.060
	Staffing Related Costs	C&F Leadership Team	The 20-21 pay budget includes 2 significant pressures that need to be addressed; the staffing structure within Early Help to reflect transition from the Troubled Families programme delivery to the Earned Autonomy model (£1.2m); secondly, residual staffing action plans within Social Care - Safeguarding Management account (£0.8m). This is offset by £0.25m of savings through planned vacancy control and a £0.1m planned reduction in agency/overtime.			1.650
	Learning For Life - Early Start (Little Owls income)	Sal Tariq / Andrea Richardson	Shortfall in income due to fewer 2,3 and 4 year olds and impact of free 30 hours per week free provision.			0.400
	Non-Pay savings	C&F Leadership Team	£0.1m savings on retirement costs for former teachers, £0.05m from the planned insourcing of Independent Travel Trainer contract and £0.1m savings on travel & subsistence due to restrictions during Q1.			(0.249)
	Income (Incl. Grants)	C&F Leadership Team	£0.324m reduction in Troubled Families - Earned Autonomy funding announced after the 20-21 budget set. Offset by £0.05m additional use of CLA Pupil Premium & £0.684m use of DfE Partners in Practice 20-21 award.			(0.410)
	Covid related expenditure and loss of income	C&F Leadership Team	Specific budget pressures relating to Covid-19 are: £0.42m Workforce pressures, predominantly around the LCC run homes; £2.19m impact on residential care costs; £0.25m impact of care leavers service; £0.578m impact on s17 payments and IT costs; £0.5m PPE equipment and £2.932m loss of income (£1.17m school traded income, £1.42m children centre fee income, £0.2m Adel Beck income and £0.14m School Attendance). Also includes £0.68m pay pressure from additional 0.75% pay offer.			7.551
Children and Families Directorate - Forecast Variation						10.002

CHILDREN & FAMILIES 2020/21 FINANCIAL YEAR

DEDICATED SCHOOLS GRANT FINANCIAL DASHBOARD - PERIOD 1

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 this early point in the year no overall variance is projected on DSG, however there are risks that the high needs block could be overspent in 2020/21 and that actions will need to be identified to mitigate this. At this stage, no specific costs associated with covid 19 measures have been identified.

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. Since the budget was set, there have been a number of academy conversions which reduces the grant received and the school funding paid out. 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). These budgets are currently projected to be on budget overall. The Growth Fund budget remains part of this block and is currently projected to be on budget.

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 2021 census and so will not be confirmed until the 2021/22 financial year. In line with the increase in the unit rate received, the unit rates paid to providers has been increased for both 2 year old and 3 & 4 year old providers. At the moment no variance is expected, though an underspend in line with previous years could be expected.

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. Although there has been a significant increase in high needs funding, there is a risk that this block could be overspent in 2020/21.

Reserves - There is an overall deficit brought forward from 2019/20 on general DSG of £3,955k and a de-delegated surplus of £722k.

Budget Management - net variations against the approved budget

DSG Grant Reserves

	Budget £'000	Projection £'000	Variance £'000
Schools Block			
DSG Income	(314,877)	(307,636)	7,241
Individual Schools Budgets	307,309	300,068	(7,241)
De-delegated budgets	4,568	4,568	0
Growth Fund	3,000	3,000	0
	0	0	0
Central School Services Block			
DSG Income	(4,867)	(4,867)	0
CSSB Expenditure	4,867	4,867	0
	0	0	0
Early Years Block			
DSG Income	(64,216)	(64,216)	0
EEEE 3 and 4 year olds	53,002	53,002	0
EEEE 2 year olds	7,933	7,933	0
Other early years provision	3,281	3,281	0
	0	0	0
High Needs Block			
DSG Income	(79,831)	(79,831)	0
Funding passported to institutions	72,329	72,329	0
Commissioned services	1,821	1,821	0
In house provision	5,123	5,123	0
Prudential borrowing	558	558	0
	0	0	0
Total	0	0	0

Latest Estimate

Balance b/fwd from 2019/20
Net contribution to/from balances

Balance c/fwd to 2021/22

Projected Outturn

Balance b/fwd from 2019/20
Net contribution to/from balances

Balance c/fwd to 2021/22

General £'000	De-delegated £'000	Total £'000
3,955	(722)	3,233
3,955	(722)	3,233
3,955	(722)	3,233
3,955	#REF!	#REF!

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 £2.65m from the schools block and £350k from the central school services block to the high needs block as detailed in report to Schools Forum in January 2020.	B	3.00	0.00
B. Significant Variations					
Schools Block		No variance projected to date			0.00
Early Years Block		No variance projected to date			0.00
High Needs Block		No variance projected to date			0.00
Central School Services Block		No variance projected to date			0.00

Dedicated Schools Grant - Forecast Variation

0.00

CITY DEVELOPMENT 2020/21 BUDGET FINANCIAL DASHBOARD - MONTH 1 (APRIL)

Directorate Summary - At Period 1 it is projected that there will be a year end overspend of over just over £21.6m, this takes account of the projected impact of Covid 19 of £23.57m which includes the additional cost of the proposed higher pay offer. The Directorate's financial position has been significantly affected by the current restrictions in place as a result of Covid 19 and by the severe impact on the economy. There is a direct impact in Active Leeds and Arts and Heritage from the loss in income from the closure of all sites. In other service areas the anticipated economic downturn is expected to impact on income from the commercial property portfolio, Markets, advertising, planning and building fees and in Highways from reduced fee recovery as a result of some of the workforce self-isolating and other staff absences. The extent of the impact will not be fully apparent until later in the year but forecasts for the year have been made based on current intelligence. There is a great deal of uncertainty around some of the income projections. and assumptions will be updated and reviewed regularly.

Staffing - Based on current vacancy levels and assuming limited external recruitment for the foreseeable future, staffing is projected to be under budget by £4.6m based on current vacancy levels. In Highways and Transportation most staff costs are chargeable and any vacancies will lead to reduced income or additional contractor costs. Some staff in Asset Management and Regeneration are also chargeable. Allowing for this it is estimated that staff savings will contribute a net saving of £750k. This also allows for additional costs from a higher pay award than budgeted for estimated at £375k although some of this cost will be charged out.

Other running cost savings - Where cost savings directly relate to closure of facilities and events then these have been accounted for in the net income loss figures. It is estimated that there could be additional savings in supplies and services and travel costs of around £500k across the Directorate and an initial assessment of projected savings is shown under each service area but will be kept under review.

Additional Covid 19 spend - Whilst the impact of Covid 19 on City Development is mostly on income, some additional costs are being incurred. A sum of £500k is currently projected across the Directorate and is expected to include additional highways works.

Planning and Sustainable Development - In April there has been a notable reduction in planning and building fee income compared to the phased base budget and compared to the trend in the last few years. Actual income received in April is around 50% lower than the phased budget for both planning and building fees. In addition, the planned implementation of revised pre-application charges has been postponed for the time being. The 2020/21 budget included additional income of £250k for these charges and a shortfall of £150k is projected assuming implementation in the autumn. Overall the shortfall in income is forecast to be £1.5m and is based on a reduction in total fee income of 20% for the year. Large planning applications are still being received but there has been a notable drop off in householder applications.

Economic Development - The service is forecasting a reduction of income and additional costs of £110k for the year, mainly reduced income from Conference Leeds and reduced recovery of staff costs where staff are now working on Covid 19 related work.

Asset Management and Regeneration - The year end forecast anticipates a shortfall in income from the Commercial Property Portfolio from the non-achievement of budget actions which were based on generating additional rental income from the purchase of additional commercial assets during the year. It is likely that there will be a delay in new acquisitions due to the economic uncertainties arising from COVID-19. It is also anticipated that there will be a reduction in overall rental income as some businesses continue to struggle financially. Whilst in early days in the economic impact of the pandemic, the service is currently developing a strategy around rental income, in particular how to respond to requests from businesses seeking support. The current projection assumes a 30% shortfall in rental income over the non-prime commercial property portfolio. In addition, there may be specific sectors which are particularly badly hit where there is a higher risk that rental income may not be achieved. There is a risk that this may be an overly optimistic position but this will be kept under review.

Employment and Skills - No significant variations are currently projected. The major grant schemes that the service manages are currently expected to be delivered. There is a risk that not all grant income will be received but this will be kept under review.

Highways and Transportation - The major variation is forecast to be on the amount of highways maintenance work that the DLO is able to complete due to a reduced available workforce. This will result in reduced chargeable works which will lead to a reduction in income and the recovery of overheads. The current projection is for a shortfall in income of £1,500k. There is a risk that this is higher. Other areas of the service are still working but restrictions could mean that there is a shortfall in income in some areas, a £500k shortfall has been projected. Staffing is also below the budgeted structure and further delays in recruitment mean that there will be a need for more work to be allocated to external contractors.

Arts and Heritage - As all facilities are currently closed the service is forecasting a significant shortfall in income. Ongoing restrictions on being able to fully re-open facilities and the likelihood that many of the planned events for the year will have to be cancelled will also have an impact on income for the year. The current projection assumes very limited income for the first three quarters of the year. There will be some cost savings as a result and these have been netted of the income shortfall projections where they can be identified. Some staff have now been reallocated to work in other essential service areas although this will not result in savings for Arts and Heritage.

Active Leeds - All sport facilities are closed with the monthly loss in income at £1.3m. It is projected that even if some facilities are allowed to re-open at some point during the year that income will remain well below budgeted levels due to social distancing requirements and a very slow building back of the customer base to pre-Covid 19 levels. The loss of income has been netted down by some cost savings but these are fairly small. Some staff have now been reallocated to work in other essential service areas although this will not result in savings to Active Leeds.

Resources and Strategy - No significant variations are anticipated although the additional costs being incurred as a result of Covid 19 are being recorded in the Resources and Strategy budget.

Markets and City Centre - Open Market traders are currently not being billed for rent at a monthly loss of £40k. Indoor Market traders are still being billed. Whilst most indoor traders are eligible for support through the Government business support scheme it is anticipated that there will be an increase in voids in the Market and the current projection is that there will be a 30% shortfall in income. There is also expected to be a reduction in advertising income, the year end projection is for a £700k shortfall against the budget including the £200k additional income assumed in the 2020/21 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	
Planning & Sustainable Development	9,560	(7,877)	1,683	(170)		(50)							(220)	1,530	1,310
Economic Development	2,327	(566)	1,761	(80)		(30)							(110)	120	10
Asset Management & Regeneration	17,557	(21,749)	(4,192)	(740)	300	(50)							(490)	5,650	5,160
Employment & Skills	7,437	(5,724)	1,713	(20)									(20)	0	(20)
Highways & Transportation	68,126	(50,217)	17,909	(3,750)		(100)							(3,850)	5,600	1,750
Arts & Heritage	21,425	(9,043)	12,382	50		(370)							(320)	1,880	1,560
Active Leeds	26,640	(20,468)	6,172	130		(100)							30	9,930	9,960
Resources & Strategy	1,045	(413)	632	(60)		400							340		340
Markets & City Centre	3,463	(3,702)	(239)	90									90	1,500	1,590
Total	157,580	(119,759)	37,821	(4,550)	300	(300)	0	0	0	0	0	0	(4,550)	26,210	21,660

Key Budget Action Plans and Budget Variations:				RAG	Action Plan Value	Forecast Variation against Plan/Budget
					£m	£m
A. Budget Action Plans						
1.	Planning & Sustainable Development	David Feeney	Pre-Application fee income in Planning - delayed implementation	A	(0.25)	0.15
2.	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	(0.75)	0.75
3.	Asset Management & Regeneration	Angela Barnicle	Asset Rationalisation	R	(0.20)	0.20
4.	Highways & Transportation	Gary Bartlett	LED Street Lighting Conversion	G	(0.43)	0.00
5.	Highways & Transportation	Gary Bartlett	Site Development	G	(0.25)	0.00
	Highways & Transportation	Gary Bartlett	Utility Permits	A	(0.20)	0.10
6.	Markets & City Centre Management	Phil Evans	Advertising Income	R	(0.20)	0.20
7.	Resources & Strategy	Phil Evans	Use of Balances/One Off Income	G	(0.50)	0.00
Total Budget Action Plan Savings					(2.78)	1.40
B. Other Significant Variations						
1.	Planning & Sustainable Development	David Feeney	Planning Application and Building Control Fees			1.4
2.	Economic Development	Eve Roodhouse	Loss of income and additional costs related to Covid 19.			0.1
3.	Asset Management & Regeneration	Angela Barnicle	Commercial Rental Income			4.7
4.	Highways & Transportation	Gary Bartlett	Highways Maintenance			1.5
5.	Highways & Transportation	Gary Bartlett	Transport Planning			0.5
6.	Arts & Heritage	Cluny Macpherson	Net loss of income due to closure of venues			1.9
7.	Arts & Heritage	Cluny Macpherson	Postponement of Tour de Yorkshire and the Triathlon			(0.3)
8.	Active Leeds	Cluny Macpherson	Loss of income due to closure of Leisure Centres and reduced income once they re-open.			9.9
9.	Markets & City Centre Management	Phil Evans	Markets, advertising and Licences income			1.3
10.	All Services	All	Staffing Vacancies (excluding income funded posts)			(0.8)
11.	All Services	All	Savings on supplies and services across the Directorate			(0.5)
12.	All Services	All	Additional spend as a result of Covid 19			0.5
City Development Directorate - Forecast Variation						21.7

RESOURCES AND HOUSING

FINANCIAL DASHBOARD - 2020/21 FINANCIAL YEAR

PERIOD 1

Overall

The Directorate has a projected overspend at month 1 of £32.4m against its £84.9m net managed budget. Of this projected overspend £32.6m is attributable to the COVID pandemic and a net £0.2m of savings have been delivered against the budget.

Resources

There is a projected overspend of just over £4m across the Resources group of services, £3.3m of this is due to the adverse impact of COVID. The most significant items are a projected loss of court fees in Finance/Legal of £1.1m, £0.8m estimated cost of operating and providing meals from the Food Warehouse, £0.7m reduction in income to capital projects and other charges. Delays to the implementation of Budget Actions Plans and other COVID pressures in Shared Services are around £0.4m; there is also the impact of non-delivery of savings plans to deliver the increased pay award. Non COVID related pressures include assumptions that turnover factors may not be achieved this year, particularly in Shared Services.

Housing Services

An overspend of £3.1m is forecast for Housing mainly due to the Covid-19 impact, consisting of £2.25m additional hotel accommodation and £0.75m for security costs relating to both hotel and supported accommodation. Work is underway to assess the level of housing benefit that can be claimed against the accommodation cost, which will reduce the burden of costs.

Civic Enterprise Leeds (CEL)

The division is projected to overspend by £25.2m with all but £0.2m attributable to COVID. Of the £25.2m COVID pressures, around £15.4m is forecast in LBS due to a reduction in income as a consequence of reviewing what services can currently be delivered safely, front line staff self isolating and staff working elsewhere to support COVID related activity. Furthermore an estimate has been made on the impact on efficiency for those operatives working but having to do so in a safe distancing manner.

A sum of £8.2m is projected for the costs of PPE across the Council. So far over £3m has been spent / committed.

In addition, school closures, closures of commercial outlets and the provision of emergency meals (grab bags / hampers) to children will cost around £1m in Catering. The pandemic has also caused a delay in implementation budget action plan savings of £300k within Fleet Services. However, as some civic buildings have closed with increased working from home, overall savings of £48k have been built into the projections within Facilities Management.

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	101,933	(32,557)	69,376	3,048	(54)	546	(43)	20	0	0	0	0	3,517	495	4,012
Housing	20,837	(13,345)	7,492	(283)	0	3,162	0	0	0	0	0	0	2,879	237	3,116
CEL	147,324	(139,323)	8,001	(205)	(57)	7,480	150	0	0	0	0	0	7,368	17,870	25,238
Directorate Action Plan				0		0							0		0
Total	270,094	(185,225)	84,869	2,560	(111)	11,188	107	20	0	0	0	0	13,764	18,602	32,366

Key Budget Action Plans and Budget Variations:

Service	Budget Action	Lead Officer	Comments	RAG	Action Plan Value	Forecast Variation against Plan/Budget
					£m	£m
HOUSING						
Housing	Additional Charges to DFG	Jill Wildman	New structure in Health and Housing in place. No issues expected, but need to keep under review re level of capital spend to justify charges to scheme	G	(0.21)	
CEL						
Leeds Building Services	To ensure the delivery of the targeted return (£10.655m) and ensure service developments and effective productivity improvements.	Sarah Martin	Significant risk turnover won't be delivered with impact of pandemic; Currently £500k/week under recovery	R	0.00	15.40
CPM	Additional charges to capital (staffing)	Sarah Martin	New structure in place during 19/20. No issues anticipated	G	(0.04)	
Facilities Management	Insourcing of Office waste and Voids	Sarah Martin	Insourcing of general waste contract completed, insourcing of voids slipped.	G	(0.08)	
Facilities Management	Review of servicing offer at Merrion Hosue	Sarah Martin	Savings to come from fewer meetings etc as a result of WFH.	G	(0.06)	
Fleet Services	Electric Vehicle replacement and reduction in hire	Sarah Martin	EV vehicle replacement on track and service working to reduce hire. Assue slippage 6 months re COVID	A	(0.33)	0.19
Fleet Services	Generate additional external income from maintenance of	Sarah Martin	Covid-19 epidemic has delayed savings and income	A	(0.21)	0.13
Catering	Generate net additional income from expanding commercial offer	Sarah Martin	Aireborough leisure centre completed but affected by closures	R	(0.03)	
Catering	Target saving from reduced reliance on meat based dishes	Sarah Martin	School closures could affect ability to deliver this	R	(0.04)	
RESOURCES						
DIS / Shared Services	Mail and Print Review - Printer rationalisation	Dylan Roberts	This has been done printers required will be in place for end of March and paid from ESP budget 2019/20;	G	(0.25)	
DIS / Shared Services	Mail and Print Review - Reductions in the volume of printing (Colour)	Dylan Roberts	Work in progress to get volumes down – given that the vast majority of staff are wfh there will be significant reductions in printing. Assuming WFH continues into 2020/21 will bring reduced printing costs in the new year.	G	(0.15)	
DIS / Shared Services	cost reduction on external spend	Sonya McDonald	Project on hold	R	(0.14)	0.07
DIS	DIS Breakfix - reduced external spend	Dylan Roberts	This is done - past six months trends show a reduction in costs – no reasons this wouldn't continue.	G	(0.06)	
DIS	Staffing Reduction - DIS Service Desk	Dylan Roberts	Not actioned – given the current demand/volume of calls cannot reduce staffing levels in the service desk in the near future or maybe at all. Need to identify alternative actions to offset	G	(0.05)	
DIS	DIS - Health and City Partnerships	Dylan Roberts	Done and agreed – signed 12 months contracts with health partners	G	(0.25)	
HR	Staffing reductions	Andrew Dodman	ELI Business case approved. Staff leaving between Mar and Oct; Savings net of ELI costs	G	(0.13)	
HR	Income HR	Andrew Dodman	Charges to academies. Agreed	G	(0.02)	
HR	Ultra Low Emission Vehicles (ULEV)	Andrew Dodman	Anticipate around £10k LCC wide on existing ULEV take up	A	(0.05)	
HR	Apprenticeship Levy (Rolled over 19/20)	Andrew Dodman	This income will not be received. (Will need to identify alternative savings in year & remove from base budget)	R	(0.15)	
Shared Services	E Invoices	Sonya McDonald	Given current situation, unlikely to deliver. Assume 6 moth slippge	R	(0.15)	0.08
Shared Services	Servicing of meeting savings	Louise Snowden	£200k initial savings; £60k been identified elsewhere. £140k potential issue	R	(0.20)	0.07
DIRECTORATE WIDE						
Directorate Wide	Line by Line Reductions	Various COs	HR £44k (Staff shop, Serv Devt); Legal £100k; Pru Borrowing £60k; S&I £50k; IN year monitoring of spend	G	(0.31)	
Directorate Wide	Staffing reductions	Various COs	Passengers £87k ELI done; Housing Options £90k (split GF/ HRA)	G	(0.13)	
Directorate Wide	Impact of Covid-19		Additional expenditure/loss of income as a result of pandemic	R		7.28
Directorate/LCC Wide	Impact of Covid-19		PPE Expenditure	R		8.20
B. Other Significant Variations						
1	All Other variations		Mainly staffing and additional 0.75% pay award	R		0.95
					(3.04)	

Resources and Housing Directorate - P1 Variation**32.36**

COMMUNITIES & ENVIRONMENT DIRECTORATE SUMMARY

FINANCIAL DASHBOARD - 2020/21 FINANCIAL YEAR

Period 1 (April 2020)

The overall position is a projected overspend of £24,180k. Of this, £26,126k relates to the estimated impact of Covid-19, although this figure is based on a number of assumptions and is therefore subject to variation as the situation progresses. The overall position also includes assumptions around tighter recruitment and expenditure controls and an initial assessment at this early stage indicates that potential savings of £1,946k may be achievable.

Communities (£286k overspend)

Covid-19 related costs total £289k which includes £195k loss of Community Centre income, £66k delays to planned savings from Community Centres and £28k cost of the additional 0.75% pay offer. Other variations reflect £3k expenditure savings.

Customer Access (£1,431k overspend)

Covid-19 costs are estimated at £800k which includes the cost of software and equipment to support home working £174k, PPE/Social distancing measures and additional cleaning at Hub sites of £240k together with projected income losses of £221k across the service and the additional cost of the pay offer of £165k. Other variations include a projected staffing overspend of +£530k, additional security of £120k at Hubs and £19k other net expenditure savings.

Electoral and Regulatory Services (£1,032k overspend)

Elections, Licensing and Registrars (£798k overspend)

The majority of fee earning activities have ceased or reduced significantly. This includes Registrars, Entertainment Licensing, Land and Property Searches, Taxi & Private Hire Licensing. The combined impact on income is estimated at £1,572k, with a further £16k relating to the pay offer, although these will be partially offset by net savings of £330k from the cancelled May elections. Further net savings of £460k are anticipated reflecting projected staffing and other expenditure variations and utilisation of the TPHL earmarked reserve to partially offset the in-year income shortfall.

Environmental Health (£234k overspend)

The projected position reflects income losses of £306k from a reduction in activities across the service and pay offer of £10k, partially offset by £82k net savings in respect of staffing and other expenditure.

Welfare and Benefits (£1,232k over budget)

The projected overspend mainly reflects Covid-19 related expenditure in respect of the net cost of Housing Benefit claims for rough sleepers (£578k), an anticipated additional call on the Local Welfare Support budget (estimated c£600k) and the estimated cost of the pay offer (£45k). Other non-Covid forecast variations include additional staffing costs of £99k, partially offset by other identified expenditure savings of £90k.

Parks and Countryside (£8,060k overspend)

The impact of Covid-19 on income generating facilities including Tropical World, Temple Newsam Home Farm, Lotherton Wildlife World, the Arium, Cafes, Golf courses, Bowling Greens and concessions in parks, is currently estimated at £4,976k. In addition, shortfalls in income from the cessation of chargeable works activities within Parks Operations and the Forestry service are estimated at £2,670k and losses of income resulting from restrictions within bereavement services are estimated at £1,459k (including the impact of non-implementation of the planned inflationary fee increase). A further £250k of income is estimated to be lost as a result of the cancellation of all events held in parks to the end of June although savings of £350k from the cancellation of the West Indian Carnival will offset this. The cost of the pay offer is estimated at £129k, with other staffing savings of £714k for the year forecast at this stage, together with other operating expenditure savings of £354k.

Car Parking (£5,772k overspend)

Covid-19 related income losses of £6,161k across the service are currently estimated which reflects the Council's decision to suspend all car parking charges and enforcement activity. Net staffing savings of £137k (including the pay offer at +£23k) and other expenditure savings of £252k are currently anticipated to partially offset this.

Community Safety (£48k overspend)

The projected overspend mainly reflects the anticipated cost of the pay offer. A small amount of other expenditure (£6k) has been incurred in respect of Covid-19 but this is largely offset by forecast expenditure savings elsewhere in the service.

Waste Management (£5,101k overspend):

Within the Refuse service, additional expenditure of £2,213k is currently forecast which reflects the cost of providing additional crews and vehicles to deal with increased volumes of waste and to provide necessary staffing cover and PPE equipment. Additional costs of waste disposal are difficult to accurately forecast at this stage but additional volumes of waste are currently forecast to be £2,361k to the end of the year. Additional costs of £544k are forecast at Household Waste Sites for the cost of providing PPE equipment, staffing cover and security at the sites as well as net income losses from the weighbridges, inert waste charges and from the Revive shops. The pay offer is estimated at £155k although this is offset by other forecast savings of £172k mainly relating to prudential borrowing savings.

Cleaner Neighbourhoods Teams (£146k under budget)

Covid-19 related costs of £239k reflect the loss of income from bulky waste collections and from street cleansing penalty enforcement as well as the additional costs of litter bin stickers, PPE equipment and the estimated cost of the pay offer. However, these are anticipated to be offset by net staffing savings of £323k and operating expenditure savings of £62k.

City Centre (£138k overspend)

Covid-19 related costs of £143k include the projected loss of environmental enforcement income, costs of staff cover and the pay offer. Staffing and expenditure savings of £5k are anticipated to partially offset these costs.

Directorate Wide (£1,226k overspend)

The directorate is forecasting additional Covid-19 related costs of £1,221k. £990k of this is in respect of a temporary mortuary facility created as part of the Council's emergency planning arrangements to deal with a potential increase in mortality rates over and above current capacity for Leeds and Wakefield. In addition, a city wide mailout in respect of accessing support is projected to cost £132k, overtime costs of £49k are anticipated for the co-ordination of the city wide use of volunteers, and approximately £50k is anticipated to be incurred for a temporary senior officer in support of the Council's response to the Covid situation.

Budget Management - net variations against the approved budget;

Summary By Service

				Period 1 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
Communities	16,566	(11,714)	4,852	28		66	(3)						91	195	286
Customer Access	25,106	(4,560)	20,546	695	120	395							1,210	221	1,431
Electoral & Regulatory Services (including Environmental Health)	8,296	(6,428)	1,868	(75)	(181)	(344)							(600)	1,632	1,032
Welfare And Benefits	196,901	(191,795)	5,106	144		510				578			1,232		1,232
Car Parking Services	4,867	(12,252)	(7,385)	(137)		(252)							(389)	6,161	5,772
Community Safety	8,842	(6,504)	2,338	45		2							47		47
Waste Management	44,279	(9,766)	34,513	2,319		2,405	231	(140)					4,815	286	5,101
Parks And Countryside	33,914	(26,147)	7,767	(585)		(2,280)							(2,865)	10,925	8,060
Environmental Action (City Centre)	2,119	(427)	1,692	9		50							59	79	138
Cleaner Neighbourhood Teams	12,762	(4,372)	8,390	(252)		(51)							(303)	158	(145)
Directorate wide	0	(1)	(1)	65		1,586							1,651	(425)	1,226
Total	353,652	(273,966)	79,686	2,256	(61)	2,087	228	(140)	0	578	0	0	4,948	19,232	24,180

Key Budget Action Plans and Budget Variations:						
		Lead Officer	Additional Comments	RAG	Action Plan Value (£ms)	Forecast Variation against Plan/Budget (£m)
Communities						
Communities Team	Communities Team - achievement of staffing efficiencies	Shaïd Mahmood		G	(0.08)	
Community Centres	Community Centres - asset transfer savings and general efficiencies within the service	Shaïd Mahmood	Delays anticipated due to Covid-19	A	(0.10)	0.07
Communities	Achievement of base budget vacancy factor	Shaïd Mahmood		G	(0.17)	
Customer Access						
Contact Centre	Secure invest to save funding to partly offset additional staffing	Lee Hemsworth	Business case to be drafted	G	(0.15)	
Customer Access	Achievement of base budget vacancy factor	Lee Hemsworth	Potential overspend based on period 1 staffing	R	(0.65)	0.53
Welfare & Benefits						
Housing Benefits	Achievement of staffing reductions	Lee Hemsworth	Potential overspend based on period 1 staffing	A	(0.20)	0.10
Welfare and Benefits	Achievement of base budget vacancy factor	Lee Hemsworth		G	(0.19)	
Electoral and Regulatory Services (incl Environmental Health)						
Elections	Charge PCC for share of elections	John Mulcahy	Elections deferred until May 21 due to Covid-19 meaning further savings in 20/21	G	(0.40)	(0.33)
All	Achievement of base budget vacancy factor	John Mulcahy		G	(0.18)	
Car Parking						
Car Parking	Increase charges at Woodhouse Lane car park by 50p for a full day	John Mulcahy	Car parks currently free of charge - price increase not implemented	R	(0.10)	0.10
Car Parking	Achievement of base budget vacancy factor	John Mulcahy		G	(0.15)	
Waste Management						
Refuse	Secure agreement from DEFRA re revision to waste contract	John Woolmer	Confirmation now received	G	(2.20)	
Waste Management - all	Achievement of staffing savings	John Woolmer		G	(0.05)	
Waste Management - all	Achievement of base budget vacancy factor	John Woolmer		G	(0.29)	
Parks and Countryside						
Parks and Countryside	Additional funding from Childrens Funeral Fund	Sean Flesher		G	(0.12)	
Parks and Countryside	Staffing savings - achievement of vacancy factor	Sean Flesher		G	(1.40)	
Community Safety						
Community Safety	Maximisation of external funding	Paul Money		G	(0.18)	
Community Safety	Achievement of staffing efficiencies	Paul Money		G	(0.02)	
Community Safety	Achievement of base vacancy factor	Paul Money		G	(0.34)	
Directorate Wide						
Other Significant Variations						
All	Covid-19 related	All	Covid-19 expenditure/income variations not already shown in action plans above			26.29
All	Staffing	All	Staffing savings based on straightline projection of staff in post at period 1			(1.45)
All	Operating expenditure	All	Expenditure savings identified at period 1 - running costs etc			(1.02)
ELR	Taxi & Private Hire Licensing	John Mulcahy	Utilisation of earmarked reserve			(0.25)
All	Other	All	All other variations			0.14
Communities & Environment - Forecast Variation						24.180

**STRATEGIC & CENTRAL ACCOUNTS - 2020/21 FINANCIAL YEAR
FINANCIAL DASHBOARD - PERIOD 1 DRAFT**

Overall :

The month 1 dashboard for Strategic & Central Accounts recognises the potential for a shortfall of £28.0m in capital receipts as a result of the shutdown in the economy due to the Covid 19 lockdown, which would require a corresponding increase in the level of MRP chargeable to revenue. However current forecasts suggest that a lower shortfall of around £13.5m in comparison to the budget may be achievable.

No other significant variations have been identified in the Strategic & Central Accounts budget. However, given the slowdown in economic activity as a result of the coronavirus lockdown, there are risks attached to the following budgets:

- Income relating to business rates, including S31 grants and income from the Business Rates Pool
- S278 income from developers

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Budget Management - net variations against the approved budget

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				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	(13,311)	(20,089)	(33,400)										0		0
Debt	35,747	(17,881)	17,866								27,993		27,993		27,993
Govt Grants	2,161	(27,581)	(25,420)										0		0
Joint Committees	35,201	0	35,201										0		0
Miscellaneous	5,746	(794)	4,952	(59)									(59)	25	(34)
Insurance	9,167	(9,167)	0										0		0
Total	74,710	(75,512)	(802)	(59)	0	0	0	0	0	0	27,993	0	27,934	25	27,959

STRATEGIC & CENTRAL ACCOUNTS - 2020/21 FINANCIAL YEAR

Key Budget Action Plans and Budget Variations:

				RAG	Budget	Forecast Variation against Budget
		Lead Officer	Additional Comments		£m	£m
A. Major Budget Issues						
1.	Debt Costs and External Income	Victoria Bradshaw	Current forecast is as budget	G	20.2	0.0
2.	Minimum Revenue Provision	Victoria Bradshaw	The budget relies on the use of capital receipts to repay some debt. Due to the slowdown in economic activity, there is a risk that sufficient capital receipts may not be realised, requiring additional MRP from revenue. The current projection is for a shortfall of £13.5m.	A	14.2	28.0
3.	New Homes Bonus	Victoria Bradshaw	Current forecast is as budget	G	(4.7)	0.0
4.	Business Rates (S31 Grants & retained income)	Victoria Bradshaw	Current forecast is as budget	A	(22.7)	0.0
5.	S278 Contributions	Victoria Bradshaw	No variation is anticipated at this stage, however there is a risk of a shortfall depending on the rate of economic recovery.	A	(4.6)	0.0
6.	General capitalisation target	Victoria Bradshaw	Current forecast is as budget	G	(3.8)	0.0
7.	Schools capitalisation target	Victoria Bradshaw	Current forecast is as budget	G	(3.7)	0.0
8.	Joint Committees	Victoria Bradshaw	Current forecast is as budget	G	35.2	0.0
B. Other Significant Budgets						
1.	Insurance	Victoria Bradshaw	Current forecast is as budget	G	0.0	0.0
2.	Prudential Borrowing Recharges	Victoria Bradshaw	Current forecast is as budget	G	(16.6)	0.0
3.	Miscellaneous	Victoria Bradshaw	Current forecast is for minor variations	G	4.9	(0.1)
Strategic & Central Accounts - Forecast Variation						27.9

Housing Revenue Account - Period 1

Financial Dashboard - 2020/21 Financial Year

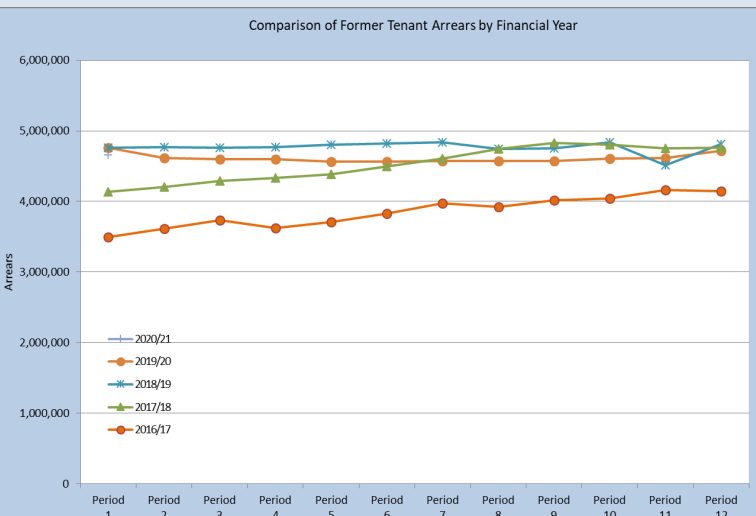
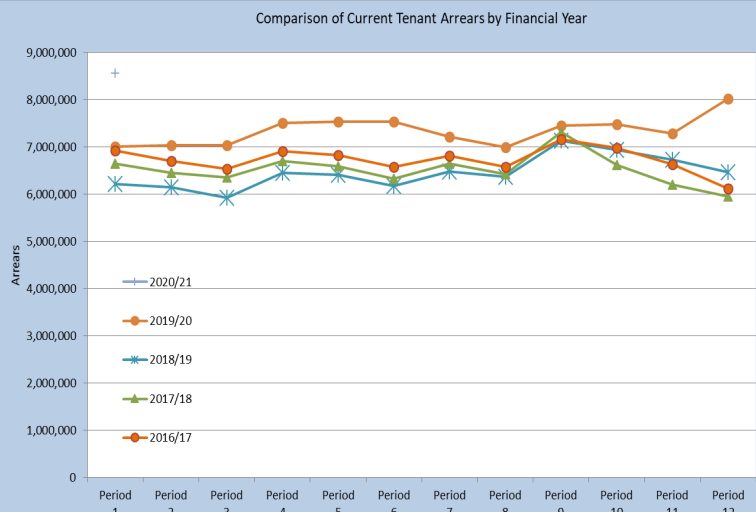
Summary of projected over / (under) spends (Housing Revenue Account)

Directorate	Current Budget	Projected Spend	Variance to budget
	£000	£000	£000
Income			
Rents	(212,138)	(211,076)	1,062
Service Charges	(8,484)	(8,444)	40
Other Income	(33,772)	(31,907)	1,865
Total Income	(254,394)	(251,427)	2,967
Expenditure			
Disrepair Provision	1,400	1,400	-
Repairs to Dwellings	45,081	45,081	-
Council Tax on Voids	778	778	-
Employees	31,402	31,198	(204)
Premises	8,200	8,342	142
Supplies & Services	3,826	3,826	-
Internal Services	44,064	44,639	575
Capital Programme	60,926	56,336	(4,590)
Unitary Charge PFI	10,417	10,417	-
Capital Charges	44,334	44,334	-
Other Expenditure	5,748	6,248	500
Total Expenditure	256,174	252,597	(3,577)
Net Position	1,780	1,170	(610)
Appropriation: Sinking funds	(216)	394	610
Appropriation: Reserves	(1,564)	(1,564)	-
(Surplus)/Deficit	0	(0)	(0)
Proposed New Reserves			-
Transfer to Capital Reserve			-
Total Current Month	0	(0)	(0)

Comments
£581k Increase in Voids due to Covid 19. £365k pre-covid trend void rate moved from 0.75 to 0.92. £65k Net impact of reduction in RtBs sales offset by ROFR delays. £51k Covid 19 loss of commercial rent. Leeds Pipes £115k RtB admin income due to Covid 19. £423k Civica project team not charged to capital. £1,260k staff not working on capital schemes due to Covid 19. £67k Hsg growth posts vacant - offset in emp costs. NB - Probable Pressure from LEEDS PIPES income not yet included. Greater analysis required, but likley installation levels will be delayed/
Assume hold vacant posts vacant for 3 mnth and addtl 0.75% pay award. Naviagation House Delapidation work. Civica DIS staff not charged to capital. NB Possible additional pressure of LEEDS PIPES costs not yet reflected. Greater analysis required. RtB loss of capital receipts from reduced sales (88 assumed less sales - NB This assumes the impact will be for 4 months. <i>The pressure will be greater if longer than this</i>). Overall Pressure of £5.850m balanced through reduction of RCCO on this line. Provision for bad debt figure increased to reflect the projected £1.79m increase in rent arrears.
Budget assumed using £600k of reserves to fund staffing pressures; Don't do this and don't have to pay it all back in fuure years

Previous period variance
£000

Housing Revenue Account - Period 1 Financial Dashboard - 2020/21 Financial Year



Change in Stock	Budget	Projection
Right to Buy sales	(612)	(557)
Right of First Refusals/ Buybacks	45	38
New Build (Council House Growth)	4	65
Total	(563)	(454)

Right to Buy Receipts	2019/20 Actual	2020/21 Projection
Total Value of sales (£000s)	33,931	35,613
Average Selling Price per unit (£000s)	55.4	63.9
Number of Sales*	612	557
Number of Live Applications	1,333	1,258

Arrears	2019/20	2020/21	Variance
	£000	£000	£000
Dwelling rents & charges	2019/20 Week 5	2020/21 Week 4	
Current Dwellings	6,230	7,677	1,447
Current Other	785	892	107
Former Tenants	4,757	4,659	(98)
	11,772	13,228	1,456
Under occupation	2019/20 Week 53	2020/21 Week 4	
Volume of Accounts	3,051	3,008	(43)
Volume in Arrears	1,198	1,108	(90)
% in Arrears	39.3%	36.8%	-2.4%
Value of Arrears	197	194	(3)
Collection Rates	2019/20 Week 53	2020/21 Week 4	
Dwelling rents	96.43%	93.44%	-3.0%
Target	97.50%	97.50%	0.0%
Variance to Target	-1.07%	-4.06%	-3.0%

Housing Revenue Account - Period 1

Financial Dashboard - 2020/21 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	(807)	780	0	(27)
Housing Advisory Panels	(507)	0	0	(507)
Sheltered Housing	(2,777)	0	0	(2,777)
Holdsforth Place - land purchase	0	0	0	0
Early Leavers' Initiative	(408)	408	0	0
Wharefedale View	(23)	0	0	(23)
Changing the Workplace	(151)	0	0	(151)
ERDMS	(257)	0	0	(257)
	(4,930)	1,188	0	(3,742)
PFI Reserves				
Swarcliffe PFI Sinking Fund	(1,474)	0	(1,426)	(2,900)
LLBH&H PFI Sinking Fund	(6,025)	1,030	0	(4,995)
	(7,499)	1,030	(1,426)	(7,895)
Capital Reserve				
MRR (General)	(8,278)	0	0	(8,278)
MRR (New Build)	(1,105)	0	0	(1,105)
	(9,383)	0	0	(9,383)
Total	(28,307)	2,218	(1,426)	(27,515)

Children and Families Directorate; initial proposal for discussion in respect of the £3.8m savings plan required by Executive Board 22nd April 2020

Background Information

Executive Board on 22nd April 2020 considered a report on the 2019/20 outturn position and resolved that, 'noting the Children and Families directorate projects a variance of £3.8m against the Children Looked After (CLA) budget for 2020/21 based on projections of CLA numbers, the Director of Children and Families be requested to identify proposals to address the projected overspend and that these proposals be incorporated into the next Financial Health Monitoring report to be received at Executive Board'. At the time of the outturn report, if the number and type of CLA placements remain at that level then it was estimated that this would result in an overspend of £3.8m against the CLA budget in 2020/21. External residential placements at that time were 73, compared to a budgeted assumption of 58 placements and independent fostering agency (IFA) placements were 204 compared to a budgeted assumption of 184 for the 2019/20 year. The Directorate reviews all ER placements on a regular placement to assess if they remain appropriate and whether any actions can be taken to return children to Leeds or to avoid placements being made with external providers.

The 2020/21 budget for Children Looked After (CLA) is £43.8m of which £12.1m is in respect of a budgeted number of 58 external residential placements and £7.7m for a budgeted number of 183 independent fostering agency placements.

Identifying proposals to address the projected overspend is difficult in the context of the current COVID-19 pandemic and the additional financial pressures being faced by the Council. At the time of writing, the latest return to the Ministry of Housing, Communities and Local Government estimates that Children and Families will have a projected increase in costs of £12.4m directly associated with the pandemic as well as other budget action plan assumptions built into the 2020/21 budget at risk. It is also worth acknowledging that, in a joint report, the charities Barnardo's, the Children's Society, Action for Children, the NSPCC and the National Children's Bureau have said the Government must help councils invest in early intervention programmes to stop families reaching crisis point after coronavirus. They say demand for children's services is expected to rise significantly, and as available funding for the sector has fallen by £2.2bn over the last decade, local authorities in England had been unable to pay for early intervention service which help families before problems escalate.

The Director of Children and Families proposes the following to address the projected overspend.

Refresh of the £3.8m projected overspend

Since the April 2020 Executive Board report there has been some movement in the numbers of CLA due to both trends and the continual review of numbers and placements. ER numbers have reduced to 64 (from the 73 that was used to calculate the £3.8m projected overspend) and IFA numbers have reduced to 203 (noting that IFA numbers initially increased higher than the 204 upon which the projection was based, peaking at 211). In addition, the numbers of CLA in kinship care continues to grow, to currently 354, which is positive from an outcomes perspective and the financial perspective. In addition, at the end of March, there were 10 young people in secure welfare placements and this has now reduced to 3. Accordingly, based on these numbers, the projected overspend of £3.8m as at 22nd April 2020 has now reduced to £2.2m. Whereas the CLA numbers are still relatively high, the placement mix is beginning to change and transition to in-house placements at the expense of costlier external ones. In summary, although there is still a projected overspend of £2.2m, current CLA numbers are 1,335 against a budget for 1,346; we are slightly under budget on numbers, but still over in financial terms because of the higher numbers of external placements.

In addition to the current reduction the directorate has identified a further four placements that can be utilised to return children to in house placements over the coming eight to twelve weeks. All other things being equal this would reduce the number of external residential placements to 60 and reduce the projected overspend by a further £140k in the remainder of the year. In a full year, the reduced cost will be approximately £250k.

Further proposal to offset other budget pressures

The Directorate has considered a range of other proposals to address the projected overspend, whether derived from CLA numbers or as a result of the coronavirus crisis. These are set out below.

At this stage, it is worth acknowledging that there will be challenges around Earned Autonomy because of the £324k reduction in the grant announcement after the Council had set its budget. The shortfall in grant has been added to the projected overspend based on CLA numbers and the following proposals seek to address both budget pressure.

- As described above, CLA budgets are projected to overspend by £2.2m. To build on the progress made it is planned to realign resources within 'capacity and change' to provide new impetus to the drive to reduce costs while maintaining outcomes. Further work with the fostering teams with a view to recruit more Leeds Foster Carers we will reduce the number of children placed with more expensive IFA Foster Carers, reduce the number of children placed in residential care, improve the quality of matching children with Fostering Placement. By increasing the number of placements within Leeds we will improve outcomes for children, allowing children to continue to attend their existing school, continue to take part in leisure and social activities and retain links with their wider family and community networks. These proposals will save money as a result of reducing our need to source placements in either the residential or private Fostering sector. Further time is required to develop these proposals and to generate the new Leeds Foster Carers but could generate additional savings of £1m in the cost of CLA.
- During 2019/20, the directorate implemented enhanced vacancy controls to help reduce the projected overspend and will maintain such controls in 2020/21. This will deliver at least £250k against the staffing budget.
- We would also seek to reduce agency spend where appropriate (Childrens centres, Adel Beck and a small number of social workers) and eliminate as far as possible overtime payments. Clearly with a proposal of this nature, additional work needs to be done to assess the likely impact.
- Savings of £100k can be achieved from the schools premature retirement costs budget in 2020/21.
- With significant numbers of staff working from home and some social care practice being curtailed as face to face, it is envisaged that savings of approximately £100k can be made in 2020/21 from transport allowances.
- Utilisation of additional CLA Pupil Premium funding such that relevant Virtual Head costs that can be offset by funding. Savings of £50k may be generated in 2020/21.
- Changes to the delivery model for independent travel training could generate savings of £50k in a full year, some of which may fall in 2020/21.
- Review of non-essential spend; at this stage it is difficult to be precise about the savings that could be generated but this can be reflected in the monthly Executive Board financial dashboard.
- Utilisation of grant funding to support projected levels of expenditure.

In the time elapsed since the April Executive Board and in recognition of the significant workloads involved in response and recovery, the robustness of these proposals around capacity and change and foster carers has not been tested to any great extent and should be considered as a statement of intent. Further work will determine the robustness of the assumptions.

Conclusion

In the current condition of uncertainty, it is difficult to be precise about the revised projections and further work is required on the implications of the coronavirus crisis on CLA numbers and on the direct impact of the focus on recruiting foster carers. However, these proposals would, subject to a degree of risk around CLA numbers, eliminate the £3.8m overspend that was projected on the basis of the 2019/20 outturn figures. At the time of writing, CLA numbers are 1,329, down by 15 from the start of March and open social work cases and Children in Need numbers are the lowest they have been for some time. However, the full impact of the current crisis on these numbers is likely to be felt in the coming weeks and months.

The impact will need to be closely monitored throughout the year and viewed in the light of further proposals that will need to be considered in light of the budget shortfall as a result of the coronavirus crisis. The proposals are summarised in the table below.

	£m	£m cumulative
Overspend outturn projection CLA (as per Executive Board 22 nd April 2020)	3.800	3.800
Earned Autonomy grant reduction	0.324	4.124
Revised down based on current number of CLA	-1.600	2.524
Residential focus	-0.140	2.384
Capacity & Change/Foster carers – CLA savings	-1.000	1.384
Staffing savings	-0.250	1.134
Agency/Overtime	-0.100	1.034
Schools Premature Retirement Costs	-0.100	0.934
Transport allowance	-0.100	0.834
Pupil premium costs	-0.050	0.784
Independent Travel Training	-0.050	0.734
Non-essential spend	-0.050	0.684
Grant allocation re RES teams	-0.684	0

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Report of the Chief Officer – Financial Services

Report to Executive Board

Date: 24th June 2020

Subject: Impact of Coronavirus COVID-19 upon Leeds City Council's 2020/21 Financial position and update on the forecast budget position for 2021/22.

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

- As a result of the COVID-19 pandemic the Council has incurred additional expenditure, whilst at the same time seeing reductions in the level of resources available through a combination of lower forecast income levels for both Business Rates and Council Tax and a reduction in the level of income receivable from sales, fees and charges. A report received at this Board in May noted a projected overspend of £164.7m in respect of COVID 19 incurred in 2020/21 before any funding from Government. It was also noted that the financial implications from COVID-19 will have ongoing funding consequences for the financial projections for future years which are contained in the current Medium Term Financial Strategy (MTFS).
- The financial implications of COVID-19 incurred during 2020/21 have been updated and are now showing that the level of projected overspend reported to the Ministry of Housing and Local Government (MHLG) has increased by £36.3m to £201m. However this position contains a pre-COVID pressure of £2.524m within the Children and Families Directorate and £0.845m which relates to timing differences between the production of the MHCLG return and the Financial Health reports. As a result of these adjustments the overall level of COVID-19 overspend reduces to £197.6m. This report only deals with the overspend relating to COVID 19, the overall Financial Position of the Council for 2020/21 is considered in the Financial Health Report elsewhere on this agenda.

- In which year the financial implications of COVID 19 will impact on the revenue budget needs to be considered. The loss of income received by the Council due to the collection of Business Rates and Council Tax will not impact on the revenue budget until 2021/22. This will be considered in more detail in section 3.5. The Council has written to the Government, requesting additional support and flexibilities which would allow the Council to respond to the impact of the pandemic on its financial position. If further support from the Government is not forthcoming or is insufficient to address the forecast financial position then a number of measures have been identified which will contribute towards addressing the level of overspend. These measures will require an emergency budget to be agreed by Full Council in the summer.
- However if the Chief Officer – Financial Services in their professional opinion considers that the actions proposed are insufficient to reduce the Council's cost base to enable there to be sufficient resources to fund services then a Section 114 report would be issued.
- The 2020/21 Revenue Budget and Council Tax report received at February's Executive Board and Full Council contained details of the estimated budget gap of £52.2m for 2021/22. Expenditure, income and savings assumptions have been reviewed and revised and when combined with the projected variation in income receivable from the Council Tax Base and Business Rates Base, the estimated budget gap for 2021/22 has increased to £117.8m. This does not take into consideration the loss of income incurred in 2020/21 due to COVID 19 which impacts on the General Fund in 2021/22 as this is considered in section 3.5. To address this gap the Council is undertaking a series of cross cutting and service reviews with the outcome of these reviews being incorporated into an updated Medium Term Financial Strategy (MTFS) which is timetabled to be received by this Board in September.

2. Best Council Plan Implications (see the [latest version of the Best Council Plan](#))

- The Best Council Plan can only be delivered through a sound understanding of the Council's longer-term financial sustainability, which enables decisions to be made that balance the resource implications of the Council's policies against financial constraints. Since the impact of COVID-19 challenges the financial sustainability of the Council, it is imperative that the financial options contained in this report are supported in order that Best Council priorities can be delivered within a robust financial framework.

3. Resource Implications

- The financial position as set out in the report details how the projected overspend for 2020/21 has increased from the previously reported figure of £164.7m to a figure of £201m – an increase of £36.3m which has been reported to MHCLG. However this position contains a pre-COVID pressure of £2.524m within the Children and Families Directorate and £0.845m which relates to timing differences between the production of the MHCLG return and the Financial Health reports. As a result of these adjustments the overall level of COVID-19 overspend reduces to £197.6m.
- In the context of this projected financial position for 2020/21, a number of asks have been made of Government which, if received, will contribute towards the Council delivering a balanced budget position in 2020/21. If additional support is not forthcoming, or is insufficient to address the projected deficit in 2020/21, then a

number of further measures have been identified which will require an Emergency Budget to be considered by Full Council in the summer. However if in the professional opinion of the Chief Officer – Financial Services these options are not sufficient to reduce the Council's cost base to enable there to be sufficient resources to fund services then a Section 114 report would be issued.

- The estimated budget gap for 2021/2 has been revised upwards from £52.2m to £117.8m. In order to address this financial projection the Council has embarked on a series of cross cutting and targeted service reviews which are aimed at reducing the estimated budget gap. An updated MTFS has been timetabled to be received at September's Executive Board.

Recommendations

- a) Executive Board are recommended to note the position outlined in this paper by the Chief Officer - Financial Services concerning Leeds City Council's financial position as a consequence of the COVID-19 pandemic.
- b) Executive Board are requested to note that the Government have been written to asking for further financial assistance.
- c) Executive Board are asked to note that if further assistance from the Government is not forthcoming or is insufficient to address the scale of financial overspend detailed in this report, an Emergency Budget would be considered by Full Council in the Summer.
- d) Executive Board are asked to note that if the actions that the Council can take are in the professional opinion of the Chief Officer - Financial Services insufficient to reduce the Council's cost base to enable there to be sufficient resources to fund services, then a Section 114 notice would be issued
- e) Executive Board are asked to note the revised estimated budget gap for 2021/22 and the actions being taken to address this position.
- f) Executive Board are asked to note that an updated Medium Term Financial Strategy is to be brought to Executive Board in September which will provide an update on the financial position, covering the period 2021/22 – 2025/26.

1. Purpose of this report

- 1.1 At its meeting on the 26th February 2020 Full Council set a balanced budget for 2020/21 and provisional budgets for 2021/22 and 2022/23.
- 1.2 Given the scale of the financial challenge the Council is now facing for 2020/21 and future years due to the COVID-19 pandemic, it is appropriate to provide an update on the financial position for 2020/21 and the actions being taken to manage the situation. The financial health of the Council will continue to be reviewed and updated to Executive Board on a monthly basis and builds on the position reported to Executive Board in May 2020.
- 1.3 This report also provides an update on the 2021/22 financial projection that was reported to this Board in February. This update of the 2021/22 position includes:
 - the original assumptions behind the reported financial projection for 2021/22 and how these have changed;
 - an estimate of the ongoing impact of COVID-19 on the 2021/22 financial projection and;

- the approach that the Council is taking to identify budget savings options that will start to address the revised estimated budget gap for 2021/22.

2. Background information

- 2.1 A report received at this Board's meeting on May 19th provided an update on the impact of the current global Coronavirus outbreak which was declared a pandemic by the World Health Organisation on the 11th March. The report referenced the range of national developments and announcements made by the Government, outlined the local approach to planning, governance and delivery in this unprecedented period, detailed the Council's Response and Recovery Plan and outlined the approach to easing restrictions in the city.
- 2.2 In recognition of the impact of Coronavirus on the economy the Government have responded by announcing a range of measures to help businesses and residents which include furloughing staff, the provision of targeted business rate reliefs, business grants and loans, deferral of VAT and self-assessment payments, and a Hardship Fund which is a grant payable to local authorities to provide council tax relief alongside existing council tax support schemes.
- 2.3 The Government also recognise that Coronavirus COVID-19 has had a direct financial impact on local authorities. To date £3.2bn has been provided nationally to compensate local authorities for additional expenditure incurred and loss of income resulting from the current Coronavirus pandemic. Of this £3.2bn Leeds has been awarded £43.7m.
- 2.3.1 In May the Executive Board received a report which provided an update of the impact of COVID-19 on the Council's 2020/21 approved revenue budget. The report detailed a projected overspend of £164.7m offset by the application of the balance (£41.3m) of this £43.7m of grant funding receivable from Government. This position has been reviewed as more information and data has become available. An updated position is provided in section 3.1 and will be reviewed on a monthly basis and reported to this Board.

3. Main issues

3.1 Revenue Budget 2020/21

- 3.1.1 In recognition of the financial impact of COVID-19 upon the Council's financial position in 2020/21, Executive Board agreed at its 19th May meeting that the Council should write to Government to ask for financial assistance to enable the Council to fulfil its requirements to deliver services to the residents of Leeds, namely that the Government:
- underwrite all of the shortfall in Business Rates resulting from COVID-19 to bring the Council back to its level of baseline funding;
 - compensate the Council for any shortfall against budgeted assumptions with regard to the level of Council Tax collected as a result of COVID-19;
 - fund 100% of the Local Council Tax Support (LCTS) scheme to protect authorities against loss of council tax income due to an increase in claimants;
 - write off PWLB debt held by local authorities or, failing this, reduce the interest rates for PWLB debt to the cost to Government. This would save the Council £9m in 2020/21;

- underwrite any variation in the level of income receivable from fees and charges that have been impacted by COVID-19. This would require a contribution of £33.3m in 2020/21.

- 3.1.2 Subsequent to May's Executive Board the Leader of the Council has written to the Government on behalf of the Council asking for financial assistance to enable the Council to fulfil its requirements to deliver services to the residents of Leeds. The letter written to the Government asking for financial assistance, referred to in 3.1.1, also incorporates a request that additional funding (£59.9m) be provided which would result in the Council being able to deliver a balanced budget position in 2020/21.
- 3.1.3 Since Executive Board received the financial update report in May, the projected financial impact of COVID-19 upon the Council's financial position has been updated. This updated financial position was included in a second return to the Ministry of Housing, Communities and Local Government (MHCLG), submitted on the 15th May. This return, which all local authorities were required to complete, details the actual and projected impact of COVID-19 which was incurred by the Council in 2020/21. This revised estimate of the financial impact of COVID-19 has been incorporated into the 2020/21 Period 1 Financial Health monitoring report that can be found elsewhere on this agenda.
- 3.1.4 After reviewing the expenditure, income, Business Rates and Council Tax collection assumptions due to more information and data being available, the impact of COVID-19 which was incurred by the Council in 2020/21 increased from £164.7m to £201m.
- 3.1.5 Of this £201m forecast impact in 2020/21, £107.6m relates to income variations and £93.4m relates to expenditure variations. Details of these variations are detailed in the Directorate dashboards which can be found within the Period 1 Financial Health monitoring report elsewhere on this agenda. As well as incorporating additional expenditure incurred by the Authority, and a projected reduction in fees and charges and commercial income, this forecast position also incorporates the shortfall in capital receipts receivable, non-achievement of budget action plans and a variations resulting from an assumed reduction in the level of Business Rates and Council Tax collected in 2020/21.
- 3.1.6 However the position reported to MHCLG contains a pre-COVID pressure of £2.524m within the Children and Families Directorate and £0.845m which relates to timing differences between the production of the MHCLG return and the Financial Health reports. As a result of these adjustments the overall level of COVID-19 overspend reduces to £197.6m.

The amount incurred by the Council due to COVID 19 in 2020/21 will impact on the Council's Financial Position in 2020/21 and 2021/22. This is due to the timing of when the loss of income from the Collection of Council Tax and Business Rates will hit the General Fund. Therefore by excluding the impact on collection rates in respect of Business Rates and Council Tax, (which will impact on the General Fund in 2021/22), and after taking account of the COVID-19 grant funding receivable from Government which hasn't been applied in 2019/20, the impact of COVID-19 on the Council's approved budget in 2020/21 is to increase the projected level of overspend from £60.6m to £95.6m – an increase of £35.0m. This revised financial forecast will continue to be refined as more information and data becomes available as the financial year progresses. The movement between the position forecast in May and the current forecast is detailed in Table 1 below.

Table 1

	May Exec Board		May MHCLG		June Exec Board		Movement May EB to June EB	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
Additional Expenditure	62.948		93.426		90.004		27.056	
Income Losses	101.738		107.576		107.629		5.891	
Total COVID-19 Pressure	164.686		201.002		197.633		32.947	
Collection Fund Impact 2021/22	(62.800)	62.800	(60.935)	60.935	(60.935)	60.935	1.865	(1.865)
Government Grant Receivable	(41.308)		(41.109)		(41.109)		0.199	
	60.578	62.800	98.958	60.935	95.589	60.935	35.011	(1.865)
Non-COVID Pressures - June*					(4.139)			
Total Overspend Reported June 2020					193.494			

* The Month 1 Financial Health Monitoring report received at June's Executive Board reports a total projected overspend of £193.494m. Whilst £197.633m is COVID-19 related, this position also includes a net £4.139m of non-COVID savings.

- 3.1.7 The £27.1m increase in projected expenditure includes an additional £11m of costs relating to Leeds Building Services in regard to under-recovery of income against the 2020/21 budget and a further £5m of spend on PPE equipment.

Income projections have increased by £5.9m. Government guidance accompanying the May return to MHCLG required local authorities to assume that lockdown would end by the end of July 2020 to ensure consistency of treatment across authorities. By comparison the figures in the May report to this Board had assumed that lockdown would end in June 2020, so the July assumption has increased both projected expenditure and income. The value of Government grant applied in 2020/21 has fallen by £0.2m, reflecting this increase in COVID-19 costs at outturn 2019/20 requiring additional use of grant. Collection Fund assumptions have been amended slightly to reflect actual Council Tax collection in April, reducing the impact on 2021/22 by £1.9m.

After taking account of non COVID-19 savings the overall level of forecast overspend in 2020/21 is £193.49m. This position is detailed in the 2020/21 Period 1 Financial Health report which is elsewhere on this agenda.

- 3.1.8 The scale of the financial pressure being faced by the Council is unprecedented and requires immediate action to be taken to minimise spend and to enable the Council's financial position to remain within the available resources. The report to May's Executive Board recognised that support received to date from the Government is insufficient to deal with the identified projected overspend and, that if further Government support is not forthcoming, the Council would need to implement a number of measures including an emergency budget in the Summer. The Council has implemented a number of management measures to start to mitigate this position and these are as follows.

3.2 Short Term Immediate Management Measures

- 3.2.1 **Implementation of a recruitment freeze** for all services except those in accordance with the HR guidance which includes statutory services (essential), health and safety obligations, cost prevention and income generating posts. Releases will be approved by the relevant Director / Chief Officer and opportunities to redeploy staff into vacant roles must be considered.

- 3.2.2 **Implement restrictions on the utilisation of agency and overtime** and will only be permitted in line with the principles of the recruitment freeze.
- 3.2.3 **Implementation** of an immediate freeze on non-essential spend with the exception of spend needed to keep a service running and for health and safety purposes.
- 3.2.4 **Review the current procurement strategy** to see whether the commissioning of contracts can be stopped, slipped into future years or re-specified at a lower value to achieve savings.
- 3.2.5 **Identify and capture any savings resulting from the current lockdown**, e.g. expenditure savings resulting from a building being closed, a service not being delivered or associated with travel or training.
- 3.2.6 With regard to **savings** that have been identified for 2021/22, determine whether any of these can be **brought forward** into 2020/21.
- 3.2.7 Actively **promote the Council's ELI scheme** across all services and, where a business cases exists, allow staff to exit the Authority.
- 3.2.8 A number of **service review** areas across all Directorates have been identified and, whilst these reviews are focused on the identification of budget savings options that will contribute towards addressing the reported estimated budget gap for 2021/22, any part year effect of these will contribute towards reducing the forecast projected variation in 2020/21.
- 3.2.9 Similarly there are a number of **cross cutting initiatives**, such as the administration review, digital and automation, which are anticipated to contribute towards reducing the budget gap in 2021/22. Each of these areas are at different stages of review but, where proposals exist that will realise savings, resources should be focused upon delivering these in 2020/21.
- 3.2.10 **At the 31st March 2020** the Council had £30.1m in earmarked reserves and £31.5m in General Balances. Leeds City Council has had a strategy of keeping reserves at a low level to protect front line services and therefore the Council is not in a position to mitigate the impact of COVID 19 by using these reserves Given that there are insufficient reserves to deal with the in-year financial pressures resulting from the COVID-19 and, if in the professional opinion of the Chief Officer - Financial Services the actions proposed in this report are insufficient to reduce the Council's cost base to enable there to be sufficient resources to fund services following the Emergency Budget in the summer, then a Section 114 report would be issued.

3.3 Section 151 Responsibilities

- 3.3.1 Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs and the Chief Officer - Financial Services has responsibility for these arrangements.
- 3.3.2 If in undertaking this statutory role it is clear that the Council cannot deliver a balanced budget position in 2020/21 then it is incumbent on the Section 151 Officer under the Local Government Finance Act 1988, Section 114 (3) to "make a report under this section if it appears....that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure".
- 3.3.3 A Section 114 report would be issued after consultation with the Senior Management Team, this Executive Board and External Audit. The timing of the announcement would be such that it would allow for the implementation of specific actions, e.g. no new expenditure that is not of a statutory minimum requirement, which would contribute towards improving the Council's financial position.

3.3.4 Before the Section 114 report was issued the Section 151 Officer would also ensure that all Scrutiny Chairs, the Chair of Corporate Governance and Audit, and the opposition Leaders were informed and kept updated on the position.

3.3.5 Under S115 of the Local Government Finance Act 1988 Councillors have 21 days from the issue of a Section 114 report to discuss the implications at a Full Council meeting and before the consideration of an emergency budget.

3.4 Revenue Budget 2021/22

3.4.1 The 2020/21 Revenue Budget and Council Tax report that was received at both Executive Board and Full Council in February included an update in respect of the Revenue Budget for 2021/22 and 2022/23. The position reported detailed estimated budget gaps of £52.2m and £31.7m in 2021/22 and 2022/23 respectively.

3.4.2 In the determination of the respective budget positions for 2021/22 and 2022/23 the February report highlighted a number of uncertainties with regard to the;

- Government's spending review in 2020,
- future levels of Council tax increases,
- impact of the Government's proposed move to 75% Business Rate retention,
- impact of the any Business Rates reset and
- outcome of the Government's Fair Funding Review.

3.4.3 In addition it was outlined that the Government's intentions regarding the future funding of Social Care remained unclear. Since the February Revenue Budget and Council Tax report was produced the Government have subsequently announced, as a result of COVID-19 pandemic, that 75% Business Rate retention, a Business Rates reset and the implementation of the Fair Funding review have been delayed until 2022.

3.4.4 The impact of the COVID-19 pandemic upon the UK economy is still emerging but the Office of Budget Responsibility (OBR) has projected that there will be a £298.4bn budget deficit for 2020/21, which is a significant increase from the £55bn forecast in the Chancellor's budget speech in March. In addition the OBR has forecast that GDP will reduce by 12.8% during 2020 and that the unemployment rate will rise to 7.3% during the same period. The economic impact of COVID-19 will not be confined to 2020/21 alone and its ongoing economic impact, combined with Government's response to it, will influence future public spending reviews and the level of resources available for local authorities.

3.4.5 As identified in 3.4.1 above a £52.2m estimated budget gap for 2021/22 was reported to February's Executive Board and Full Council. As referenced in 3.1.7 above the shortfall in the Collection Fund caused by a projected variation in the level of Business Rates and Council Tax collected in 2020/21 will reduce the level of resources available to the Authority in 2021/22. Since this shortfall in the Collection Fund is as a result of reductions in Business Rates and Council Tax collection that are projected to occur in 2020/21, it is assumed that this variation will be addressed through the receipt of additional Government assistance as detailed in paragraphs 3.1.1 and 3.2 above and therefore will not impact upon the level of resources available to support the 2021/22 revenue budget.

3.4.6 However with regard to the 2021/22 budget, consideration does still need to be given to the impact of COVID-19 upon the respective bases for both Business Rates and Council Tax. In respect of Business Rates the Council will need to reflect any reduction in the Rateable Value of business properties in the city in its

budget calculations for 2021/22, with a consequent reduction in budgeted business rates income receivable. This is expected to impact on the cumulative growth assumptions in the current Medium Term Financial Strategy (£10.9m in 2020/21) but could also result in the Council having to budget at a level below the baseline funding level Government currently assumes – the level of business rates income Government has assessed the Council to need to provide its services. Here Government would be expected to meet any shortfall in income below the safety net of 92.5% of baseline funding but under existing arrangements the Council would have to manage any shortfall in Business Rates receivable up to the safety net (£11.9m in 2020/21). As a result of the above the 2021/22 projection assumes a shortfall of £22.8m in the level of Business Rates receivable.

Annual growth in the Council Tax base has been assumed in the current Medium Term Financial Strategy. However it is assumed that increased unemployment will lead to increased numbers of CTS (Council Tax support) claimants which has the effect of reducing the base for Council Tax and consequentially the budgeted level of income receivable. As the economy settles, collection rates are likely to recover to some extent but an increase in CTS claimants may impact on overall collection as collection rates are generally lower for these tax payers. Initial estimates indicate that the number of CTS claimants will increase by 5,000 by 2021/22 and this reduces by £4m the level of collectible income from Council Tax.

Whilst we do not yet know the extent to which the Council's income from business rates and council tax will reduce, these are important sources of income for the Authority making up 95% of the Net Revenue Budget in 2020/21. Government currently takes account of levels of business rates and council tax income when calculating how much Revenue Support Grant an authority will require to provide services. Given the potential scale of losses nationally it is certainly possible that Government will have to take some action to provide additional financial support to authorities in this respect, but it is not yet known whether this will be the case or what form such measures might take.

- 3.4.7 The financial assumptions with regard to the expenditure, income and savings options which resulted in the reported budget gap of £52.2m for 2021/22 has been reviewed. As a result of this review the forecast gap has increased by £7.5m to £59.7m.
- 3.4.8 This variation is largely due to a combination of revised assumptions in respect of demographic pressures within social care (£0.7m); income variations of £0.5m largely relating to local land charges and apprentice levy income; revised assumptions (£3m) in respect of savings proposals; revised grant assumptions of £0.3m; updated assumptions about the use of earmarked reserves and: £1.5m of other variations that includes additional building maintenance expenditure and flood alleviation costs.
- 3.4.9 In respect of the ongoing financial impact of COVID-19 upon both expenditure and income receivable it is assumed that there will continue to be a scarring effect and this will impact upon the Council's 2021/22 budget as the UK economy starts its recovery from the impact of the COVID-19 pandemic. Therefore projecting the impact of COVID-19 upon expenditure and income in 2021/22 will result in a variation from current budgeted assumptions of £31.1m.
- 3.4.10 As a result of the revisions to financial assumptions which are detailed in the paragraphs above the estimated budget gap for 2021/22 has increased from £52.2m to £178.8m including the Collection Fund Deficit brought forward. Assuming

this deficit will be offset by options identified in this report the funding gap reduces to £117.8m. This movement is summarised in Table 2.

Table 2	£m
Budget Report 2020/21	52.2
Revised Pressures: Review May 2020	
Commissioned Services	(0.2)
Demand and Demography	0.7
Income Pressures	0.5
Other	1.5
	2.5
Revised Savings	3.0
Changes to Funding	
Grants	0.3
Reserves	1.7
Revised Gap before COVID Impact	59.7
Increased Expenditure 21/22 - COVID	6.9
Loss of Income 21/22 - COVID	24.3
Collection Fund Deficit Brought Forward from 20/21	60.9
Estimated Budgeted Loss of Council Tax Income 21/22	4.1
Estimated Budgeted Loss of Business Rates Income 21/22	22.8
	178.8
Collection Fund Deficit Offset By Options Identified in Report	(60.9)
Revised Gap 2021/22 with COVID Impact	117.8

- 3.4.11 A Medium Term Financial Strategy report covering the period 2021/22 – 2025/26 is timetabled to be received at this Board in September. This report will incorporate updated assumptions with regard to the impact of COVID-19 on expenditure and income as well as an updated estimate on Business Rates and Council Tax collection in 2021/22.
- 3.4.12 Work is being undertaken on a series of cross cutting initiatives which will contribute towards reducing this estimated budget gap. Specifically these review areas include a review of mail and print Council wide, further reductions in the cost associated with the Council's property portfolio though additional Changing the Workplace initiatives, reducing the wage bill through reviewing our practices and more informed workforce planning and resourcing, and further digitalisation, automation and transformation of some of our core business processes.
- 3.4.13 In addition the Council has embarked on a series of service reviews which will contribute significantly towards closing the estimated budget gap in 2021/22. For a number of years there have been exercises to highlight areas for service reviews which have provided data and information for consideration. To ensure we do not lose this good work and to build on the intelligence gained a number of service reviews are proposed to be undertaken by Directorate.
- 3.4.14 An initial list of service review areas has been developed from previous work undertaken and a 'Rapid Support Review Team' will be formed to undertake the

review around each service area. This will include the area expert from the service under review, external supplier support and Council support functions (Finance, HR, IT Performance etc.).

- 3.4.15 Starting from mid-June the reviews will take place over a four week period and the outcomes from these will be incorporated into the updated Medium Term Financial Strategy Report timetabled to be considered by this Board in September.

3.5 Impact of the financial projections for 2020/21 and 2021/22 upon employees

- 3.5.1 Staffing is the most significant cost to the Council. In addition to the measures already in place around restrictions on recruitment and the use of agency and overtime, further reductions in workforce related costs is an area that can be considered to further contribute to the mitigation of the current financial deficit. It is anticipated that there will be a variety of workforce implications resulting from the agreed service reviews that may contribute to the reduction of staffing costs. All proposals will need to be fully explored, risk assessed and considered in line with our statutory duties to ensure full and transparent consultation with Trade Unions is undertaken. There is an established framework in place led by HR that can be used to support this process.
- 3.5.2 In the context of potential future staffing reductions that will be required to meet the identified budget gaps in both 2020/21 and 2021/22 it is the Council's intention to issue an updated S188 notice in June 2020. The notice sets out our intention to collectively consult with the Trade Unions to seek to avoid, reduce or mitigate the potential impact on the workforce as a consequences of the current funding gap.

3.6 Housing Revenue Account

- 3.6.1 As with General Fund services the HRA has been impacted upon by COVID-19 in 2020/21. In respect of the return that was made to MHCLG an initial rent income shortfall of £2m was projected although as the financial year progresses this projection will be revised to reflect actual collection rates.
- 3.6.2 There will also be an ongoing impact of COVID-19 in 2020/21. Specifically income collected will reduce with increasing numbers of people cancelling direct debits. This will be reflected as an increase in tenant arrears as the rent is still owed to the Council. The likely impact on the HRA will be a requirement to provide for an increase in the provision for doubtful debts to provide for any debts that may ultimately be irrecoverable.
- 3.6.3 In addition with regard to 2021/22 and future years it is assumed that that rent levels will increase by CPI+1% which is consistent with the Government's current rent formula. Since CPI is likely to be below these budgeted assumptions this will mean that future rent increases will be less than assumed with the resultant reduction in resources available within the HRA.
- 3.6.4 In respect of fee income receivable from Right to Buy (RtB) sales this is anticipated to reduce. Sales in 20/21 are already lower and there is the likelihood that potential sales will be lower in 2021/22 if the economy doesn't pick up. In addition to the loss of fee income, a reduction in the level of retained capital receipts resulting from a reduction in RtBs will have implications for the level of resources available to fund the current HRA capital programme.
- 3.6.5 An updated Housing Revenue Account Medium Term Financial Strategy will be reported to this Board in September.

3.7 Capital Programme update

- 3.7.1 Work is underway to review the capital programme to understand whether the priorities agreed in February are still appropriate given the impact of Covid-19. The process needs to be considered in the context of the Council's financial position, therefore whilst the review of the capital programmes takes place all non-essential capital spend will be placed on hold with the exception for essential health and safety works, Covid-19 related spend and Externally/Part (where funding agreements are in place) funded schemes.
- 3.7.2 All schemes are currently being assessed to establish whether they are progressing as normal or the extent to which they have been affected by COVID-19, i.e. have they stalled or are they continuing with delays anticipated. It will also assess the acceleration of some programmes. Once this base line information has been gathered directorates will be asked to review scheme priorities and also to consider whether there are any additional COVID-19 related capital requirements.
- 3.7.3 These priorities are likely to focus upon Health and Safety, Statutory Requirements which will be developed at minimum cost to meet this requirement, Fully/part (where funding agreements are in place) funded from external sources, income protection and future cost savings.
- 3.7.4 An assessment of the impact of the Council's priorities climate change, health and wellbeing and inclusive growth will also form part of the review.
- 3.7.5 Re-prioritise Directorate capital programmes will be subject to a peer challenge, which was integral to setting the current capital programme, with outcomes reported to the Council's Strategic Investment Board for discussion and agreement. This process will consider whether re-prioritised schemes are affordable within the current year and MTFS. The results of the review will be taken to July's Executive board as part of the Capital Programme Quarter 1 update report and will incorporate further discussion and member engagement.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 Following Executive Board's approval of the Initial Budget Proposals for 2020/21 in January a public budget consultation exercise ran between 7th and 28th January 2020. The outcome of this exercise was incorporated into the 2020/21 Revenue Budget and Council Tax report approved at Council in February 2020.
- 4.1.2 Where appropriate, implementation of any decision in respect of the financial options either contained in or resulting from this report will be subject to a separate consultation and engagement exercise.

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 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.
- 4.2.3 Where appropriate, equality impact assessments will be carried out prior to the implementation of any of the financial options either contained in or resulting from this 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 current plan is therefore aligned with both the Council's Medium Term Financial Strategy and its annual budget.
- 4.3.2 Since the impact of COVID-19 challenges the financial sustainability of the Council it is imperative that the financial options contained in this report are considered in order that Best Council priorities can be delivered within a robust financial framework.

Climate Emergency

- 4.3.3 There are no specific implications for the climate emergency resulting from this report.

4.4 Resources, procurement and value for money

- 4.4.1 All resources, procurement and value for money implications are considered in the summary and main body of the report.

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

- 4.5.1 Where appropriate any decisions with regard to the implementation of the financial options contained in this report or resulting from the subsequent identification of savings options will be subject to specific decision-making processes in which the legal implications, access to information and call-in will be considered in accordance with the Council's decision making framework. This includes compliance with the legal requirements around managing staffing reductions.

4.6 Risk management

- 4.6.1 Even without the identified impact of COVID-19, the approved 2020/21 revenue budget contains a number of inherent risks which include the requirement to implement budget action plans, budgets which are subject to fluctuating demand and demographic pressures and key income budgets that rely upon the number of users of a service. In addition the approved budget makes assumptions in respect of the level of resources that are receivable through council tax, business rates and government grants. Any variations from these budgeted assumptions has implications for the level of resources available to the Council.
- 4.6.2 The financial position detailed in Table 1 makes a number of assumptions in respect of the impact of COVID-19 upon both income, expenditure and collection

rates in respect of both Business Rates and Council Tax. Any variation in these assumptions impacts upon the level of resources available in 2021/22. These assumptions will be subject to review through the financial management, monitoring and reporting processes that the Council has in place.

- 4.6.3 In respect of 2021/22 there remain uncertainties with regard to the impact of the postponed Government spending review, business rates reform and Fair Funding and also the Government's intentions for the future funding of Social Care which still remain unclear.
- 4.6.4 In addition in 2021/22 COVID-19 will continue to have an impact upon both income and expenditure assumptions as well as the levels of Business Rates and Council Tax that can be collected. Whilst assumptions have been made in the determination of the projected position for 2021/22 provided in this report, these will change as more information becomes available and this will have implications for the level of resources available to fund the services that the Council provides.

5. Conclusions

- 5.1 The impact of Coronavirus COVID-19 upon the Council's 2020/21 revenue budget is currently projected to result in an overspend of £201m. However this position contains a pre-COVID pressure of £2.524m within the Children and Families Directorate and £0.845m which relates to timing differences between the production of the MHCLG return and the Financial Health reports. As a result of these adjustments the overall level of COVID-19 overspend reduces to £197.6m. This position is partially offset by the receipt of two tranches of grant support from Government (£41.109m) which reduces the deficit to £156.521m. Of this variation £60.9m related to the impact of a projected reduction in Council Tax (£38.1m) and Business Rates (£22.8m) and this will impact upon the Collection Fund in 2021/22. As a result of this the in-year deficit for 2020/21 is £95.589m.
- 5.2 Since further financial support to local authorities has yet to be announced a number of asks will be made of Government which, if agreed, would address the projected overspend for 2020/21 detailed in this report. If further support is not forthcoming from the Government and in the professional opinion of the Chief Officer-Financial Services they consider that the further proposed actions that can be taken by the Council are insufficient to reduce the Council's cost base to enable there to be sufficient resources available to fund services, then a Section 114 report would need to be issued.
- 5.3 There remains a risk that the projected overspend could increase as the financial implications of COVID-19 are revised as more information becomes available. An updated financial position will continue to be reported to this Board through the Financial Health reports and in the returns to MHCLG. Any increase in the financial impact of COVID-19 on the Council's financial position increases the requirement for both further Government financial support and the implementation of the financial options available to the Council to reduce the financial deficit.
- 5.4 Largely as a result of the impact of COVID-19 upon taxation and income sources the estimated budget gap for 2021/22 has increased to £117.8m. To address this financial position work has commenced on a series of cross cutting and service reviews, the outcome of which will be incorporated into an updated Medium Term Financial Strategy report which is timetabled to be received at this Board in September.

6. Recommendations

- 6.1 Executive Board are recommended to note the position outlined in this paper by the Chief Officer - Financial Services concerning Leeds City Council's financial position as a consequence of the COVID-19 pandemic.
- 6.2 Executive Board are requested to note that the Government have been written to asking for further financial assistance.
- 6.3 Executive Board are asked to note that if further assistance from the Government is not forthcoming or is insufficient to address the scale of financial overspend detailed in this report, an Emergency Budget would be considered by Full Council in the Summer.
- 6.4 Executive Board are asked to note that if the actions that the Council can take are in the professional opinion of the Chief Officer - Financial Services insufficient to reduce the Council's cost base to enable there to be sufficient resources to fund services, then a Section 114 report would be issued
- 6.5 Executive Board are asked to note the revised estimated budget gap for 2021/22 and the actions being taken to address this position.
- 6.6 Executive Board are asked to note that an updated Medium Term Financial Strategy is to be brought to Executive Board in September which will provide an update on financial position covering the period 2021/22 – 2025/26.

7. 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.

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Report of the Director of Resources and Housing

Report to Executive Board

Date: 24 June 2020

Subject: Annual Corporate Risk Management Report

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

1. Main issues

- Our ambition as set out in the Best Council Plan is for Leeds to be the best city with the best council in the UK: a city that is compassionate with a strong economy, tackling poverty and inequalities; a council that is an efficient, enterprising and healthy organisation. A corporate risk is something that, if it occurred, could impact on our Best City/Best Council ambitions. It is therefore essential that we understand, manage and communicate the range of risks that could threaten the city and the vital services provided by the council, so that we're better placed to prevent them from happening and to reduce the impact now and in the longer-term on communities, individuals, services, organisations and infrastructure.
- This annual report updates the Executive Board on the most significant risks currently on the corporate risk register (their descriptions, risk ratings and the accountable director and portfolio member risk owners) with summary assurances describing the key controls in place to manage the risks and further actions planned, signposting to where more detailed information can be found.
- Of particular note are the financial and economy risks which have increased considerably in recent weeks due to the implications of the coronavirus pandemic, as detailed in the regular Covid-19 updates to this Board. Further information on the council's latest in-year and medium-term financial pressures can be seen in the report on today's agenda, 'Impact of Coronavirus COVID-19 upon Leeds City Council's

2020/21 financial position and update on the forecast budget position for 2021/22.’ Should these financial risks not be mitigated, the knock-on effect on the council’s resources and ability to effectively manage the full suite of corporate risks will be significant.

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

- The risks included within this report underpin the achievement of the ambitions and all outcomes and priorities within the Best Council Plan.

3. Resource Implications

- Resources are committed to manage the risks to an acceptable level, both to help prevent them from arising and/or to minimise the impact should they occur. With a number of risks having recently increased as a direct result of coronavirus, the implications for the council’s resources – notably its finances, staff, IT infrastructure and buildings – are substantial.

4. Recommendations

- Executive Board is asked to note the annual risk management report and the assurances given on the most significant corporate risks in line with the council’s Risk Management Policy and the Board’s overarching responsibility for their management. Also that this report will provide a key source of evidence on the authority’s risk management arrangements contributing to the Annual Governance Statement to be considered later this year by the Corporate Governance and Audit Committee.

1. Purpose of this report

- 1.1 This annual report updates the Executive Board on the council’s most significant corporate risks, how they are currently managed and further activity planned during 2020/21.
- 1.2 The assurances provided are an important source of evidence for the council’s Annual Governance Statement: a statutory requirement for all local authorities to conduct a review at least once in each financial year of the effectiveness of the system of internal control and to include a statement reporting on the review with its Statement of Accounts. Leeds’ 2019/20 Annual Governance Statement will be considered later this year by the Corporate Governance and Audit Committee.

2. Background information

- 2.1 The previous annual corporate risk management report was considered by Executive Board on 26 June 2019. Since then, the corporate risk register has continued to be reviewed and updated in accordance with the council’s Risk Management Policy and in line with the Best Council Plan outcomes and priorities. The remainder of this report focuses on the management of the most significant risks currently on the corporate risk register.
- 2.2 It is supplemented by an annual assurance report on the authority’s risk management arrangements considered each year by the council’s Corporate Governance and Audit Committee. These reports are publicly available and focus on the policies, procedures, systems and processes in place to manage risks at corporate, directorate, service and project levels. The most recent report was approved at the Committee’s 26 July 2019 meeting. An interim update report is due, at the time of writing, to go to the Committee’s 27 July 2020 meeting with more detailed assurance in December.

3. Main issues

- 3.1 Appendix 1 presents the 2020 annual corporate risk management report. Its introduction explains how the council's risks are identified, assessed and managed through processes embedded at strategic and operational levels and for programmes and projects. All staff and elected members have responsibility for managing risks relevant to their areas, including Scrutiny Boards, Community Committees and partnership boards.
- 3.2 The annual report considers the strategic level: the arrangements in place to manage the council's corporate risks. Corporate risks are those of significant, cross-cutting importance that require the attention of the council's most senior managers and elected members. Each of the corporate risks has named risk owners - a lead portfolio member and a member of the Corporate Leadership Team, (comprising the Chief Executive and directors) - who are jointly accountable for their management. The Executive Board as a whole retains ultimate responsibility.
- 3.3 The nature of risks is that they come and go as the environment changes. However, there are a set of 'standing' corporate risks that will most likely always face the council:
- Safeguarding children
 - Safeguarding adults
 - Health and safety
 - City resilience
 - Council resilience
 - Financial management (both the risk to the in-year budget and longer-term financial sustainability)
 - Information management and governance
 - Climate change adaptation and mitigation (recently added as a 'standing' risk)
- 3.4 The annual report provides assurance on each of these standing risks and the other risks currently rated as 'red' – i.e. of the highest significance – that do not fall into the standing risk category: coronavirus, economic growth lag, major flooding (included as part of the wider assurance on the city resilience risk) and major cyber incident (incorporated within the wider assurance on information management). The latest corporate map approved by the council's Corporate Leadership Team on 1 June 2020 is also included, showing all risks currently on the corporate risk register. In the past year, two of the corporate risks previously rated as being 'red' reduced to 'amber': insufficient school places and the council's preparations for the UK's exit from the European Union. The reduction in ratings reflects the work the council has done to mitigate these risks.
- 3.5 Additional assurances for a number of these risk areas are considered each year by a range of committees and boards. These include:
- This **Executive Board** – which receives annual reports on risk areas such as safeguarding children, safeguarding adults, the council's preparations for the UK's exit from the European Union, health and safety, and employee health and wellbeing, as well as monthly financial health monitoring reports and updates on the work the council is doing to mitigate poverty in the city. More recently, since March 2020, the Board has also considered regular updates on the actions of the council and its partners in response to the coronavirus pandemic with an additional report in May 2020 articulating the pressures on the council's financial resources as a direct result of Covid-19.

- **Statutory partnerships** - Safeguarding reports are also considered by the Leeds Safeguarding Children Partnership, Leeds Safeguarding Adults Board and Safer Leeds.
- **Scrutiny Boards** – receive reports on specific risk areas too, such as Scrutiny Board (Strategy & Resources) considering the authority's Resilience and Emergency Planning arrangements, Scrutiny Board (Environment, Housing & Communities) reviewing progress in relation to the climate emergency, Scrutiny Board (Children and Families) considering the Child Poverty Strategy for Leeds and Scrutiny Board (Infrastructure, Investment and Inclusive Growth) appraising the council's Inclusive Growth Strategy, impacting on the corporate risk on the Leeds economy.
- The council's **Corporate Governance and Audit Committee** - which, in addition to an annual assurance report on the council's risk management arrangements, receives a range of complementary assurance reports on areas including business continuity management, procurement, information governance, and financial planning and management.

3.6 In addition, the council's report template includes a section on 'Risk management', requiring the report's author to detail any key risks and their management to help inform decision-making; this applies to all reports to this Board.

4. Corporate considerations

4.1 Consultation and engagement

4.1.1 The corporate risk assurances at Appendix 1 have been subject to consultation with lead officers, the Corporate Leadership Team and portfolio members. The arrangements in place to manage the council's risks are embedded and therefore subject to consultation and engagement on an ongoing basis.

4.2 Equality and diversity / cohesion and integration

4.2.1 This is an assurance report with no decision required. Due regard is therefore not directly relevant.

4.3 Council policies and the Best Council Plan

4.3.1 The risk management arrangements in place support compliance with the council's Risk Management Policy and Code of Corporate Governance, through which, under Principle 4, the authority should take 'informed and transparent decisions which are subject to effective scrutiny and risk management'.

4.3.2 Effective management of the range of risks that could impact upon the city and the council supports the delivery of all Best Council Plan outcomes and priorities.

Climate Emergency

4.3.3 Following the council's declaration of a climate emergency in 2019, a risk was added to the corporate risk register: 'Failure to adapt to and mitigate more extreme weather conditions brought about by climate change, resulting in an adverse impact on Leeds (its people, communities, infrastructure, economy and natural environment).' The council and our partner organisations are taking a range of actions to help mitigate and continue to adapt to this long-term risk. These include progressing schemes to reduce the risk of flooding across the city, encouraging increased tree canopy cover in urban areas and promoting community resilience through effective communications with the public.

4.3.4 As the climate emergency is cross-cutting in nature it is linked to many other corporate risks. Where applicable, the supporting details for these risks - such as the sources, consequences and mitigating actions - reflect aspects of the climate emergency.

4.4 Resources, procurement and value for money

4.4.1 All council risks are managed proportionately, factoring in the value for money use of resources.

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

4.5.1 The council's risk management arrangements support the authority's compliance with the statutory requirement under the Accounts & Audit Regulations 2015. Through this, Regulation 6 requires authorities to conduct a review at least once a year of the effectiveness of its systems of internal control in accordance with proper practices. The system of internal control, including arrangements for the management of risk, assists the council in effectively exercising its functions.

4.5.2 The corporate risk map is made publicly available via the leeds.gov website and is also published on the council's Intranet risk management webpage, available to elected members and staff. The annual assurance report considered by the Corporate Governance and Audit Committee on the council's risk management arrangements is publicly available on the leeds.gov website.

4.5.3 This report is subject to call in.

4.6 Risk management

4.6.1 This report supports the council's Risk Management Policy in providing assurances on the management of the authority's most significant risks.

5 Conclusions

5.1 The corporate risk register describes the council's most significant risks that could impact upon our Best Council Plan ambitions, outcomes and priorities. Robust and proportionate arrangements are in place to mitigate the risks, considering both the probability of each risk materialising and the consequences if it did.

5.2 Assurances on the council's most significant 'standing' risks are given through this annual corporate risk management report and provide an open, comprehensive and important source of evidence for the authority's Annual Governance Statement.

6 Recommendations

6.1 Executive Board is asked to note the annual risk management report and the assurances given on the most significant corporate risks in line with the council's Risk Management Policy and the Board's overarching responsibility for their management. Also that this report will provide a key source of evidence on the authority's risk management arrangements contributing to the Annual Governance Statement to be considered later this year by the Corporate Governance and Audit Committee.

7 Background documents

7.1 None.

Appendices: Appendix 1 - Annual Corporate Risk Management Report 2020



Annual Corporate Risk Management Report

June 2020



Introduction

To achieve the ambitions, outcome and priorities set out in our Best Council Plan, it is essential that we understand, manage and communicate the range of risks that could threaten the organisation and vital council services. This annual report provides assurance on how the council manages its most significant strategic risks.

The council's risks stem from a variety of sources, many of which are out of our direct control: for example, global events such as the coronavirus pandemic, an economic shock, major conflicts or an environmental disaster. Closer to home, more localised incidents can impact on communities, individuals, services, organisations and infrastructure. We also often have to respond quickly to changes in government policy and funding and must recognise and meet the dynamic needs of our communities, businesses and residents, particularly those who may be more vulnerable. Such changes, and the uncertainties they may bring, can pose threats that we need to address but also bring opportunities to exploit. Both aspects of risk management rely on the council working effectively with partners across the public, private and third sectors and with communities and individuals.

Risk Management Framework

The council's risks are identified, assessed and managed using six steps:



These iterative steps enable us to:

- Understand the nature and scale of the risks we face.
- Identify the level of risk that we are willing to accept.
- Recognise our ability to control and reduce risk.
- Recognise where we cannot control the risk.
- Take action where we can and when it would be the best use of resources. This helps us make better decisions and deliver better outcomes for our staff and the people of Leeds.

The steps are applied across the organisation through the Leeds Risk Management Framework: at strategic and operational levels and for programmes and projects. The adoption of the framework and compliance with it has helped to embed a risk management culture within the organisation. This report considers the strategic level: the arrangements in place to manage the council's corporate risks.

Corporate Risks

Defining a corporate risk

Corporate risks are those of significant, cross-cutting strategic importance that require the attention of the council's most senior managers and elected members. While all members of staff have responsibility for managing risks in their services, each of the corporate risks has one or more named 'risk owner(s)': members of the Corporate Leadership Team (the Chief Executive and five directors) and a lead portfolio member who, together, are accountable for their management. The Executive Board as a whole retains ultimate responsibility.

Corporate risks can be roughly split into two types: those that could principally affect the city and people of Leeds and others that relate more to the way we run our organisation internally. An example of a 'city' risk includes a major disruptive incident in Leeds or breach in the safeguarding arrangements that help protect vulnerable people; these are often managed in partnership with a range of other organisations. An example of a more internal 'council' risk is a major, prolonged failure of the ICT network. Some risks clearly impact on both the city and the council – coronavirus being the most obvious current example.

How corporate risks are assessed and managed

Each corporate risk has a current rating based on a combined assessment of how likely the risk is to occur – its probability - and its potential impact after considering the controls already put in place. When evaluating the impact of a risk we consider the range of consequences that could result: effects on the local community, staff, the services we provide, any cost implications and whether the risk could prevent us meeting our statutory and legal requirements.

A consistent '5x5' scoring mechanism – included here at Annexe 1 - is used to carry out this assessment of probability and impact which ensures that the risks are rated in the same way. Target ratings are also applied for each risk based on the lowest probability and impact scores deemed viable to manage the risk to an acceptable level given the amount of resources available to deal with it. These are used to compare the gap between 'where the risk is now' to 'how low do we aim for the risk to go' and so help determine whether additional actions are needed to manage the risk down to the target level.

The greater the risk, the more we try to do to manage it if it is in our control and if that would be the best use of resources. The council recognises that the cost and time involved in managing the risk down to nothing may not always be the best use of public money and we factor this in when establishing the target rating and developing our risk management action plans.

Risks are reviewed and updated regularly through horizon scanning, benchmarking and in response to findings from inspections and audits, government policy changes and engagement with staff and the public.

Current corporate risks

The risk map overleaf at Figure 1 summarises the risks on the corporate risk register as at 24 June 2020 and their current ratings based on combined probability and impact scores. A number of these have recently risen as a direct result of Covid-19, including the impact on the council's 2020/21 budget and the economic outlook for Leeds.

Many of the risks shown on the risk map will come and go as the environment changes. However, there are a set of 'standing' corporate risks that are likely to always face the council:

- Safeguarding children
- Safeguarding adults
- Health and safety
- City resilience
- Climate change adaptation / mitigation
- Council resilience
- Financial management (in-year and the medium-term)
- Information management

The remainder of this report provides a summary assurance on how each of these standing corporate risks is managed, signposting to where further information can be found. It also provides assurance on those risks currently rated as 'red' – i.e. of the highest significance – that do not fall into the standing risk category: coronavirus, economic growth lag, climate change, major flooding (included as part of the wider assurance on the city resilience risk) and major cyber incident (incorporated within the wider assurance on information management). An overview of the risks covered in this report is provided at Table 1, detailing their full descriptions and risk owners.

(For more information on the council's risk management arrangements please contact Coral Main on coral.main@leeds.gov.uk or Tim Rollett on timothy.rollett@leeds.gov.uk)

Figure 1: Corporate Risk Map at 1 June 2020

Supporting our Best City / Best Council ambitions

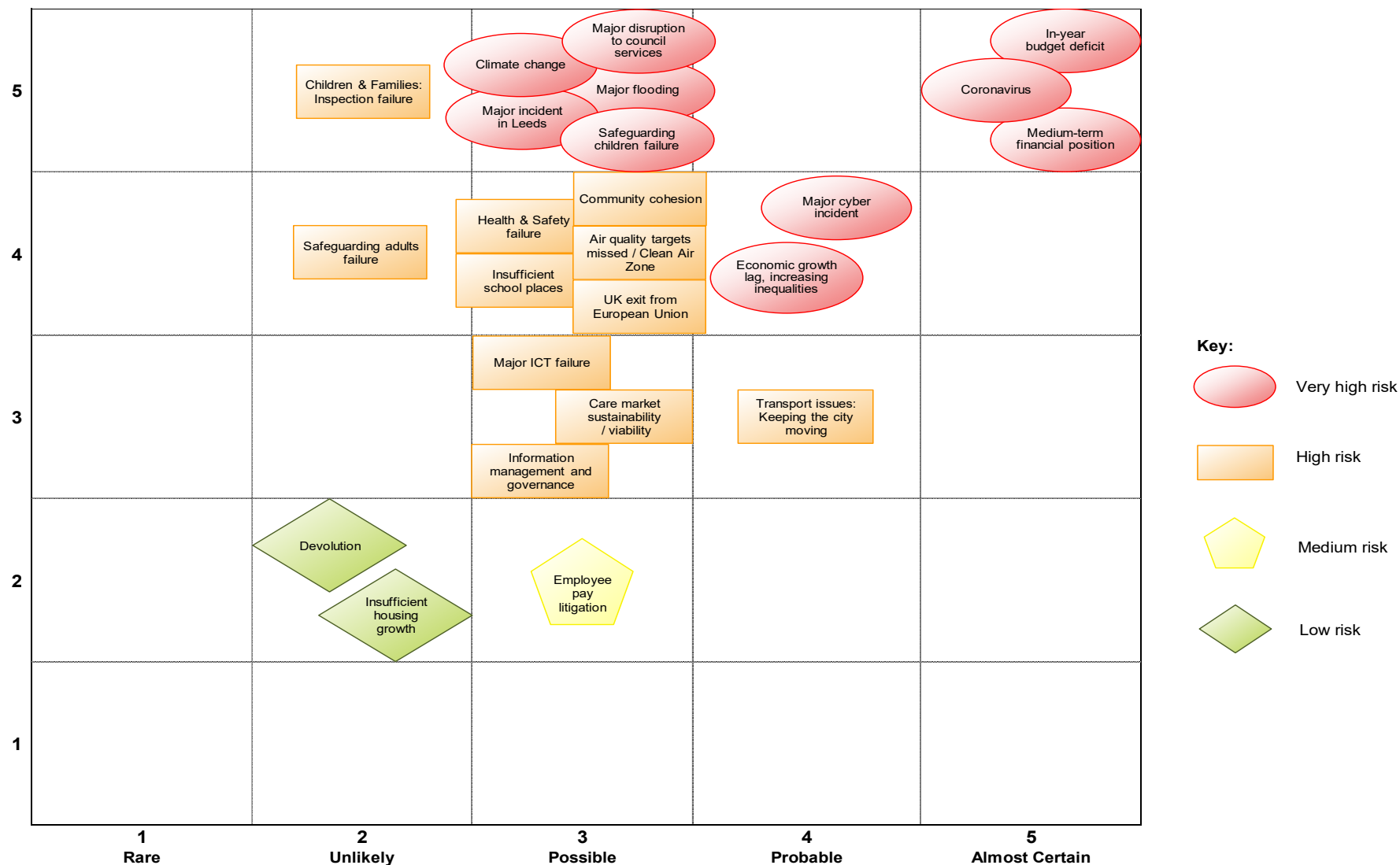


Table 1: Overview of significant and ‘standing’ corporate risks

Risk area	Description	Accountability (Risk owners)		Current Rating
		Senior officer	Member & Portfolio	
Coronavirus	Risk of fatalities and serious illness, significant disruption to the city and to council services in the short- to medium-term and long-term negative economic impact as a result of the coronavirus pandemic, potentially greater impact on more vulnerable and disadvantaged	Tom Riordan, Chief Executive	Cllr J Blake: Leader of Council and Executive Member for Economy and Culture	Very High
In-year budget	The council’s financial position goes into significant deficit in current year resulting in reserves being less than minimum specified by council’s risk-based reserves policy	Neil Evans, Director of Resources and Housing	Cllr J Lewis: Deputy Leader & Executive Member for Resources	Very High
Medium-term financial position	The council cannot balance its Medium-Term Financial Strategy	Neil Evans, Director of Resources and Housing	Cllr J Lewis: Deputy Leader & Executive Member for Resources	Very High
Economic growth lag	Growth in Leeds’ businesses is slower and less inclusive than the national and international economy, leading to lower wages, fewer jobs and poorer citizens and communities	Martin Farrington, Director of City Development	Cllr J Blake: Leader of Council and Executive Member for Economy and Culture	Very High
Safeguarding children	Risk of harm, accident or death to a child linked to failure of the council to act appropriately according to safeguarding arrangements	Sal Tariq, Director of Children and Families	Cllr F Venner: Executive Member for Children & Families	Very High
Safeguarding adults	Failure a) of staff in any council directorate to recognise and report a risk of abuse or neglect facing an adult with care and support needs in Leeds, and b) of staff adult social care to respond appropriately, in line with national legislation and safeguarding adults procedures	Cath Roff, Director of Adults and Health	Cllr R Charlwood: Executive Member for Health, Wellbeing & Adults	High
City resilience	Risk of significant disruption in Leeds	Neil Evans, Director of Resources and Housing	Cllr J Lewis: Deputy Leader & Executive Member for Resources	Very High
Major flooding	Major flooding, especially north of the city centre station, occurs in Leeds that has a significant impact on homes, business, land and infrastructure	Martin Farrington, Director of City Development	Cllr M Rafique: Executive Member for Environment & Active Lifestyles	Very High
Climate change	Failure to adapt to and mitigate more extreme weather conditions brought about by climate change, resulting in an adverse impact on Leeds (its people, communities, infrastructure, economy and natural environment)	Neil Evans, Director of Resources and Housing	Cllr L Mulherin: Executive Member for Climate Change, Transport & Sustainable Development	Very High
Council resilience	Risk of significant disruption to council services and failure to effectively manage emergency incidents	Neil Evans, Director of Resources and Housing	Cllr J Lewis: Deputy Leader & Executive Member for Resources	Very High
Cyber risk	Risk to citizens, council and city as a result of digital crime, process failure or people’s actions	Neil Evans, Director of Resources and Housing	Cllr J Lewis: Deputy Leader & Executive Member for Resources	Very High
Information management	Risk of harm to individuals, partners, organisations, third parties and the council as a result of non-compliance with Information Governance legislation and industry standards	Neil Evans, Director of Resources and Housing	Cllr J Lewis: Deputy Leader & Executive Member for Resources	High
Health and safety	Risk of a health & safety failure resulting in death, injury, damage or legal challenge	Neil Evans, Director of Resources and Housing	Cllr J Lewis: Deputy Leader & Executive Member for Resources	High

Coronavirus Corporate Risk Assurance

Risk overview

The coronavirus pandemic is a threat to life, health, wellbeing and the economy. In Leeds, this has tragically resulted in fatalities and serious illness, significant disruption to the city – its residents, businesses and infrastructure - and to council services, with the consequences potentially greater for those more vulnerable or disadvantaged. Whilst many aspects of the risk have already materialised, there are still numerous uncertainties and at this stage it is hard to predict the full scale, or timing, of the impacts of Covid-19.

Key controls in place to manage the risk

The city was prepared for, and is responding to, this unprecedented global crisis within the information and resources available, working with a broad range of partners to mitigate the effects of the outbreak and to recover. The key controls in place include:

- The council's important role in the city's multi-agency command and control arrangements, which have been developed further in response to Covid-19 to facilitate the coordination and communication on a set of complex interrelated challenges. This work is captured in the Leeds Strategic Response and Recovery Plan.
- Maintaining the provision of council services, prioritising those that are critical whilst having to temporarily cease or reduce those that are not. Also introducing new and increased forms of practical support, such as millions of PPE items being delivered to care homes, children's homes and GP surgeries; extra food parcels sent out; distributing grants to more than 10,000 businesses; increasing the Meals at Home service and ensuring free school meals continue.
- Through council Leader and Chief Executive groups, liaising with other Yorkshire and Humber councils on key issues and to share best practice and communicating with Government to influence national developments as far as possible from a local government perspective. In May, Leeds' Chief Executive also took on a temporary national role leading the 'trace' element of Government's new Covid-19 test and trace programme, building on knowledge and public health expertise of local government. Local authorities are now developing tailored outbreak control plans, working with local NHS and other stakeholders.
- Regular information and updates are communicated to a wide range of stakeholders including citizens, communities, councillors and MPs, partner organisations, businesses, suppliers and council staff.

Further actions planned

Detailed information on the actions of the council and its partners is provided through updates to the Response and Recovery plan reported each month since March 2020 to the council's [Executive Board](#) – the council's principal decision-making body. Actions include:

- Continued liaison and support between the council and its key partners, in particular those for social care and health and the third sector, to provide a co-ordinated multi-agency response as we shift to a recovery phase.
- Further support to the most vulnerable, including signposting them to other services where appropriate, such as helplines and food provision.
- Liaison, support and advice for businesses, especially for types of grants available.
- Covid-19 testing for qualifying groups available at Temple Green Park & Ride site.

More information

Information for people, communities and businesses to get help, as well as finding out how council services are affected, can be found at leeds.gov.uk/coronavirus. Health advice can be found via the [NHS coronavirus page](#). The latest government advice can be found at gov.uk/coronavirus

Financial Management Corporate Risk Assurance

Risk overview

The current and future financial climate for local government represents a significant risk to the council with the ongoing challenge of delivering services within significantly reduced funding levels further impacted by the coronavirus pandemic. This has seen the council incur additional expenditure whilst at the same time seeing reductions in the level of resources available through a combination of lower forecast income levels for both Business Rates and Council Tax and a reduction in the level of income receivable from sales, fees and charges.

Failing to deliver a balanced budget that addresses these issues both in the short and medium-term will ultimately require the council to consider even more difficult decisions that could have a far greater impact on front-line services, including those that support the most vulnerable. If the council's Chief Officer Financial Services in their professional opinion considers that the authority cannot deliver a balanced budget position in 2020/21, a Section 114 notice would have to be issued, prompting an emergency budget.

Key controls in place to manage the risk

- **Roles and responsibilities** - financial management within the council is delivered by colleagues who report to and are accountable to the Chief Officer Financial Services (the Section 151 Officer).
- **Strategic financial planning** – based on the funding settlement from the government.
- **Budget preparation and setting** – revenue budget planning continues throughout the preceding financial year, whereas capital spending operates within a three-year programme.
- **In-year budget monitoring** – both revenue and capital budgets are continually monitored and reported regularly to senior managers and members. Financial Health Monitoring Reports are reviewed by the council's Executive Board each month.
- **Closure of accounts** – timely accounts without audit qualification ensures we can properly account for resources used during the year and fully understand the council's financial standing.
- **Audit inspections** – providing elected members and the public with independent assurance that the accounts reflect a true and fair view of the council's financial position.

Further actions planned

Whilst the council continues to make every effort to protect the front-line delivery of services, it is clear that the position is becoming more difficult to manage financially. Immediate focus is being placed on dealing with the financial implications for the council from the coronavirus pandemic, though the inherent pressures that existed prior to Covid-19 must also be managed.

The council's Executive Board will be receiving a number of reports in the coming months setting out a range of options for the capital and revenue budgets in 2020/21 and beyond with a further update to the authority's rolling 5-year Medium-Term Financial Strategy scheduled for September 2020. At the time of writing, the most recent report considered at the Board's May 2020 meeting approved a series of proposals aimed at securing additional coronavirus financial support for local government from the Government.

More information

- All Executive Board meetings and agenda items can be found [here](#). The May 2020 report referenced above is available [here](#).
- [Our financial plans](#)
- [Our financial performance](#)

Economic Growth Lag Corporate Risk Assurance

Risk overview

Changes to the global, national and local economic environment all represent threats to the Leeds economy. In particular, our economy has been significantly impacted by the Covid-19 pandemic. If Leeds fails to adapt and recover at the same pace as the rest of the economy, and if the council and its economic partners don't understand the challenges and opportunities, deliver effective business and skills, and infrastructure support, this will have an adverse impact on the economy, business survival, investment and growth. There will be further longer-term consequences for the city in terms of lack of opportunity, lower wages, falling employment levels and an increase in poverty and inequality.

Key controls in place to manage the risk

- The council has a dedicated Economic Development Team which works on a diverse range of projects to support business, create employment and drive economic growth.
- As part of Leeds' Multi-Agency Command and Control arrangements, an Economy & Business Group exists to help this aspect respond and recover from a crisis.
- We have an engagement group of independent businesses to understand the needs of this vibrant sector.
- We work in conjunction with our partners (including the [West Yorkshire Combined Authority](#), [Leeds City Region Enterprise Partnership](#) and the Leeds [Chamber of Commerce](#)) on a range of aspects such as supporting business growth and enterprise, promoting a thriving and safe city centre and delivering regeneration projects.

Further actions planned

The current actions to treat this risk are focused on helping businesses respond and recover from the Covid-19 pandemic. Key actions include:

- Efficient processing of payment of grants and ongoing engagement, support and advice to businesses.
- The continued delivery of employment support programmes.
- Maintaining effective engagement with businesses to understand the impact on the local economy.
- Ensuring that any lessons learnt are built into future recovery planning.
- Reviewing and updating the Leeds Inclusive Growth Strategy which sets out how the council and its partners in the city will work together to grow the Leeds economy. (Inclusive Growth, along with Health and Wellbeing and the Climate Change Emergency, is one of the three 'pillars' supporting our Best Council Plan.)
- Engaging with businesses to identify how they can shape, contribute to, and benefit from a post-Covid-19 economic recovery programme, especially large anchor businesses.
- Identifying what business engagement and collaboration mechanisms are needed to support recovery.

More general actions include:

- Further developing local and regional recovery plans and groups, including those in preparation for the West Yorkshire Devolution area which, subject to further consultation and approvals, will come into force from May 2021.
- Developing web sites that provide information, guidance and support for local businesses.
- Progressing links with central government to promote and maintain lobbying to ensure that the recovery needs of Leeds businesses are fully understood and programmes are able to support these.
- Developing links with new business start-ups to encourage growth and support survival.

More information

- [Business and licensing](#) information is available on [leeds.gov](#), including how to start and grow a business.
- The Leeds Inclusive Growth Strategy can be viewed [here](#).

Safeguarding Children Corporate Risk Assurance

Risk overview

The potential consequence of a significant failure in safeguarding is that a child or young person could be seriously harmed, abused, or die. This is a tragic outcome for all, including the family of the young person. From a council perspective, this could damage the council's reputation, depending on the seriousness of failure, and could possibly lead to intervention by Ofsted and/or government.

Key controls in place to manage the risk

The council is strongly committed to improving the safeguarding of children and young people and the main controls in place for this are as follows:

- **Plans and strategies:** Safeguarding is a clear priority in the strategic plans of the council and relevant partners, in particular the Children and Young People's Plan, the work of the Children and Families Trust Board and the Child-Friendly Leeds initiative; Child-Friendly Leeds is one of the Best Council Plan priorities. The Leeds Early Help Strategy, recently revised with input from partners across the city, reinforces the multi-agency commitment to Early Intervention and Prevention in order to avoid the escalation of need. Through the council's Safeguarding Policy, all council staff have an obligation to protect all children, and vulnerable adults. The policy helps employees to understand, recognise, and report a safeguarding concern.
- **Maintaining a strong safeguarding partnership** - The responsibilities for safeguarding are collectively held by the council, the local clinical commissioning group and West Yorkshire Police, through the [Leeds Safeguarding Children Partnership](#) (LSCP). The LSCP is independently chaired and consists of the three key agencies – the council, Health and West Yorkshire Police - who collectively hold statutory responsibilities for safeguarding. Safeguarding is also a key theme running through all the work and priorities of [Safer Leeds](#)¹.
- **Inspection** - The most thorough assurances for this risk are the independent external inspections by Ofsted, the Care Quality Commission (CQC) and other inspection bodies who regulate services that care for children and young people. The most recent Ofsted inspection of children's social care services in the autumn of 2018 judged Leeds' overall effectiveness to be outstanding, praising its highly motivated, experienced and stable workforce and the senior leadership team who are, 'committed to continuous improvement, invite feedback and engage in innovations to further enhance services. This is reflected in an accurate self-evaluation and improvement plan, focusing not just on successes but also on areas where further work is required.' (The full Ofsted inspection report is available [here](#))
- **Social workers** - Qualified social workers in the Duty and Advice Team are based at the 'Front Door' along with police and health practitioners as part of the council's partnership arrangements. This ensures timely decisions about safeguarding concerns are considered by the relevant professionals so that the appropriate decision is made for every child/young person where there are safeguarding concerns. Out of Hours Emergency Duty Social Workers are based at Elland Road Police Station with the Police Safeguarding team to respond to safeguarding concerns.
- **Performance management / quality assurance** – There is a robust performance management and quality assurance framework in place that ensures management oversight at every level, internal scrutiny and review. Mosaic, the Children's Social Work Service's case management system, offers a transparent view of the child through social care processes, thereby further strengthening safeguarding for the most vulnerable children. The system ensures information is available in a central location, from which reporting and

¹ Safer Leeds is the city's Community Safety Partnership, responsible for tackling crime and disorder

monitoring is easily accessible. This in turn facilitates improved oversight and challenge from senior managers through the use of regular performance reports.

- **Reporting arrangements** – Clear and well publicised guidance is available on the leeds.gov and LSCP websites for members of the public and practitioners on how to report child safeguarding concerns.
- **External partners** - Challenge and scrutiny from external experts, leading practitioners and the extensive use of research to inform practice. Leeds' role as a Partner in Practice (PiP) has strengthened co-operation with national government and other leading local authorities.

Further actions planned

- Continued joint work in clusters to identify and support the most vulnerable children and their families in the context of the current Covid-19 pandemic. This includes ongoing development of the three newly established multi-agency Bronze groups that provide a strategic response to emerging issues at the cluster level.
- Ongoing development of the three Early Help hubs supporting cross council, multi-agency, integrated work and the early identification of need.
- Ongoing strategic developments in response to Domestic Violence and Abuse
- Ongoing [campaigns](#) such as the annual [Leeds Safeguarding Week](#) and Think Before You Send
- [Safer Leeds](#)² and the LSCP are bringing together a joined-up strategic approach to tackling youth violence, crime and exploitation.

More information

For more details on how the council and its partners are managing this risk, please refer to the Leeds Safeguarding Children Partnership Annual Report (2018/19) considered by the council's Executive Board in January 2020 and available [here](#).

² Quote from Leeds Ofsted's Inspection of Children Social Care Services Summary Report on Leeds, 2018

Safeguarding Adults Corporate Risk Assurance

Risk overview

The abuse of adults with care and support needs in Leeds can happen anywhere, be committed by anyone and can take many forms. To prevent this type of abuse and to support individuals to meet their desired outcomes should harm take place, a range of safeguarding measures are in place. Should any of these measures fail, an adult may suffer violence, serious harm and/or ultimately death. Such a tragic outcome could represent a failure in the council's legal and ethical safeguarding duties and have significant resource implications including financial costs, ombudsman enquiries and even judicial review.

Key controls in place to manage the risk

The [Leeds Safeguarding Adults Board](#) (SAB) is a multi-agency statutory partnership of organisations, including the council, that work together to both prevent and end abuse of adults with care and support needs in Leeds. The SAB has a [Strategic Plan](#) and produces an annual report which sets out specific actions that help the Board achieve its ambitions. Other controls in place to manage this risk include:

- Multi-agency [Safeguarding Adults Policies and Procedures](#), including national and regional guidance publications.
- Cross-Council Safeguarding Policy: all council staff have an obligation to protect all children, and vulnerable adults. The Policy helps employees to understand, recognise, and report a safeguarding concern.
- Undertaking safeguarding adults reviews (in accordance with the Care Act 2014).
- Safeguarding is a key theme running through all the work and priorities of [Safer Leeds](#), the city's community safety partnership.
- Checks are made by the [Care Quality Commission](#) (CQC¹), the independent regulator of health and social care in England on the quality of care in registered services.
- Clear, simple and easy to find information available on [what abuse is and how to report it](#).
- The Front Door Safeguarding Hub, an umbrella term which describes the partnership arrangements through which a wide range of safeguarding partners work to support people who have been subject to Domestic Violence and Abuse.
- A rigorous and tiered training and competency framework for front line staff.

Further actions planned

The main actions to deal with safeguarding adults can be seen in the SAB's annual report, framed around four key ambitions: Talk to me, hear my voice; Improvement awareness across all our communities; Improve responses to domestic abuse; and Learning from experience to improve how we work. The report also provides further details such as progress achieved, target dates and ratings to show how on track they are. Further actions include:

- Continuing the joint work with the NHS Leeds Clinical Commissioning Group (CCG), commissioning teams within the council and the Care Quality Commission, to ensure that quality concerns in regulated care services are picked up early and prevented from developing into safeguarding concerns.
- Ongoing promotion and awareness of safeguarding across the city, including the annual Safeguarding Week and the [16 Days of Action](#) and [White Ribbon campaigns](#).

More information

The Leeds Safeguarding Adults Board annual report 2018/19 is available [here](#).

¹ The CQC monitors, inspects and regulates services to make sure they meet fundamental standards of quality and safety. It sets out what good and outstanding care looks like and makes sure services meet fundamental standards below which care must never fall.

City Resilience (including major flooding) Corporate Risk Assurance

Risk overview

Leeds, like any other major city, can suffer disruption caused by the impact of a major incident or emergency. Recently the city, its people and communities have experienced disruption from adverse weather and major flooding and continue to live with the impacts of the coronavirus pandemic. Planned events such as cultural, sporting and protest processions requiring road closures can also place pressure on the city's infrastructure. The risk would be exacerbated should more than one major incident occur in the city at the same time. Disruption can impact for several hours, days, weeks and even months whilst response and recovery is completed.

Key controls in place to manage the risk

- A dedicated Resilience and Emergency Team to co-ordinate the council's response to a major incident and an emergency control centre to operate from.
- Promotion and use of [Leeds Alert](#), the council's free warning and informing system to send out emergency alert messages to businesses registered with the scheme.
- A 'top down' approach to managing risks based on the National Security Risk Assessment which compares, assesses and prioritises all major disruptive risks to the UK's national security. This informs the West Yorkshire Community Risk Register which in turn forms the basis of multi-agency planning between the council and partner organisations for the West Yorkshire region.
- A wide range of emergency and continuity plans which are regularly tested and exercised.
- Specifically on flood risk management, the flood alleviation scheme ([Phase 1](#)) which reduces the risk of flooding in the city centre.

Further actions planned

The main actions relating to the council's response to, and facilitating the recovery from, the coronavirus pandemic in conjunction with our broader partners are seen in the Response and Recovery Plan submitted to Executive Board each month (please refer to the Coronavirus risk assurance above for more information). More general actions relating to the City Resilience risk include:

- Ongoing work with businesses and other organisations to develop greater resilience in the city.
- Promoting community resilience by effective communications with the public.
- Working closely with other local authorities and partners that together form the West Yorkshire Resilience Forum for preparedness to respond to major and often cross boundary emergencies.
- Working together with partners from the Safety Advisory Group to ensure events in Leeds are delivered safely.
- Continuing to support national counter-terrorism campaigns and initiatives.
- Progression of the flood alleviation scheme ([Phase 2](#)) and the development of local initiatives to reduce the risk of flooding across Leeds to improve the resilience and self-reliance of communities.

More information

- Information on how to prepare for and respond to [emergencies](#) can be found on the council's [leeds.gov](#) website.
- The West Yorkshire Police website contains details of the [West Yorkshire Resilience Forum](#) and the [West Yorkshire Community Risk Register](#).
- Details of the work undertaken with a range of partners across the region to deliver [flood alleviation](#) schemes is available on the council's website.

Climate Change Corporate Risk Assurance

Risk overview

The climate change threat is one of the greatest challenges facing this and future generations across the world. More extreme and more frequent severe weather, such as flooding and heatwaves, will impact on the people, communities, infrastructure, economy and natural environment of Leeds unless there is joined-up and concerted effort to adapt how we live and to mitigate the effects of climate change.

Key controls in place to manage the risk

The council has a significant role to play in tackling climate change, leading by example in adapting our own operations to reduce emissions and supporting businesses, households and individuals to do the same, and also in helping to reduce the impacts of extreme weather events on Leeds. A number of the controls are detailed in the city and council resilience risks seen elsewhere in this report with additional climate change-specific controls including:

- Facilitation and support is provided by a dedicated team of staff with specialist knowledge and experience¹, and with representation at a senior level within the organisation.
- The [Leeds Climate Commission](#) informs the work we do to tackle climate change. The Commission brings together key organisations and actors from across the city and from the public, private and third sectors and helps Leeds make positive choices on issues relating to energy, carbon, weather and climate.
- The [Climate Emergency Advisory Committee](#) is authorised to consider and make recommendations regarding climate change and sustainability.
- Working with West Yorkshire Combine Authority (WYCA) to deliver the [Connecting Leeds Transport Strategy](#), which includes the promotion of public transport usage and active travel.

Further actions planned

Tackling the climate change risk is everybody's responsibility. The council is working with major bodies across Leeds and encouraging smaller businesses to play their part in reducing their carbon footprint. Our plan is to:

- Develop greater resilience to extreme weather in the city, for example to help mitigate the impact of major .
- Promote further community resilience through effective communications with the public.
- Reduce the level of greenhouse gas emissions from the city to net zero by 2030 by:
 - reducing our own carbon footprint, from all the council's operations, to net zero by 2025
 - supporting businesses and homeowners to implement energy efficiency and renewable energy projects
 - promoting cycling, walking, the use of public transport and zero emission vehicles
 - promoting a less wasteful, low carbon economy
 - building sustainable infrastructure, including large scale renewables
 - helping residents reduce their own carbon footprints
 - undertaking an extensive tree planting programme to offset any emissions which remain
- The actions that the council can take within the powers and resources currently at its disposal will not, however, be sufficient to move the city to a net zero carbon position. There are many areas where government policy changes are required and where further funding is needed.

The impact of coronavirus on our response to the climate emergency is complex, but presents significant opportunities presented by the reduction in travel and encouraging more active travel. As we move out of lockdown and towards a longer lasting new 'normal' we will need to restate our carbon reduction ambition for the city, bringing a renewed focus to this vital work. This could encompass promoting more sustainable and healthy movement of people; new ways of working, adopting digital technology and home working; emphasising the value of green spaces and reviewing the role of spatial planning in pursuing low carbon; and influencing consumer behaviour and increasing recycling.

More information: Further details about the actions we are taking can be seen in our [Climate Emergency Report](#).

¹ It should be noted that key members of the Sustainable Energy and Air Quality Team are currently helping to lead and manage the council's response to Covid-19 and so have been temporarily diverted from their climate change roles.

Council Resilience Corporate Risk Assurance

Risk overview

This risk relates to significant disruption to the delivery of council services and the failure to effectively manage and recover back to 'business as usual'. Disruptive incidents, such as a major IT failure, adverse weather or industrial action, can arise from many sources and lead to reductions or even prolonged suspension of council services - as is the case currently with the coronavirus pandemic. When critical front line services are disrupted, this can result in communities and vulnerable people in particular being impacted.

Key controls in place to manage the risk

The controls in place are designed to ensure that the council can continue to provide its critical or prioritised services or functions in the event of an incident or disruption.

- A well-established Business Continuity Policy and Strategy set out the plans to deal with any disruption and a Business Continuity Management (BCM) Toolkit contains information, guidance and templates for use by council services.
- The Emergency Management Plan (EMP) which covers both response and recovery can be activated should a significant, prolonged and widespread business continuity event occur.
- The council's ability to quickly assemble a team of officers to deal with a major disruption event alongside our partner organisations is currently being demonstrated with Covid-19.
- Business Continuity Plans (BCPs) are in place for all critical council services that document the actions required to protect those services should a disruptive incident or emergency occur. The plans were reviewed in readiness for the impact of EU Exit and activated recently to deal with coronavirus.
- Arrangements are in place to warn and inform the public and businesses about incidents, such as through Leeds Alert.
- The council's Resilience & Emergencies Team provides advice and guidance across the whole organisation to support these business continuity arrangements.

Further actions planned

- Ongoing work as part of the city's multi-agency response to and recovery from coronavirus.
- Continue to learn from business continuity incidents and contribute to any lessons learned from them at local, regional and national level.
- Regular review, revision and exercising of business continuity plans and arrangements.
- Continue to identify new threats and hazards and to prepare and plan our capabilities to be able to respond and recover from them should any occur.
- Council directors playing into the annual West Yorkshire Resilience Forum 'Gold' exercise
- Provision of advice and assistance to business and voluntary sector²

More information

For more details on how the council manages this risk, please refer to the [Annual Business Continuity Report](#) considered by the authority's Corporate Governance and Audit Committee.

² The Civil Contingencies Act 2004 requires local authorities to provide advice and assistance to those undertaking commercial activities and voluntary organisations in relation to business continuity management.

Health and Safety Corporate Risk Assurance

Risk overview

Should a serious health and safety (H&S) incident arise from the many services that the council provides or commissions, it could result in death, injury or chronic ill-health to a wide range of stakeholders including service users and staff. If things go wrong, regulatory and enforcement bodies such as the [Health and Safety Executive](#) (HSE) could undertake investigations into the council and this may require the suspension of services or closure of buildings.

Key controls in place to manage the risk

- **Health, Safety and Wellbeing Policy and Strategy** – setting out the council's commitment to H&S. The Strategy includes a set of refreshed priorities such as stress, mental health and muscular-skeletal disorders as well as the H&S roles and responsibilities of all staff.
- **Roles and responsibilities** - Professionally qualified staff including the Head of Health, Safety and Wellbeing and a team of H&S Advisers and Occupational Health Practitioners. All council staff also have H&S responsibilities and a number are trained as Mental Health First Aiders.
- **H&S training, advice and support** – available internally for staff and elected members. Regular communications and engagement on health, safety and wellbeing matters take place, this being a particularly high priority during the current coronavirus pandemic.
- **Processes & reporting** – Regular reporting on H&S issues and performance to a range of internal stakeholders, including the Health, Safety and Wellbeing Priority Board' Corporate Health, Safety and Wellbeing Committee; the Corporate Leadership Team (consisting of the council's Chief Executive and directors) and the Executive Board. An annual report to the Executive Board is produced which demonstrates how duties set out in the council's Health and Safety Policy are discharged.
- **Co-operation & Consultation** – between managers and employee representatives on H&S issues with specialist working groups also covering specific areas such as asbestos, social care and outdoor education. Best practice is shared between the council and other organisations.
- **Working with partner organisations** – essential pro-active maintenance of council buildings, schools and housing stock is carried out with contractors. A Fire Safety Concordat is also in place between the council and the West Yorkshire Fire & Rescue Authority (WYFRA). It is intended to provide a framework to ensure that the roles and responsibilities of the two organisations are effectively translated into practical working arrangements.

Further actions planned

Over the coming months risk management actions will be focused on how council services can recover from the coronavirus pandemic whilst maintaining health, safety and wellbeing standards and adapting to any significant changes required: for example, an increased use of PPE amongst staff. Following the UK's exit from the European Union, work will also take place to keep abreast of any changes in Health and Safety legislation that result.

Further information

- The council's latest Health, Safety and Wellbeing Performance and Assurance report was considered by the Executive Board in July 2019 and is available [here](#).
- The [Care Quality Commission](#) is the independent regulator of health and adult social care in England. They monitor, inspect and regulate services to make sure they meet standards of quality and safety.

Information Management and Cyber Security Corporate Risk Assurance

Risk overview

Failure to manage personal information properly could cause distress, harm or even death to individuals, with the council facing legal and enforcement action, fines and loss in public confidence. Linked to information management, the council's digital infrastructure is under constant attack from malicious sources attempting to disrupt the confidentiality, availability and integrity of our information or bring our systems and applications to a standstill, severely impacting our ability to deliver critical services. These risks require extensive management and treatment by the council.

Key controls in place to manage the risk

The council has adopted a wide range of controls to ensure the resilience of the information governance arrangements and IT systems. These cover the following themes:

- **People** – Roles and responsibilities are clearly set out, including a Senior Information Risk Owner, Data Protection Officer and a Caldicott Guardian (a senior person responsible for protecting the confidentiality of people's health and care information). Mandatory training for elected members and staff and internal guidance on managing information and cyber security is also provided through which the message is reinforced that this risk is everyone's responsibility.
- **Policies and processes** – are in place that are fit for purpose and reflect legislative requirements- In particular the General Data Protection Regulation (GDPR) and Data Protection Act (2018) - including those for Information Assurance and Information Sharing.
- **Technology** – Protection, such as 'firewalls' to prevent breaches of the council's IT network, and passwords to protect information held on council devices and systems.
- **Assurance and Compliance** – Information management forms part of the council's Annual Governance Statement which reports on the effectiveness of the council's internal controls, reviews and inspections (internal and external) and adopting compliance regimes such as the government's Public Services Network (PSN)¹ Code of Connection and the Data Protection and Security Toolkit for Health.

Further actions planned

- Review of interim information security measures for staff working at home and use of technology in response to the coronavirus pandemic.
- Update of the Information Management Strategy.
- Ongoing work to retain the council's PSN compliance.
- Commencement of the Paper Rationalisation programme.

More information

- An annual report is considered by the council's Corporate Governance and Audit Committee which details the steps being taken to maintain and improve the authority's information governance. The most recent report from March 2020, which includes the annual report of the Caldicott Guardian, is available [here](#).
- The [Information Commissioner's Officer \(ICO\)](#) website. The ICO is an independent authority upholding information rights in the public interest, promoting openness by public bodies and data privacy for individuals.
- The National Cyber Security Centre also has a [Public Sector](#) information and guidance page.

¹ PSN Code of Connection (CoCo) is an independent security assessment of external and internal network infrastructure and devices.

Annexe 1: Leeds City Council's Risk Evaluation Matrices

The tables below give guidance on assessing risks on a scale of 1 to 5 in terms of their probability and impact, based on the current controls in place. Together, the two scores combine to give a risk rating. Additional notes to help make an assessment and the risk map used to determine the rating are on the next page.

Qualitative and quantitative descriptions are included to help evaluate a broad range of risks and give a level of consistency across the council's risk registers. However, you may have additional criteria you want to consider when carrying out your risk assessment or it may be that you need to adjust the thresholds up or down in an impact area such as finance / cost so please treat the tables below as a starting point. Also please bear in mind that risks will change (e.g. new information becomes available; the environment changes) so you will need to review your risk assessments frequently and adjust them as necessary.

Probability					
Probability score	1	2	3	4	5
Descriptor	Rare	Unlikely	Possible	Probable	Almost certain
Frequency <i>How often might it / does it happen</i>	This will probably never happen / recur	Not expected to happen / recur	Might happen or recur occasionally	Will probably happen / recur but it is not a persisting issue	Will undoubtedly happen / recur, possibly frequently
Likelihood <i>Will it happen or not over the risk timescale</i>	Less than 5% chance	Around 10% chance	Around 25% chance	Around 60% chance	Around 90% chance

Impact					
Impact score	1	2	3	4	5
Descriptor	Insignificant	Minor	Moderate	Major	Highly significant
Health & Safety <i>Impact on the safety and wellbeing of the public and staff</i>	No ill effects.	Short-lived / minor injury or illness that may require First Aid or medication. Small number of work days lost.	Moderate injury / ill-effects requiring hospitalisation. Risk of prosecution from enforcement agencies.	Single fatality and/or long-term illness or multiple serious injuries.	Multiple fatalities and / or multiple incidences of permanent disability or ill-health.
Environment / community	No effect on local infrastructure, communities or the environment.	Superficial damage to local infrastructure (e.g. minor road) but little disruption caused.	Medium damage to local infrastructure (e.g. minor road) causing some disruption.	Key elements of local infrastructure (e.g. school, major road) damaged causing major disruption.	Extensive damage to critical elements of local infrastructure (e.g. school, hospital, trunk road) causing prolonged disruption.
Impact score	1	2	3	4	5
Descriptor	Insignificant	Minor	Moderate	Major	Highly significant
Service interruption¹	Negligible. No impact on services.	Minor inconvenience for service users and staff. Services quickly restored.	Some client dissatisfaction but services restored before any major impacts.	Major disruption to service delivery. This could be through a single event or a series of outages.	Massive disruption to services. Recovery difficult or even impossible.
Staff	No impact on staff or service delivery.	Short-term low staffing level that temporarily reduces service quality. No impact on staff morale.	Medium-term low staffing level / insufficient experienced staff to deliver quality service. Some minor staff dissatisfaction.	Late delivery of key objective / service due to lack of experienced staff. Low staff morale.	Non-delivery of key objective / service due to lack of experienced staff. Very low staff morale.
Finance / cost ² <i>Impact on relevant budget (e.g. service, project). Includes risk of claims/ fines.</i>	No or minimal financial cost. Budget risk register: £0 - £499k	Losses / costs incurred of 1-2% of budget. Budget risk register: £500 - £999k	Losses / costs incurred of 3-5% of budget. Budget risk register: £1000k - £1,499k	Losses / costs incurred of 6-10% of budget. Budget risk register: £1500k - £1999k	Losses / costs incurred of more than 10% of budget. Not covered by insurance. Budget risk register: Over £2m
Statutory duties / inspections	No or minimal impact or breach of guidance / statutory duty.	Minor breach of statutory legislation / regulation. Reduced performance rating if unresolved.	Single breach in statutory duty. Challenging external recommendations / improvement notice.	Several breaches in statutory duty. Enforcement action and improvement notices. Critical report. Low performance rating.	Multiple breaches in statutory duty. Prosecution. Complete systems / service change required. Severely critical report. Zero performance rating.
Projects / Programmes <i>(Time / Cost / Quality – for Cost impacts see 'Finance / cost' above)</i>	Little or no schedule slippage. No threat to anticipated benefits & outcomes.	Minor delays but can be brought back on schedule within this project stage. No threat to anticipated benefits & outcomes.	Slippage causes delay to delivery of key project milestone but no threat to anticipated benefits / outcomes.	Slippage causes significant delay to delivery of key project milestone(s). Major threat to achievement of benefits / outcomes.	Significant issues threaten entire project. Could lead to project being cancelled or put on hold.
Reputation <i>Adverse publicity</i>	No adverse publicity. Rumours.	Single adverse article in local media or specific professional journal that is not recirculated (e.g. through social media). Leeds City Council one of a number of agencies referred to.	A number of adverse articles in regional / social media mentioning Leeds City Council. Some recirculation via social media. Single request for senior officer / member to be interviewed on local TV or radio. Adverse reaction by Leeds residents in YEP / social media / online forums. Short-term reduction in public confidence.	Series of adverse front page / news headlines in regional or national media. Wider recirculation via social media. Sustained adverse reaction by Leeds residents in YEP / social media etc. Repeated requests for senior officer / member to be interviewed on local TV or radio. Long-term reduction in public confidence.	Sustained adverse publicity in regional media and / or national media coverage. Extensive / prolonged recirculation via social media channels. Repeated requests for Council Leader / Chief Executive to be interviewed on national TV or radio. Possible resignation of senior officers and / or elected members. Total loss of public confidence, potential government intervention.

¹ No timescales for interruptions have been given as the impact will vary from service to service and across the year. For example, a service interruption or outage of 1 day might be inconvenient for some services but critical for others. Equally, an outage of 1 day during the Christmas holidays might have no impact on many services but if this came at a particularly important time of the business cycle, it could cause significant issues. Services, particularly those deemed as 'critical' Council services, should consider their business impact analyses and business continuity plans when making this assessment.

² The budget risk register impact scores are defined by the Council's Financial Management service.

Additional notes

Probability

If you're not sure about the percentage chance of a risk happening over a given timescale and you don't have the data to assess its frequency, use the probability descriptors (i.e. 'Unlikely', 'Almost certain' etc.) to determine the most suitable score. The risk timescale – i.e. the period of time during which the risk could materialise - will vary according to the type of risk it is. For example:

- For a budget risk, it might be expected to materialise over this financial year or over the period of the Medium Term Financial Plan.
- For a project risk, it could be either over the whole of the project lifecycle or for a particular phase within the project.
- With regard to an event, the timescale will be from now until the date of the event.
- For a number of the more cross-cutting strategic risks such as those on the corporate risk register, it is likely that the risk could materialise at any time. In these instances, it would be useful to consider the frequency: e.g. has this ever happened in the past in Leeds and, if so, how often and how recently? Has anything changed to make the risk more likely to occur?

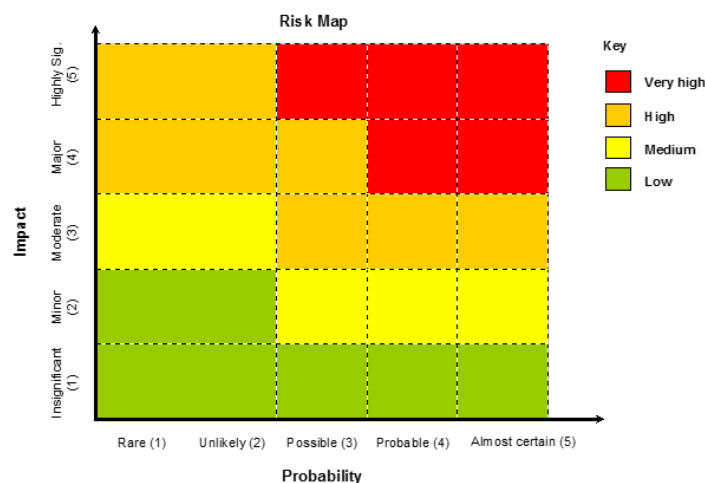
Impact

Many risks could have a range of consequences: for example, a Health & Safety breach could affect an individual as well as lead to reputational and financial damage for an organisation. It's therefore possible that you assess the risk as having an impact of '3' using the Health & Safety impact, '2' for Finance and '4' for reputation.

Although you could break the risk down into several different risks covering all these areas and then score each of them to address the varying impact scores, often this can crowd a risk register and take the focus away from the actual risk 'event': i.e. the Health & Safety incident. Where possible, it's better to have one risk and use your best judgement to give an overall single impact assessment score. In the example above, this might be a '3' if you were to average the three impact scores or '4' if you decided to go with a worst-case scenario.

Risk Rating

When you've assigned probability and impact scores to each of your risks, you can plot them on a risk map to give you the overall risk rating.



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Report author: Adele Robinson
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Report of the Director of Children's & Families and the Director of City Development

Report to the Executive Board

Date: 24 June 2020

Subject: Learning Places Design & Cost Report School Places
Delivery September 2020



Are specific electoral wards affected?	☒ Yes	☐ No
If yes, name(s) of ward(s): Beeston & Holbeck & Headingley & Hyde Park		
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 set out the demand for the creation of new secondary school places for September 2020 and seek approval for authority to spend and to incur capital expenditure on the projects associated with meeting that demand as part of the Council's Learning Places Programme, notably: Cockburn Academy and Leeds City Academy.
- Since 2009, Leeds City Council's Learning Places Programme has created over 11,500 primary school places across the city in response to rising birth rates which increased from 7,500 per year in 2001 to a peak of 10,350 in 2012. For the academic year starting in September 2018, a total of 1,600 new primary learning places were created to meet the continued demand and in 2019 315 were delivered. Since the peak in 2012 the birth rate has been declining resulting in the requirement for fewer permanent primary places and a decrease in the number of temporary or bulge solutions.
- As expected, as children move through primary and into secondary school, the demand for year 7 places has started to rise with 9254 places allocated for the academic year 2019/20 (an increase by nearly 300 children on the previous year) Projections estimate that in 2020/2021 it will increase by nearly 500 children and then by a similar amount in 2021/2022.
- There are specific areas of pressure in the City across the in relation to secondary school place requirements. These are South, East and North West Leeds. East Leeds is being addressed in part by the delivery of the new East Leeds secondary school proposal for 8Fe

at the Arcadia site at Torre Road, the purchased of the land for which approved at Executive Board in May 2020.

- The growing pressure in south Leeds has been known for some time and in 2017, the Council supported a successful wave 12 Free School application from Cockburn Multi Academy Trust (MAT) for the creation of a new 7 form of entry (FE) free school – Laurence Calvert, to be delivered on the former Middleton High School site for September 2019
- The Lawrence Calvert Free School (Department for Education led scheme) did not open for September 2019/20 and is now more likely to open for September 2022 at the earliest. As a consequence there is and will continue to be until the delivery of Lawrence Calvert, a significant shortfall of secondary places in South Leeds. To date the shortfall has been met with existing schools going over the Pupil Admission Number (PAN) and managing the additional pupils within the current footprint of the building. However the requirement for September 2020 will now need to be managed through the creation of bulge cohorts being constructed on existing school sites, resulting in substantial capital investment. The current pressure is to be managed in the first instance by the creation of 60 additional places at Cockburn Academy. The bulge cohort at Cockburn Academy is only temporary and therefore once pupils have completed Year 11 the school will revert back to a PAN of 240.
- The large increase in the secondary aged population across the North West and city centre area has resulted in many schools expanding on a temporary basis. Increased pressure for places for children with the Leeds City Academy (LCA) catchment which is expected to continue has required the school to take a bulge cohort for 2020 and for 2021 of an additional 60 places. All the accommodation associated with the bulge for 2020 and 2021 will be delivered for this September.
- The proposed schemes for Cockburn Academy and Leeds City Academy are to be considered as part of this Learning Places Design and Cost Report for September 2020 delivery are essential to ensure the Council meets its statutory duty to provide a sufficiency of school places. The schemes are to be funded from Learning Places Programme capital budget, reflecting the increase in admission numbers. Funding streams are to be primarily through Basic Need Grant, council borrowing, Community Infrastructure Levy and School Condition funding.
- The impact of the Covid-19 pandemic on project risk, programme and cost is currently unknown, this is being actively managed by each of the Project Teams to ensure the schemes are delivered for September 2020.

2. Best Council Plan Implications

- The schemes will be delivered under the City Council's Learning Places Programme and are required to fulfil the Local Authority's statutory responsibility to provide sufficient school places. In providing places close to where the children live the proposals will improve accessibility of local and desirable school places, and thus reduce any risks of non-attendance.
- The schemes contribute to the 2020/2021 Best Council Plan outcomes for everyone in Leeds to 'Do well at all levels of learning and have the skills they need for life'; 'Be safe and feel safe' and 'Enjoy happy, healthy, active lives'. They also support the vision in the supporting Children and Young People's Plan 2018-23, 'Leeds to be the best city in the UK and the best city for children and young people to grow up in. We want Leeds to be a child friendly city'. The programme seeks to deliver a supply of good quality accessible local school places which can contribute to these outcomes.

3. Resource Implications

- The total cost and capital investment associated with the bulge projects for September 2020 is £7,595,000 and can be broken down into the following:
 - Cockburn Academy £6,835,000
 - Leeds City Academy £760,000
- The cost will be met through the following capital scheme number 33176/BGE/CBN for Cockburn Academy and capital scheme number 33176/BGE/LCA for Leeds City Academy as part of the Learning Places Programme.
- With respect to the Cockburn scheme options may exist for further value engineering with the potential to reduce to financial outlay. These works are ongoing and any savings made will reduce the final figure reported here.
- The total estimated cost of the works at Cockburn Academy is £6,835,000 (inclusive of construction, furniture/IT, contingency, risk, highways and fees). Whilst it may appear that the scheme is costly for a bulge solution, a permanent expansion, using the DfE's cost per pupil rate of £17,564 generates a cost of £5.27m. However this figure excludes fees, surveys, climate change policy requirements and site abnormalities. The figure of £6,835,000 reflects the inclusion of the fees, insurance, site surveys, climate change policy requirements as well as some complex site abnormalities requiring grouting, uplift in the ground works/foundations, drainage and mechanical and electrical works required to address these issues.
- Whilst the cost of the proposed works for the Cockburn scheme are in excess of the cost per pupil rate, especially considering the scheme is a bulge solution, it should be noted that the challenge to address the issues across South Leeds are being met by several schemes which have had little or no cost. The requirement to deliver the proposals at Cockburn MAT and the accommodation it requires are as a consequence of the delay to the delivery of the Lawrence Calvert Free School which was due to be opened in September 2019. It is now unlikely that this will come forward until September 2020 at the earliest. September 2020 is challenging. However the issues will be further compounded in September 2021 should the Council's approach to the DfE to request that as a matter of urgency Lawrence Calvert is opened for September 2021, if necessary on a temporary site. The Council are awaiting the outcome of this approach to help inform considerations required for September 2021 and the solutions to be developed to meet them.

4. Recommendations

Executive Board is requested to:

- a) Note the additional secondary places that are required in order to reduce the amount of children being allocated a school place out of area.
- b) Approve authority to spend and incur expenditure of £6,835,000 from capital scheme number 33176/BGE/CBN for works associated with a 60 place bulge at Cockburn Academy for September 2020.
- c) Approve the proposal for the freehold transfer of the land identified within the report, which forms part of the former South Leeds Golf Course to Cockburn MAT, to allow the delivery of the sports field provision required as part of the proposals as detailed in paragraph 3.1.4;

- d) Approve authority to spend and incur expenditure of £760,000 from capital scheme number 33176/BGE/LCA for the works associated with a 60 place bulge at Leeds City Academy which are being delivered by the Local Education Partnership (LEP) for September 2020.
- e) Note the programme dates identified in section 3.2 of this report, in relation to the implementation of this decision, represents the critical path for project success and must be adhered to where possible.
- f) Note that the officer responsible for implementation is the Head of Service Learning Systems in Children's and Families Directorate.

1.0 Purpose of this report

1.1 The purpose of this report is:

- To provide background information and detail to Executive Board on the need for additional secondary school places across the city for delivery by September 2020.
- Contextualise the associated costs and risk implications of the proposed schemes, both in terms of the construction programme but also wider Learning Places Programme obligations.
- To seek authority to spend and incur a total expenditure of £7,595,000 to deliver both bulge projects at Cockburn Academy and Leeds City Academy for September 2020.

2.0 Background information

- 2.1 The Learning Places programme represents the Council's response to the demographic growth pressures in school place provision. The increasing birth rate in Leeds has required Leeds City Council to approve an increasing number of new school places since 2009 in order to fulfil its statutory duty. Since 2009, Leeds City Council's Learning Places Programme has created over 11,500 primary school places across the city in response to rising birth rates which increased from 7,500 per year in 2001 to a peak of 10,350 in 2012. Whilst from a primary perspective the demand for places has peaked and is now starting to decline, as expected, as children move through primary and into secondary school. The demand for year 7 places has started to rise with 9254 places allocated for the academic year 2019/20 (an increase by nearly 300 children on the previous year) Projections estimate that in 2020/2021 it will increase by nearly 500 children and then by a similar amount in 2021/2022.
- 2.2 There are specific areas of pressure in the City across the in relation to secondary school place requirements. These are South, East and West Leeds. East Leeds demand is being addressed through the delivery of the new East Leeds Secondary School at Torre Road through the purchase of land from Redcastle (Freeholds) Ltd (Arcadia Group Ltd).
- 2.3 The growing pressure in South Leeds has been known for some time and in 2017, the Council supported a successful wave 12 Free School application from Cockburn Multi Academy Trust (MAT) for the creation of a new 7 form of entry (FE) free school – Laurence Calvert, to be delivered on the former Middleton High School site for September 2019.
- 2.4 The Laurence Calvert Free School (Department for Education led scheme) will not open for September 2019/20 and is now more likely to open for September 2022 at the earliest. As a consequence there is and will continue to be been a significant shortfall of secondary places in South Leeds. To date the shortfall has been met with existing schools going over the Pupil Admission Number (PAN) and managing the additional pupils within the current footprint of the building. However the requirement for September 2020 will need to be managed through the creation of new classroom and other additional provision to support bulge cohorts being placed in existing schools resulting in substantial capital investment. This is to be managed in the first instance by the creation of 60 additional places at Cockburn Academy and 30 places at Cockburn John Charles Academy (which is subject to separate report previously submitted to Executive Board in September 2019). The bulge works at Cockburn Academy are temporary and once the bulge cohorts have completed Year 11 the schools will revert back to a PAN of 240. Cockburn John Charles are also taking a bulge of 60 places ahead of a permanent expansion in 2022 which was approved by Executive Board in September 2019.
- 2.5 Other September 2020 proposals consist of: Rodillian 1Fe who have increased their PAN without requiring additional build works, Woodkirk Academy who have accommodated 0.7Fe by also increasing their PAN, Bruntcliffe Academy who have added almost 1.5Fe with some minor structural alterations to their buildings at £280k. In addition Cockburn John Charles have

accommodated a 60 place bulge in 2019, are also accommodating 60 places in September 2020 and 30 places in 2021 ahead of a permanent expansion to a PAN of 240 by 2022.

- 2.6 The large increase in the secondary aged population across the North West and city centre area has resulted in many schools expanding on a temporary basis. Increased pressure for places for children with the Leeds City Academy (LCA) catchment which is expected to continue now requires the school to take a bulge cohort for 2020 and potentially for 2021 of an additional 60 places in total.
- 2.7 The details of both schemes are outlined in Section 3.0 below.

3 Main Issues

3.1 Design proposals

3.1.1 Cockburn Academy

3.1.2 Cockburn Academy (formerly Cockburn School) formed part of the Wave 1 Building Schools for the Future Programme (BSF). As a consequence half of the school was rebuilt and the remainder refurbished in time for its re-opening in September 2008. The school at that time was constructed under Building Bulletin 98 (BB98) minus 5%, the standard approach adopted across all BSF schools in Leeds. As a consequence the site area of the school was undersized for a PAN of 210 at that time. Since then the school has been permanently expanded in 2018 by 1Fe (30 places) to increase their PAN to 240. However in 2017, in addition Cockburn also accommodated a bulge of an additional 60 pupils, meaning that from year 9 upwards the PAN is 270 as the bulge is moving through the school.

3.1.3 The current proposals require an additional bulge for 60 places from September 2020 for the next five years. This will increase the PAN of the school on a temporary basis to 300 pupils from year 7.

3.1.4 The scope of works proposed at Cockburn Academy to accommodate the bulge proposals for September 2020, which are now aligned to the new Building Bulletin Guidance BB103, will be delivered in two phases (as shown on Appendix A) and consists of the following elements:

Phase 1 – September 2020

- New modular building consisting of 2 science laboratories, 7 general teaching classrooms, an ICT suite, office space, storage and pupil and staff toilet facilities. The building will be located on a section of the schools existing hard court area which will be re-provided elsewhere on site as part of the external works package.
- An additional area of hard standing will be created to re-provide a section of sports court provision which will be lost due to the positioning of the modular building directly on to that area.

Phase 2 - September 2021

- As part of the project 3ha of land associated with the former South Leeds golf course (directly adjacent to Cockburn Academy) is proposed to be transferred to the school to be developed as part of their required playing field provision. It is proposed that the land is covenanted to be used exclusively for the purposes of sports and active recreation only and will have community use agreements as part of its wider community offer. Within the agreement to transfer, should the school cease to exist, the land will return to the Council at no cost. The area of land proposed to be transferred to Cockburn MAT is shown on Appendix A and is effectively the proposed fence line around the sports pitch on the golf course.

- The proposals consist of laying out this area of the former golf course as a full size grassed football pitch and tennis courts needing to be reprovided as a consequence of the relocation of the modular units. These works will be challenging to deliver as a consequence of the site levels which have a difference of up to 7m across the area to be laid out as a pitch.

3.1.5 All of the above works will require planning approval. However as a consequence of the extremely tight programme, to ensure that the teaching accommodation required is in place for September 2020, two separate planning applications will be submitted as a result of the more complex planning issues associated with the land of the former South Leeds Golf Course. Early discussions have already taken place with the planning officer who will be working on this case.

3.1.6 The total estimated cost of the works at Cockburn Academy is £6,835,000 (inclusive of construction, furniture/IT, contingency, risk, highways and fees). Whilst it may appear that the scheme is costly for a bulge solution, a permanent expansion, using the DfE's cost per pupil rate of £17,564 generates a cost of £5.27m. However this figure excludes fees, surveys, climate change policy requirements and site abnormalities. The figure of £6,835,000 reflects the inclusion of the fees, insurance, site surveys, climate change policy requirements as well as some complex site abnormalities requiring grouting, uplift in the ground works/foundations, drainage and mechanical and electrical works required to address these issues.

3.1.7 Whilst the cost of the proposed works for this scheme are in excess of the cost per pupil rate, especially considering the scheme is a bulge solution, it should be noted that the challenge to address the issues across South Leeds are being met by several schemes which have had little or no cost. The requirement to deliver the proposals at Cockburn MAT and the accommodation it requires are as a consequence of the delay to the delivery of the Lawrence Calvert Free School which was due to be opened in September 2019. It is now unlikely that this will come forward until September 2020 at the earliest. September 2020 is challenging. However the issues will be further compounded in September 2021 should the Council's approach to the DfE to request that as a matter of urgency Lawrence Calvert is opened for September 2021, if necessary on a temporary site. The Council are awaiting the outcome of this approach to help inform considerations required for September 2021 and the solutions to be developed to meet them.

3.1.8 The programme for the works are shown below

Milestone	Date
Submission of planning application for each scheme	May 2020
Completion of final design layouts	May 2020
Authority to spend	June 2020
Planning approval (delegated decision)	July 2020
Contract award	July 2020
Start on site – Phase 1 works	July 2020
Handover and occupation	September 2020
Start on Site – Phase 2 works	April 2021
Handover	September 2021

3.2 Leeds City Academy

3.2.1 Leeds City Academy is currently at a PAN of 150. The current proposals consist of the delivery of bulge works to accommodate an additional 60 places for September 2020 and a further 60 places for September 2021, taking the PAN to 210 on a temporary basis. The school did not form part of the BSF Programme or the 5 secondary schools programme, meaning the original school has largely been unchanged for some time. In addition the site

includes a former City Learning Centre building, which is now being utilised by the school as teaching provision. This is beneficial to the bulge proposals as it reduces the requirement for significant new teaching accommodation on site thereby reducing financial outlay.

3.2.2 The scope of works proposed at Leeds City Academy consist of the following elements:

- A series of minor internal remodelling works to create additional teaching spaces will be funded by the Learning Places Programme but will be self-delivered by White Rose Academy. This element of the work is subject to a separate report and approved under a Significant Operational Decision in order to ensure the work is completed for September 2020. The cost of the work being self-delivered but funded by LCC is £254,000.
- Leeds LEP in conjunction with the Projects and Programme team will deliver an extension to the existing pupil changing rooms and the dining hall which is the focus of this decision.
- The works include creating a small extension off the existing changing rooms to provide additional space for pupils to change in as they are currently undersized. The toilets and showers will remain as the current design to minimise the work and keep costs to a minimum.
- The dining hall will be extended by utilising the floor area from the adjacent Learning Resource Centre (LRC) The upper floor of the LRC is currently only a mezzanine floor (used to teach small groups) which will be extended to create some of the space lost to dining. The intention then is to create an additional 60m² classroom extension off the extended changing rooms to provide the remaining area associated with the existing LRC. This approach ensures all the new build element is in one location on site and contractors can therefore be easily contained within their area of work.
- The extension to the changing rooms and the additional 60m² classroom space will require planning permission and early discussions have already taken place with the planning officer who will be working on this case.
- The total estimated cost of the LEP managed work at Leeds City Academy is £760,000 (inclusive of construction, contingency, risk, fees and associated highways costs)

3.2.3 Any delay to the programmed commencement of construction activities will have a significant impact on achieving occupation by the 7 September when the 2020/2021 academic year commences.

3.2.4 Programme

The key milestones for the project are noted below;

Milestone	Date
Submission of planning application for each scheme	May 2020
Completion of final design layouts	May 2020
Authority to spend	June 2020
Planning approval (delegated decision)	July 2020
Contract award	July 2020
Start on site	July 2020
Handover and occupation	September 2020

- 3.3 Approval of the 'authority to incur expenditure' at June Executive Board is vital to ensure the critical path dates noted above are met and the schemes delivered for occupation by pupils in September 2020.
- 3.4 Note; the programme detailed in section 3.8.2 reflects the position prior to the outbreak of the Covid-19 pandemic and the lockdown measures imposed on the 23rd March 2020. Whilst the project teams are endeavouring to meet these dates, with no impact on the detailed design period noted by the contractor as of Friday 1 May 2020 they remain a guide at this time. The critical path remains as such and will be targeted regardless of a delayed start or the impact upon availability of labour and materials.
- 3.5 Planning permission is required for the schemes at Cockburn Academy and Leeds City Academy and early discussions have taken place with planning and highways officers. The planning applications have subsequently been submitted for both schemes to ensure that the key programme milestones are maintained for September 2020 delivery.
- 3.6 The proposals at each of the schools have continued to be developed in conjunction with the school management team and associated statutory consultees, in-line with accommodation standards detailed within 'Building Bulletin 103: Area Guidelines Mainstream Schools'.

4 Corporate considerations

4.1 Consultations and engagement

- 4.1.1 The proposed schemes have been subject to consultation with key stakeholders including; Childrens & Families officers, Head Teachers & Governing Bodies/Academy Trusts and the Executive Member for Learning, Skills and Employment. All Ward Members will be briefed on the proposals once the full designs are completed.
- 4.1.2 Each scheme has involved a number of school engagements with key representatives i.e. Head Teachers and members of the Academy Trust.
- 4.1.3 Consultation with statutory consultees, namely Planning, Landscape, Highways and Urban Design, has been ongoing since project inception and will continue as the designs are developed. The advice given by planning is that both schemes will be recommended for approval by a delegated decision.
- 4.1.4 Officers from the Sufficiency and Participation team in Children's & Families briefed Ward Members in March on the shortage of places in the South (in relation to the Cockburn scheme) and ahead of offer day. Further briefings will take place with Ward Members as the projects develop from detailed design to delivery on site.
- 4.1.5 The proposals detailed herein have been tabled at Good Learning Places Board and Programme Risk and Control Group. Cockburn was also discussed at School Places Programme Board on 30 April due to the scale of the works (the Director for Childrens & Families, the Director for City Development and the Director for Resources & Housing form part of the School Places Programme Board) This report has also been subject to consultation with the Executive Member for Learning, Skills and Employment on the 11 May 2020.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 The recommendations contained in this report do not have any direct nor specific impact on any of the groups falling under equality legislation and the need to eliminate discrimination and promote equality. A screening document has been prepared capturing all schemes

(attached at Appendix B) and the outcome of the screening is that an independent impact assessment is not required for the proposals set out in this report.

4.3 Council policies and the Best Council Plan

- 4.3.1 The schemes are due to be delivered under the City Council's Learning Places Programme and is required to fulfil the Local Authority's statutory responsibility to provide sufficient school places. In providing places close to where the children live the proposals will improve accessibility of local and desirable school places, and thus reduce any risks of non-attendance.
- 4.3.2 They contribute to the 2019/2020 Best Council Plan outcomes for everyone in Leeds to 'Do well at all levels of learning and have the skills they need for life'; 'Be safe and feel safe' and 'Enjoy happy, healthy, active lives'. They also support the vision in the supporting Children and Young People's Plan 2018-23, 'Leeds to be the best city in the UK and the best city for children and young people to grow up in. We want Leeds to be a child friendly city'. The programme seeks to deliver a supply of good quality accessible local school places which can contribute to these outcomes.

4.4 Climate emergency

- 4.4.1 Full sustainability proposals will be developed in detail as part of the next stage of design and, ultimately, included within the planning application in order to meet the requirements of the associated planning policies, such as EN1 and EN2.
- 4.4.2 The planning policy requirements for EN1 and EN2 are set out below.

a) Policy EN1 – Climate Change – Carbon Dioxide Reduction

In the expectation that the development will exceed 1,000m² of floor space the following will be required:

- i. Reduce total predicted carbon dioxide emissions to achieve 20% less than the Building Regulations Target Emission Rate until 2016 when all development should be zero carbon, and
- ii. Provide a minimum of 10% of the predicted energy needs of the development from low carbon energy.

Carbon dioxide reductions achieved through criteria (ii) will contribute to meeting criteria (i).

Criteria (ii) will be calculated against the emissions rate predicted by criteria (i) so reducing overall energy demand by taking a fabric first approach will reduce the amount of renewable capacity required.

b) Policy EN2 – Sustainable Design & Construction

Adhere to the Leeds BREEAM standard of 'Excellent' for non-residential buildings. A BREEAM pre-assessment is to be undertaken at the earliest available opportunity to determine the most cost effective solutions to this requirement.

c) Policy EN8 – Electric Vehicle Charging Infrastructure

All applications for new development which include provision of parking spaces will be required to meet the minimum standard of provision of electric vehicle charging points. This requires:

- ii. Office / Retail / Industrial / Education: charging points for 10% of parking spaces ensuring that electricity infrastructure is sufficient to enable further points to be added at a later stage.
- d) The project should respond to the sustainable travel policies outlined in the 'Leeds Core Strategy', particularly in reference to the following:
 - i. Policy T1 – Transport Management
 - ii. Policy T2 – Accessibility requirements and new developments
 - iii. Policy P10 – Design

Noting the requirements outlined in the 'Parking SPD', 'Travel Plan SPD' and 'Sustainable Educational Travel Strategy for Schools and Colleges 2017 – 2021'.

4.4.3 The contractors for the proposed developments will need to demonstrate a robust Waste Management Plan, be registered with the 'Considerate Constructors Scheme', of which, the main consideration of the scheme falls into three categories: The general public, the workforce and the environment. Contractors will also need to be sympathetic to the 'Leeds Talent and Skills Plan' by seeking to employ local trades where possible thus reducing the impact of extended travel.

4.4.4 The following standard planning conditions will be addressed as the project develops:

- Development of the school 'Travel Plan' to seek sustainable travel options, the project will respond to the requirements of the Travelwise Team and colleagues from Highways to ensure appropriate pedestrian and cycle provisions are allowed for.
- To protect and enhance the visual amenity approved plans will need to include a programme of replacement tree planting at a 3:1 ratio. Tree loss will be kept to a minimum with any replacement anticipated to be 'extra heavy standard'.
- In the interests of promoting sustainable travel opportunities electrical vehicle charging points will be provided as part of the scheme at the appropriate ratio.

4.5 Resources, procurement and value for money

- The total cost and capital investment associated with the bulge projects for September 2020 is £7,595,000 and can be broken down into the following:
 - Cockburn Academy £6,835,000
 - Leeds City Academy £760,000
- The cost will be met through the following capital scheme number 33176/BGE/CBN for Cockburn Academy and capital scheme number 33176/BGE/LCA for Leeds City Academy as part of the Learning Places Programme. With respect to the Cockburn scheme options may exist for further value engineering with the potential to reduce to financial outlay. These works are ongoing and any savings made will reduce the final figure reported here.

4.5.1 Completion of the works detailed herein are essential in order to accommodate the shortfall of primary and secondary school places detailed in this report for September 2020.

4.5.2 Potential labour resource availability and procurement delays as a consequence of the Covid-19 pandemic are currently being investigated, regardless the programme and cost tolerances

noted within this report remain the critical path and every endeavour will be made by the project teams to adhere to them.

4.6 Capital Funding & Cash Flow

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2020 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's	2023 On £000's
LAND (1)	0.0					
CONSTRUCTION (3)	0.0					
FURN & EQPT (5)	0.0					
DESIGN FEES (6)	0.0					
OTHER COSTS (7)	0.0					
TOTALS	0.0	0.0	0.0	0.0	0.0	0.0
Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2020 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's	2023 On £000's
LAND (1)	0.0					
CONSTRUCTION (3)	6034.5		5228.1	806.4		
FURN & EQPT (5)	0.0					
DESIGN FEES (6)	1560.5	70.8	1000.0	560.5		
OTHER COSTS (7)	0.0					
TOTALS	7595.0	70.8	6228.1	1366.9	0.0	0.0
Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2020 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's	2023 On £000's
Basic Need Grant	7595.0	70.8	6228.1	1366.9		
Total Funding	7595.0	70.8	6228.1	1366.9	0.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0

Parent Scheme Number: 33176/000/000

Title: BASIC NEED EXPANSIONS 2020/2021

4.7 Revenue Effects

- 4.7.1 Any additional revenue consequences that may arise as a result of the project will be managed within the schools budget.

4.8 Legal implications, access to information and call-in

- 4.8.1 The approval of this report constitutes a 'Key Decision' and as such will be subject to 'Call-In'.
- 4.8.2 There are no other legal implications or access information issues arising from this report.

4.9 Risk management

- 4.9.1 Completion of the work detailed in this report is essential in order to provide the required accommodation associated with the additional primary and secondary places needed for September 2020.
- 4.9.2 The planning applications have been submitted as detailed earlier in the report and the initial advice from the planning officer is that both schemes will be recommended for approval by delegated decision.
- 4.9.3 The outbreak of the Covid-19 pandemic and imposition of lockdown measures on the 23rd March 2020 remain an escalating risk to the project, whilst it is too early to assess the full

impact of this virus on project success every endeavour is being made by the Project Teams to manage this risk and ensure the schemes remain within the tolerances outlined herein.

- 4.9.4 Risk has been managed through application of 'best practice' project management tools and techniques via the City Council's 'PM Lite' risk methodology. Project management resource from City Development is tasked with ensuring the project remains within the predetermined risk tolerances.
- 4.9.5 A joint risk log will be developed with the appointed contractor to ensure all construction related risks for the project are identified together with the relevant owner of the risk. The Council's project risk log will continue to be maintained and updated throughout the project and escalation of any risks that sit outside of the agreed tolerances will be managed via the Head of Projects and Programme, City Development.

5 Conclusion

- 5.1 In order to implement the bulge requirements at Cockburn Academy and Leeds City Academy for September 2020 it is necessary to deliver the works detailed in section 3.0 *Main Issues – Design Proposals*.
- 5.2 The impact of the Covid-19 pandemic on the successful delivery of the projects is subject to continual monitoring and mitigation measures, the overall risk remains an unknown at present however the Project Teams are taking every step to ensure the project remains within the critical path and funding tolerances detailed herein.
- 5.3 The delivery of the works at each of the schools will be managed by City Development's Projects & Programme's Team in Asset Management and Regeneration on behalf of Childrens & Families in conjunction with the joint venture partners (NPS), the Leeds Local Education Partner (LLEP), the appointed contractors, the school and other key stakeholders.

6 Recommendations

- 6.1 Executive Board is requested to:
 - 6.1.1 Note the additional secondary places that are required in order to reduce the amount of children being allocated a school place out of area.
 - 6.1.2 Approve authority to spend and incur expenditure of £6,835,000 from capital scheme number 33176/BGE/CBN for works associated with a 60 place bulge at Cockburn Academy for September 2020.
 - 6.1.3 Approve the proposal for the freehold transfer of the land identified within the report, which forms part of the former South Leeds Golf Course to Cockburn MAT, to allow the delivery of the sports field provision required as part of the proposals as detailed in paragraph 3.1.4;
 - 6.1.4 Approve authority to spend and incur expenditure of £760,000 from capital scheme number 33176/BGE/LCA for the works associated with a 60 place bulge at Leeds City Academy which are being delivered by the Local Education Partnership (LEP) for September 2020.
 - 6.1.5 Note the programme dates identified in section 3.2 of this report, in relation to the implementation of this decision, represents the critical path for project success and must be adhered to where possible.
 - 6.1.6 Note that the officer responsible for implementation is the Head of Service Learning Systems in Children's and Families Directorate.

7 Background documents¹

7.1 None.

8 Appendices

8.1 Appendix A – Plan for the scheme proposals and land disposal

8.2 Appendix B – Equality Impact Assessment Screening Document

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.

PL	Planning
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Proposed Site Plan Masterplan

UPRM Originator Zone Level Type Role Number Revision
CS WBA SI 00 DR A PL-101 P11

Date: 18.05.2020 Drawn: LN Checked: SH Scale: 1:500 @ A0 Int Job No: 4009_005
CAD: REF:

Note: Do not Scale from this drawing. All dimensions to be checked on site.

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Appendix B

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: City Development	Service area: Projects & Programme Team
Lead person: Adele Robinson	Contact number: 07891 276856

1. Title: Learning Places Design & Cost Report School Places Delivery September 2020
Is this a: ☐ Strategy / Policy ☐ Service / Function ☐ Other

2. Please provide a brief description of what you are screening
Main aim The Laurence Calvert Free School (Department for Education led scheme) will not open for September 2019/20 and is now more likely to open for September 2022 at the earliest. As a consequence there is and will continue to be been a significant shortfall of secondary places in South Leeds. To date the shortfall has been met with existing schools going over the Pupil Admission Number (PAN) and managing the additional pupils within the current footprint of the building. However the requirement for September 2020 will need to be managed through the creation of bulge cohorts being placed in existing schools resulting in substantial capital investment. This is to be managed in the first instance by the creation of 60 additional places at Cockburn Academy and 30 places at Cockburn John Charles Academy. The bulge works at Cockburn Academy are temporary and once the bulge cohorts have completed Year 11 the schools will revert back to a PAN of 240. Cockburn John Charles are also taking a bulge of 60 places ahead of a permanent expansion in 2022 which was approved by Executive Board in September 2019. The large increase in the secondary aged population across the North West and city centre area has resulted in many schools expanding on a temporary basis. Increased pressure for places for children with the Leeds City Academy (LCA) catchment which is expected to continue has required the school to take a bulge cohort for 2020 and likely for 2021 of an

additional 60 places.

Purpose

A screening exercise has been carried out to determine if the proposals at Cockburn Academy and Leeds City Academy will impact upon equality. The required building works will support the Authority's legal duty to provide a school place for every child and, where possible, within the school of parental preference. The works at Cockburn consist of delivering a new modular building to provide the additional teaching spaces associated with the 60 place bulge plus a grassed pitch which is to be developed on the former golf course adjacent to the school site. The works at Leeds City Academy consist of an extension to the existing dining hall using the floor area associated with the Learning Resource Centre, the re-provision of the Learning Resource Centre and an extension to the existing pupil changing facilities.

3. Relevance to equality, diversity, cohesion and integration

All 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 and any other relevant characteristics (for example socio-economic status, social class, income, unemployment, residential location or family background and education or skills levels).

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

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?**

Consultation and Involvement

Consultation has taken place with key stakeholders throughout the development of the proposed remodelling works at Cockburn Academy and Leeds City Academy.

School Briefing Sessions

Both Academies senior management team and governing body have been intrinsically involved in the development of the proposals and key considerations regarding accessibility of the design.

Councillor Briefing Sessions

Cllr Pryor has been briefed on the proposals for both schools as part of his weekly meetings with senior officers in Children's & Families. Cllr Blake has also formed part of the discussions for Cockburn Academy as a Ward Member for Middleton Park.

Key findings

Both schemes will be managed via Leeds Local Education Partnership (Leeds LEP) and funded through the Learning Places Programme capital budget. The work complies with the regulations associated with the Disability Discrimination Act.

Actions

Access to the Building

The new modular building at Cockburn Academy is to be linked to the existing buildings through a covered walkway. Due to the differing levels on site the ground floor of the modular building has been designed so that it is at the same level as the existing school and therefore provides level access for pupils and staff. The upper floors of the new building are accessible by stairs and by lift. An accessible toilet and hygiene suite have been included as part of the new accommodation. The new playing field will have level access so that it doesn't discriminate against or limit who can use it.

The extension to the dining hall at Leeds City Academy using the Learning Resource Centre and the extension to the pupil changing facilities also provides level access for all pupils and staff members.

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
Jane Walne	Executive Asset Management Officer	4/6/2020

7. Publishing

This screening document will act as evidence that due regard to equality and diversity has been given. If you are not carrying out an independent impact assessment the screening document will need to be published.

Please send a copy to the Equality Team for publishing

Date screening completed	4/6/2020
Date sent to Equality Team	4/6/2020
Date published (To be completed by the Equality Team)	

Report of Director of Children and Families

Report to Executive Board

Date: 24th June 2020

Subject: Outcome of statutory notice on a proposal to permanently increase learning places at Allerton Grange School from September 2021



Are specific electoral wards affected? If yes, name(s) of ward(s): Roundhay	☒ 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

1. Main issues

- This report contains details of a proposal brought forward to meet the local authority's duty to ensure a sufficiency of school places. The changes that are proposed form prescribed alterations under the Education and Inspections Act 2006. The School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2013 and accompanying statutory guidance set out the process which must be followed when making such changes. The statutory process to make these changes varies according to the nature of the change and status of the school. The process followed in respect of this proposal is detailed in this report. The decision maker in these cases remains the local authority (LA).
- A consultation on a proposal to expand Allerton Grange School from a capacity of 1200 to 1500 students by increasing the admission number in year 7 from 240 to 300 with effect from September 2021 took place between 6 November and 3 December 2019. The outcome of this consultation was detailed in a report presented to Executive Board at its meeting on 12 February 2020 who gave

permission for the LA as proposer, to publish a Statutory Notice in respect of the proposal.

- A Statutory Notice was published on 30 March 2020 marking the start of a four week formal consultation, also known as the 'representation' stage as prescribed in the 'Prescribed Alterations' regulations. During this four week period, which ended on 27 April 2020, anyone could raise views/ concerns that had not previously been raised or addressed during the public consultation. There were six representations made during the representation period. One of the representations received objected to the proposal on grounds not previously raised during the first stage of public consultation; one objected on grounds previously raised during the first stage of public consultation; one made comments on highways related concerns not previously raised; and three made comments on concerns raised previously during the public consultation period, which were consequently addressed in a report presented to Executive Board at its meeting on 12 February 2020. These comments neither objected to nor offered un-caveated support for the proposal.
- Where formal objections are received in respect of school organisation proposals, the Executive Member for Learning, Skills and Employment will engage with the Chair of Children and Families Scrutiny Board and agree next steps. The outcome of those discussions is conveyed to scrutiny board members so that they might express agreement or otherwise. Appendix 1 shows the stages of decision making. As objections were received during the representation period, this process was followed. A briefing was provided for the chair of Scrutiny Board containing full details about both objections received together with a recommendation to advise Scrutiny Board members that no further scrutiny is needed. Scrutiny Board has since determined that further scrutiny of the objections received is not required.
- This report summarises the representations received during the statutory notice period and seeks approval from Executive Board on the recommendations below.

2. Best Council Plan Implications

- This proposal is being brought forward to meet the LA's statutory duty to ensure that there are sufficient school places for all the children and young people in Leeds. Providing places close to where projected demand for places is increasing allows improved and more sustainable accessibility to local and desirable school places, is an efficient use of resources, and reduces the risk of non-attendance.
- By providing new high quality school places within a well-established, Ofsted rated 'good' school, this proposal would support the LA's strategy to improve attendance, achievement, and attainment – the 3As; and the achievement of the Best City Priority to help 'young people into adulthood, to develop life skills and be ready for work'.
- This proposal would establish high quality mainstream school places, actively contributing towards achievement of the Child Friendly City aspiration to 'improve educational attainment and closing achievement gaps for children and young people vulnerable to poor learning outcomes' In addition, the longstanding third 'obsession' – improve school attendance – has been expanded to improve attendance, achievement, and attainment – the 3As.

- Overall, this proposal offers good value for money through its capacity to support the achievement of the Best Council Plan outcome that states ‘We want everyone in Leeds to do well at all levels of learning and have the skills they need for life’.

3. Resource Implications

- Planning permission would need to be granted prior to the commencement of any construction works required. Once the feasibility stage is complete and, subject to the proposal gaining approval to proceed to detailed design stage, budgets would be realigned to reflect that all parties have agreed the final design and cost estimates, which would take account of site investigations and survey information, in accordance with standard project and risk management principles. The scheme would also be subject to relevant stakeholder consultation.
- At its meeting on 12 February Executive Board gave provisional ‘Authority to Spend’ approval of £4.82m for this scheme. Once design freeze has been reached, School Places Programme Board will be asked to confirm Authority to Spend for the proposed scheme along with any necessary risk fund application, in line with the governance arrangements set out above.

Recommendations

Executive Board is asked to:

- a) Approve the proposal to permanently expand secondary provision at Allerton Grange School from a capacity of 1200 pupils to 1500 pupils in years 7 to 11 with an increase in the admission number from 240 to 300 with effect from September 2021;
- b) Approve the recommendation to exempt the decision from call-in for the reasons set out in paragraph 4.5.2 below; and
- c) Note the responsible officer for implementation is the Head of Learning Systems.

1. Purpose of this report

- 1.1** This report contains details of a proposal brought forward to meet the LA’s duty to ensure a sufficiency of school places, which supports the achievement of the Best Council priority to improve educational attainment and close achievement gaps. This report describes the outcome of a Statutory Notice published under the Education and Inspections Act 2006 and in accordance with the School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2013 in regard to a proposal to expand secondary school provision at Allerton Grange School and seeks a final decision in respect of this proposal.

2. Background information

- 2.1** At its meeting on 12 February 2020, Leeds City Council's Executive Board considered the outcome of the informal consultation on this proposal. Permission was given to publish a Statutory Notice, which was brought forward under the Education and Inspections Act 2006 and in accordance with the School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2013. The Notice was published on 30 March 2020 marking the start of a four week formal consultation, also known as the 'representation' stage as prescribed in the 'Prescribed Alterations' regulations. During this four week period which ended on 27 April 2020 anyone could object to or comment on the proposal. A final decision on a proposal must be made within 2 months of the expiry of the Statutory Notice, therefore by 27 June 2020. Executive Board is the decision maker for this proposal.
- 2.2** The Statutory Notice was published in the Yorkshire Evening Post and the full proposal was posted on the Leeds City Council website. All parents/carers at the school received notification, along with any stakeholders who responded to the first stage of informal consultation and provided their contact details. Other local schools were also informed about the proposals along with ward councillors, community groups and other relevant stakeholders.
- 2.3** There were six representations made during the representation period. One of the representations received objected to the proposal on grounds not previously raised during the first stage of public consultation; one objected on grounds previously raised during the first stage of public consultation; one made comments on highways related concerns not previously raised; and three made comments on concerns raised previously during the public consultation period, which were consequently addressed in a report presented to Executive Board at its meeting on 12 February 2020. These comments neither objected to nor offered un-caveated support for the proposal. Where formal objections are received in respect of school organisation proposals, the Executive Member for Learning, Skills and Employment will engage with the Chair of Children and Families Scrutiny Board and decide next steps. The outcome of those discussions is conveyed to scrutiny board members so that they might express agreement or otherwise. Appendix 1 shows the stages of decision making. As objections were received during the representation period, this process was followed. A briefing was provided for the chair of Scrutiny Board containing full details about both objections received together with a recommendation to advise Scrutiny Board members that no further scrutiny is needed. Scrutiny Board has since determined that further scrutiny of the objections received is not required. This report summarises the outcome of the Statutory Notice period and seeks a final decision from Executive Board.

3. Main issues

- 3.1** There is a clearly identified need for additional secondary places in the inner north area of Leeds to meet an increase in pupil numbers in future years. Allerton Grange School is popular and has already admitted more pupils than its Published Admission Number (PAN) for the past four years to help meet demand in the area. The school is located within an area of high demographic need, with limited alternative options available to respond to this. The proposed 60 additional permanent year 7 places would provide some much needed additional capacity in Roundhay/Moortown to help manage future pressure.

- 3.2** To manage gradually increasing demand for secondary places in previous years, it has already been necessary to provide some additional temporary places at several schools in the inner north area and to permanently expand Roundhay School by 250 places. Allerton High has also permanently increased its PAN from 198 to 220, creating an additional 110 places in total. With limited options available to meet the overall need, failure to act now and agree high quality expansion schemes at good schools, such as this, is likely to result in the Local Authority failing in its duty to provide sufficient secondary school places.
- 3.3** The expansion of Allerton Grange School is proposed as it will provide 60 more places at an Ofsted rated 'Good' school in an area of high need and is popular with local families, providing an opportunity for more of them to gain a place at their local school. The school's most recent Ofsted inspection took place in February 2020 with inspectors commenting that:
- “Leaders want the best for every pupil. The curriculum is challenging, but there is support in place to make sure that all pupils, including disadvantaged pupils and those with special educational needs and/or disabilities (SEND), can access the work and make progress.”
- 3.4** Leeds City Council's Learning Improvement team are supportive of the proposed expansion and have stated that the school's leadership team is very strong, which has driven a positive transformation at the school over the last three years. The quality of the curriculum is one of the best in the city with pupils being offered a primarily academic curriculum. Results have been on an upward trajectory and are now in line with the national average for progress - 74% of pupils took the Ebacc suite of subjects last year. Progress outcomes for disadvantaged pupils is much improved and School Improvement have observed that pupil behaviour is good at the school and that governance is strong and well led by the chair. The head teacher, governing body and staff are confident that if the school were to expand, existing high standards of teaching and learning could be maintained, resulting in improved outcomes for a greater number of local children.
- 3.5** Informal consultation on this proposal took place between 6 November and 3 December 2019. A total of 106 consultation survey responses were received during that consultation of which 52 (49%) either strongly supported or somewhat supported the proposal to permanently expand Allerton Grange School. 48 (45%) either strongly opposed or somewhat opposed the proposal and a further 6 (6%) neither supported nor opposed.
- 3.6** A summary of the main themes from comments submitted during the informal consultation period by those supportive of the proposed expansion is bulleted below;
- 39 of the comments received recognised that an expansion at Allerton Grange School is needed in order to address the rising demand for secondary places in this area. Some also mentioned that expansion would increase the number of local families able to get a place at their preferred choice of school in future years
 - 3 respondents felt that expanding an existing good school which has the required additional space available is preferable to building a new school

- 4 comments received suggested that the proposed expansion scheme could offer benefits for standards of teaching and learning at an improving school. The reasons given for this included: an increase in funding; additional teaching accommodation; and an improved study environment for students
- 13 comments were received stating that the expansion scheme would be an opportunity to improve the school's facilities and some felt that an increase in student numbers may benefit the school financially

3.7 During the four week representation period, following publication of the statutory notice, there were six representations made. One of the representations received objected to the proposal on grounds not previously raised during the first stage of public consultation; one objected on grounds previously raised during the first stage of public consultation; one made comments on highways related concerns not previously raised; and three made comments on concerns raised previously during the public consultation period, which were consequently addressed in a report presented to Executive Board at its meeting on 12 February 2020. These comments neither objected to nor offered un-caveated support for the proposal. A summary of the responses received is provided below along with a response from Leeds City Council.

3.8 Summary of comments received during the Statutory Notice period neither objecting to nor offering un-caveated support for the proposal

3.8.1 Concerns related to highways and transport: A respondent provided caveated support for the proposal provided that it would not result in more teachers parking on Talbot Avenue, or additional parking restrictions being put in place near housing situated close to the school on Talbot Avenue. Another of the respondents requested information about the actions that would be taken to mitigate the impacts of increased traffic at drop-off and pick-up times, should the proposal progress. They also raised concerns about parking along Lidgett Lane, and surrounding roads such as Brackenwood Drive and Larkhill Road.

One respondent, who was not opposed to the proposal per se, requested that, should the proposal proceed, consideration be given to how existing traffic problems can be relieved, such as the volume of traffic on Talbot Avenue and Talbot Rise at school pick up/drop off times. They also raised the following safety concerns: children running across the road (Talbot Avenue) to get to their parent's car when they are being picked up, and concern that emergency vehicles may be unable to access the area due to traffic congestion.

A further respondent commented on highways concerns not previously raised, including a suggestion that staggered school start and finish times should be introduced to ease traffic congestion. The respondent also stated that dedicated school buses should be provided by the school to reduce car use, or a request should be made to First buses to put on extra public bus services at school drop off/pick up time, with discounts offered to pupils to incentivise their use. Caveated support for the proposal was offered by this respondent on the proviso that these concerns be adequately addressed as part of any approved scheme to deliver the school expansion.

3.8.2 Response: Some comments were received in relation to various highways and transport concerns (road safety; volume of traffic; highways infrastructure; car parking) during the initial period of public consultation on this proposal, and as a consequence, they have been addressed previously in a report presented to Executive Board at its meeting on 12 February 2020. This response is summarised below together with an additional response from the council to the new highways concerns raised during the statutory notice representation period.

Car parking on the school site would need to be increased to accommodate the extra staff required as part of the expansion, and provision of improved cycle facilities and electric parking points to support sustainable travel would also be considered in light of the Council's commitment to carbon reduction.

As part of the recently approved scheme to expand Moor Allerton Hall Primary School a package of highway works have already been proposed, including a new signalised pedestrian crossing on Lidgett Lane and converting the existing zebra crossing on Lidgett Lane at its junction with Brackenwood Drive to a signalised pedestrian crossing. Both of these road safety improvements will also be beneficial to pupils walking/cycling to Allerton Grange School from the south. In addition, the service road to Allerton Grange has now been opened up as a drop off and pick up area for parents to help reduce congestion and parking on the roads around the school.

There is currently no dedicated school bus service serving Allerton Grange School and the local authority does not have control over school bus service operations. However, there are already good public bus links to the school, with two First public bus routes running down Lidgett Lane. These public bus services are already used by a number of children attending the school in place of a dedicated school bus service.

Leeds City Council offers school transport assistance for children who meet certain distance and income based criteria. This assistance provides eligible pupils with free public bus travel to and from school.

It would be for the school to consider what other operational changes it may consider appropriate and needed, such as staggered school start/ finish times for different year groups, in order to further ease traffic congestion. However it should again be noted that the proposal to expand the school is driven largely by a localised need for additional secondary school places, meaning that most of the pupils should be from the local area and, therefore, able to walk to the school. In order to maximise the number of pupils choosing to travel to school in a sustainable way, an updated School Travel Plan outlining the practical steps the school would take to encourage more sustainable travel methods and reduce car use, would be required.

If the proposed expansion were to progress, most of the highways and transport related concerns raised during the consultation, including concerns about parking on Talbot Avenue and adjacent streets, and concerns about speeding traffic on Talbot Avenue, will need to be investigated as part of a Transport Assessment, which would be required to support the Planning process. However, it should be noted that bus services are not part of the Transport Assessment.

3.8.3 Summary of objections to the proposal received during the Statutory Notice period

3.8.4 Concerns related to the school's Ofsted rating and learning standards: A respondent objecting to the proposal has raised concern that, although acknowledging the school's improved Ofsted rating, from 'Requires Improvement' to 'Good', an expansion of the school could be detrimental to the progress it has made, recognised by this improved rating. The respondent also raised concern that Allerton Grange is not yet popular enough, or in a strong enough position academically to warrant an increase in its pupil capacity. They highlight a lower number of parental preferences and recent measurements of academic performance when compared with two other local schools in the area. They go on to suggest that, for these reasons, other schools in the area should be considered for expansion ahead of this one.

3.8.5 Response: The School Improvement team have given clear support for this proposal and advised, during the initial phase of public consultation, that Allerton Grange was in a very strong position and that they had a high level of confidence that the school would be judged as 'Good' at its next Ofsted inspection. Consequently, in February 2020, the school was inspected and achieved a 'Good' judgement across all areas.

The Learning Improvement team also provided the comments which addressed concerns regarding pupil outcomes at the initial stage of consultation, which were reported to Executive Board in February this year. The Learning Improvement team's view is that the school's leadership team is very strong, which has driven a positive transformation at the school over the last three years. The latest Ofsted report supports this stating that "Leaders have been quick to respond to the areas for improvement identified in the last inspection. As a result, the quality of education has improved."

The Learning Improvement team have also stated on previous occasion that the quality of the curriculum at Allerton Grange is one of the best in the city with pupils being offered a primarily academic curriculum. Results have been on an upwards trajectory and are now in line with the national average for progress - 74% of pupils took the Ebacc suite of subjects in 2019. Progress outcomes for disadvantaged pupils is much improved and School Improvement have observed that pupil behaviour is good at the school. Governance is strong and well led by the chair. All of this is now supported by the 'Good' Ofsted rating and comments made within their Ofsted inspection report of 4-5 February 2020.

Allerton Grange is a popular school that has chosen to admit more students than it's PAN for the previous four years to help manage increased demand. In 2019 and 2020 it was oversubscribed, with more preferences for a place at the school made than places available.

Were the school to expand, additional teaching and support staff would be required over the five year period that it would take for the school to increase in size by an additional 300 places. The senior leadership team and governing body are confident that the school can manage an expansion alongside its improvement journey. The Learning Improvement team within Leeds City Council will continue to work with the school and, as a part of the holistic assessment of this proposal,

which included a review of which other schools in the area could be expanded to adequately address the identified need, are confident that expansion would not have a negative impact on learning outcomes for students.

3.8.6 Comment: A respondent objecting to the proposal raised concerns about additional cars, pedestrians and congestion at school drop off/ pick up times. They also expressed concerns that the proposed expansion may lead to an increase in young people causing anti-social and intimidating behaviour in the local area.

3.8.7 Response: The concern raised regarding road safety and traffic congestion have previously been raised during the public consultation period and, consequently, were addressed in a report presented to Executive Board at its meeting on 12 February 2020, as detailed above. The issue of anti-social behaviour was not raised by any of the respondents during the initial public consultation period, so was not included in the February 2020 Executive Board report. An increase in pupil numbers may not result in an increase in anti-social behaviour in the local area. The school has a well-established positive ethos around behaviour and has made the following comments:

We have an established Policy for Positive Discipline that has made an impact on behaviour in and out of school. We have also undertaken a significant amount of work with our students about respect & kindness both in and out of school. We feel that these have made a difference, and Ofsted agree.

We do understand how groups of students can be perceived by the community. We have a staff presence outside the shops on Lidgett Lane after school to help address this issue. We can also look to build this issue into our PSHCE curriculum in the future so student awareness is increased.

4. Corporate considerations

4.1 Consultation and engagement

4.1.1 The process in respect of all the proposals has been managed in accordance with the relevant legislation and with local good practice.

4.1.2 The Statutory Notice was published in the Yorkshire Evening Post on 30 March 2020 and the full proposal was posted on the Leeds City Council website. All parents/carers at the school received notification, along with any stakeholder who responded to the first stage of informal consultation and provided their contact details. Other local schools were also informed about the proposal along with ward councillors, community groups and other relevant stakeholders.

4.1.3 Details of the Statutory Notice have been shared with local ward members who have no objections to the proposal proceeding. No further comments were received.

4.2 Equality and diversity / cohesion and integration

4.2.1 The EDCI screening form for the proposal is attached as an appendix to this report.

4.3 Council policies and the Best Council Plan

- 4.3.1 This proposal offers good value for money through its capacity to support achievement of the Best Council Plan outcome that states 'we want everyone in Leeds to do well at all levels of learning and have the skills they need for life'.
- 4.3.2 This proposal is being brought forward to meet the local authority's statutory duty to ensure that there are sufficient school places for all the children in Leeds. Providing places close to where children live allows improved accessibility to local and desirable school places, is an efficient use of resources and reduces the risk of non-attendance.
- 4.3.3 This proposal contributes to the aspiration for Leeds City Council to be the best council and for Leeds to be the best city in which to grow up in, and a child friendly city. The delivery of pupil places through the Learning Places Programme is one of the baseline entitlements of a child friendly city. By creating good quality local learning places and environments we can support the priority aims of ensuring children and young people do well in learning and closing achievement gaps for those vulnerable to poor learning outcomes. We want all children and young people in the city to have access to a wide range of opportunities, develop key life skills, and be supported on ambitious pathways to enable them to thrive supporting the council's ambition to produce a strong economy and a compassionate city. A good quality learning place also contributes towards delivery of targets within the Children and Young People's Plan such as the 3A's strategy to improve achievement, attainment and attendance at school.

Climate Emergency

- 4.3.4 There is an identified need for additional secondary school provision in the Roundhay/Moortown area of Leeds. This proposal would meet some of this increased demand and offer increased choice so that local families are able to access local places and reduce journey times to and from school. Allerton Grange's close proximity to residential areas which have experienced population growth means that walking to school would be a viable option for many of the extra students who may choose to attend the school.
- 4.3.5 If the proposal is approved Allerton Grange School would need to produce an updated 'Travel Plan' which would contain a package of agreed measures to mitigate the potential impact on the highways. Leeds City Council's 'Influencing Travel Behaviour Team' would support these measures and seek to ensure safe routes to and from school by promoting walking, cycling and scooting. Progress on these matters would be monitored and support offered where appropriate.
- 4.3.6 Existing planning policies seek to address the issue of climate change by ensuring that development proposals incorporate measures to reduce the impact on non-renewable resources. The council's Executive Board has also mandated that the authority should be carbon neutral by 2030. This will result in sustainable/ green infrastructure being required of all future projects in order for planning permission to be granted. To this end if the proposal progresses, any build scheme would explore the potential use of renewable energy and energy saving technologies, with the aim of increasing sustainability and minimising energy consumption. In parallel with this, the Energy Unit will support the design team to identify energy saving measures that can help achieve energy savings comparable to a 47% reduction in average

energy consumption levels, in line with the 2025 requirements. The proposed energy efficiency standards are likely to increase the capital costs for any build scheme required, however, there is as yet insufficient benchmark data available to provide a reliable estimate of how much these additional measures would be likely to add to the cost of the scheme. Leeds City Council promotes an 'Invest to Save' strategy that allows access to funding in order to offset the enhanced capital costs. The improved energy efficiency will also reduce the school's overall running costs, as the building will be more economical to run long-term, eventually paying for the measures put in place.

- 4.3.7 Any contractors tendering for the proposed development will need to demonstrate a robust Waste Management Plan, be registered with The Considerate Constructors Scheme, of which, the main consideration of the scheme falls into three categories: The general public, the workforce and the environment. Contractors will also need to be sympathetic to the Leeds Talent and Skills Plan by striving to employ local trades thus reducing the impact of extended travel.

4.4 Resources, procurement and value for money

- 4.4.1 Planning permission would need to be granted prior to the commencement of construction works required. Once the feasibility stage is complete and, subject to the proposal gaining approval to proceed to detailed design stage, budgets would be realigned to reflect that all parties have agreed the final design and cost estimates, which would take account of site investigations and survey information, in accordance with standard project and risk management principles. The scheme would also be subject to relevant stakeholder consultation.
- 4.4.2 Provision for children who are deaf and hearing impaired (DAHIT) currently at Allerton Grange School would continue to operate as it does now. Any build solution, which may include the remodelling of existing buildings or changes to the North East City Learning Centre (CLC) building, would replicate the existing provision in the school e.g. sound fields in each classroom.
- 4.4.3 At its meeting on 12 February 2020, Executive Board gave provisional 'authority to spend' approval of £4.82m on this scheme. The cost of works to accommodate a temporary bulge cohort of 60 pupils (2FE) for September 2020 is also included within this figure. Proposed works to enable the expansion include the remodelling and refurbishment of the former CLC building within the Allerton Grange School site to accommodate general teaching spaces for 6th form in order to facilitate a bulge cohort in the main school building. Further works to the main school building will also be necessary in order to enable the permanent expansion of the school. The CLC building would also be utilised as part of the permanent scheme, to ensure maximum value for money. As the CLC is owned by LCC it would not be subject to PFI fees or approval, achieving further cost savings. Any agreed project would minimise the works to both the existing school and CLC buildings, and employ value engineering to help reduce overall costs.

The precise funding package for the expansion scheme will be confirmed at the design freeze stage, and detailed in the relevant Design and Cost Reports (DCR)."

- 4.4.4 School Places Programme Board (SPPB) provides strong cross council and corporate involvement to ensure that appropriate governance is applied to learning places schemes. The Director for Children and Families, who Chairs SPPB,

provides the final approval of individual scheme DCRs, along with any Capital Risk Fund applications. Executive Board approved the establishment of a Capital Risk Fund to provide a mechanism which enables timely and proportionate responses to variations which are required to individual project budgets. Decisions by the Director of Children and Families to access the fund must be made with the prior approval of the Director of City Development and the Director of Resources & Housing, both of whom are Board members, and be in consultation with the appropriate Executive Members.

- 4.4.5 At its meeting on 12 February, Executive Board gave provisional 'Authority to Spend' approval of £4.82m for this scheme. Once design freeze has been reached, School Places Programme Board will be asked to confirm Authority to Spend for the proposed scheme along with any necessary risk fund application, in line with the governance arrangements set out above.

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

- 4.5.1 This report contains details of a proposal brought forward to meet the local authority's duty to ensure a sufficiency of school places. The changes that are proposed form prescribed alterations under the Education and Inspections Act 2006. The School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2013 and accompanying statutory guidance set out the process which must be followed when making such changes. The statutory process to make these changes varies according to the nature of the change and status of the school. The process followed in respect of this proposal is detailed in this report. The decision maker in these cases remains the local authority (LA).
- 4.5.2 It is recommended that this report be exempted from the Call In process, in line with Executive & Decision Making Procedure Rule 5.1.3. This is because if Executive Board agrees with the recommendation to approve the proposals it must do so within 2 months of the end of the representation period following publication of the statutory notice. If the report was 'called in', Scrutiny Board was convened and it referred the matter back to Executive Board with a recommendation to reconsider its decision, Executive Board would not then be able to do so, as this would be outside of the 2 month period following statutory notice. The Schools Adjudicator would then be required to make a decision on the proposal. In addition, the objections received have already been referred to Scrutiny Board following consideration by the Executive Member for Learning, Skills and Employment and the Chair of Children and Families Scrutiny Board as detailed earlier in this report.

4.6 Risk management

- 4.6.1 This proposal has been brought forward in time to allow secondary places to be delivered for 2021. A decision not to proceed at this stage may result in fresh consultations on new proposals, and places may not be delivered in time. It may also result in further bulge cohorts being delivered in other local schools which would be more costly in the longer term. The LA's ability to meet its statutory duty for sufficiency of school places in the short term may be at risk.
- 4.6.2 In response to growing demand for year 7 places, Allerton Grange School has already been admitting over its Published Admission Number (PAN) for the

previous four years. Roundhay School was also permanently expanded, increasing its capacity by 250 pupils across years 7 to 11 and Allerton High has permanently increased its PAN from 198 to 220. As the number of secondary-aged students living in the inner north is anticipated to increase further in future years, additional permanent places are required to address the growing need. A decision not to proceed with the expansion of Allerton Grange could result in insufficient school places in the area.

- 4.6.3 If the proposal does not proceed there is a risk that increased demand for places in the local area would have to be met further from the area of need, reducing the opportunity for more children and young people to walk to their local school, and potentially increasing journey times and car use.
- 4.6.4 There is also a corporate risk associated with failing to provide sufficient school/learning places in good quality buildings that meet the needs of local communities.

5. Conclusions

- 5.1 Our ambition is to be the best city in the country. As a vibrant and successful city we will attract new families to Leeds, and making sure that we have enough school/learning places, is one of our top priorities. This proposal has been brought forward to support learners in Leeds to benefit from being able to access a local secondary place and so delivering our vision of Leeds as a child friendly city.
- 5.2 A majority of respondents support the proposal to expand Allerton Grange School, provided that the additional school facilities and highways concerns are addressed. Concerns raised during consultation have been considered, and on balance, the proposal remains strong and addresses the need for school places in the area.
- 5.3 The additional places are required to ensure the authority meets its legal requirement to ensure sufficiency of secondary provision for September 2021 and beyond. There is evidence of local need for places in the area and it is, therefore recommended that the proposal be approved.

6. Recommendations

Executive Board is asked to:

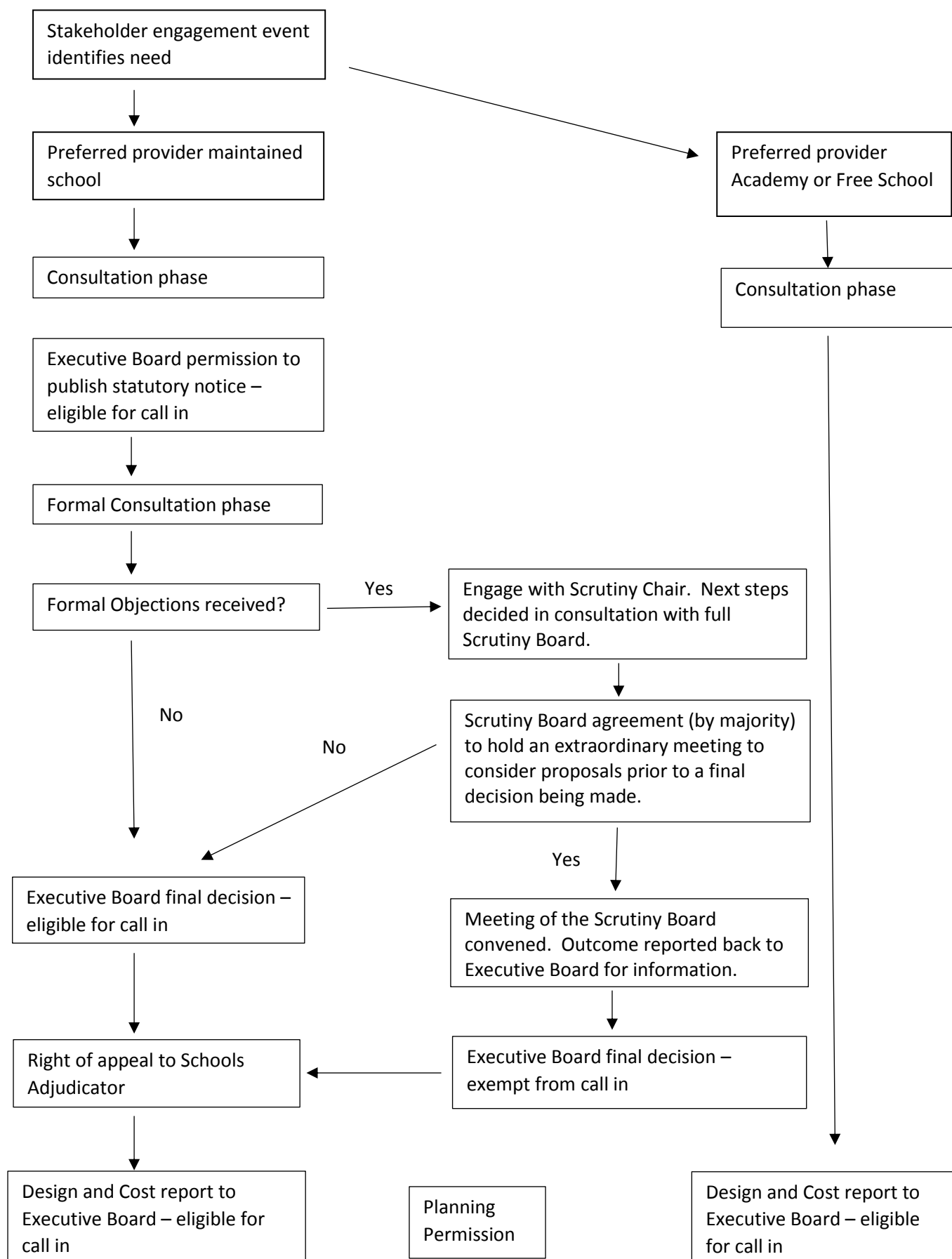
- a) Approve the proposal to permanently expand secondary provision at Allerton Grange School from a capacity of 1200 pupils to 1500 pupils in years 7 to 11 with an increase in the admission number from 240 to 300 with effect from September 2021;
- b) Approve the recommendation to exempt the decision from call-in for the reasons set out in paragraph 4.5.2 above; and
- c) Note the responsible officer for implementation is the Head of Learning Systems.

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.

Appendix 1 – Stages of decision making (where need is identified by the local authority)



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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: Children and Families	Service area: Sufficiency and Participation
Lead person: Darren Crawley	Contact number: 0113 3787227

Title: Assessing the consultation process on a proposal to permanently expand Allerton Grange School from September 2021			
Is this a:			
☐	Strategy / Policy	☐	Service / Function
		☒	Other
If other, please specify			
The proposal seeks to ensure a sufficiency of school places in the area.			

2. Please provide a brief description of what you are screening
The Education Act 1996 places a duty on local authorities to ensure there are sufficient school places for all children living in its area. The local authority (LA) is also required to promote choice and diversity, and therefore must also ensure that there are a range of options available to parents/carers. The proposal is to permanently expand Allerton Grange School on its existing site from 240 places to 300 places in Year 7 from September 2021. The total number of children in the school would then increase year on year. This screening form looks at the equality considerations that have taken place in order to ensure that the consultation and stakeholder engagement process that is required for this proposal is fair and addresses equality, diversity, cohesion and integration from the outset and throughout.

3. Relevance to equality, diversity, cohesion and integration

All the council's strategies and policies, service and functions affect service users, employees or the wider community – city wide or more local. These will also have a greater or 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	

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

• How have you considered equality, diversity, cohesion and integration?

The proposal is to permanently expand Allerton Grange School on its existing site from 240 places to 300 places in Year 7 from September 2021. The total number of children in the school would then increase year on year. Provision for children who are deaf and hearing impaired (DAHIT) currently at Allerton Grange School would continue to operate as it does now. Any build solution, which may include the remodelling of existing buildings or changes to the CLC building, would replicate the existing provision in the school e.g. sound fields in each classroom.

Allerton Grange School's is a non-selective community secondary school with that admits children and young people in accordance with the Local Authority's coordinated admission

arrangements. The school's current Equality and Diversity Policy (Autumn 2015) states that;

"The school is committed to providing an environment free from discrimination, bullying, harassment and victimisation where all members of its community are treated with respect and dignity."

It goes on to state that; *"The school is committed to providing equality of opportunity for all irrespective of:*

- *Age*
- *Disability*
- *Race or racial group (including colour, nationality and ethnic origin or national origins)*
- *Religion or belief*
- *Sex*
- *Marriage and Civil Partnership*
- *Gender reassignment*
- *Pregnancy and maternity*
- *Sexual orientation*
- *Caring responsibilities*
- *Social class, or*
- *Trade union activity."*

The need for primary school places in the Roundhay/Moortown area has increased significantly in recent years which has led to the expansion of a number of local primary schools. This increase in the number of primary school pupils is now starting to feed through into the secondary sector.

The population data of the Inner North (Secondary Planning) Area was considered in developing this proposal, along with parental preference trends and projections. It was concluded that additional capacity is required in the area local to Allerton Grange School, which is why we are proposing to increase the number of places here.

Public consultation on the proposal took place between 6 November and 3 December 2019. To maximise stakeholder engagement a variety of consultation methods were used, including email communications and an online survey. Informal drop-in sessions were also held at Allerton Grange School (for parents, residents and other interested stakeholders) which offered attendees an opportunity to discuss the proposal with Leeds City Council representatives from the school leadership team, as well as the council's Sufficiency and Participation, Highways, and City Development teams. Leaflets advertising the consultation were delivered to residents in the local area. Details about the consultation were also sent to all local primary and secondary schools in the area and to other stakeholders. Posters were displayed at a number of locations in the local area, including at early years settings, and information was available via the Leeds City Council website and through various social media platforms and accounts. A targeted Facebook advertising campaign was also undertaken to reach people living within postcode areas located within the catchment area of Allerton Grange School.

Stakeholders and parents/carers were able to find out more about the proposals by

attending one of two drop-in sessions held at different dates and times at the school.

Interested parties could submit their views on the proposals by completing an online survey or by emailing/writing to the Sufficiency and Participation team. The length of consultation (4 weeks) and the variety of methods in which people could respond to the consultation were intended to make the consultation open to all and was in line with DfE guidance. The outcome of this consultation was detailed in a report presented to Executive Board at its meeting on 12th February 2020 who gave permission for the LA as proposer, to publish a Statutory Notice in respect of the proposal.

A Statutory Notice was published on 30th March 2020 marking the start of a four week formal consultation, also known as the 'representation' stage as prescribed in the 'Prescribed Alterations' regulations. During this four week period, which ended on 27th April 2020, anyone could raise views/ concerns that had not previously been raised or addressed during the public consultation.

The Statutory Notice was published in the Yorkshire Evening Post and the full proposal was posted on the Leeds City Council website. All parents/carers at the school received notification, along with any stakeholders who responded to the first stage of informal consultation and provided their contact details. The proposal was also posted on Allerton Grange School's website, and other local schools were informed about the proposals along with ward councillors, community groups, and other relevant stakeholders.

- **Key findings**

From the equality impact screening the Sufficiency and Participation team found that this proposal would have a positive effect on some of the 6 categories listed below;

- Age
- Sex and Gender Reassignment
- Religion
- Ethnicity
- Disability
- Sexual orientation

The additional learning places would create more opportunities for more pupils to be supported in a way that meets their individual needs, regardless of age sex, gender reassignment, religion, ethnicity, disability or sexual orientation, in an inclusive school environment. This proposal supports that aim and would not have an adverse impact on any child or young person who attends the school included in this proposal.

The school's existing ethos and any new accommodation provided would both help to ensure that all children and young people who attend can take a full part in the school curriculum in an environment that supports and protects their own individual equality characteristics. Expansion of the existing school will ensure that it continues to support the needs of its community by providing more places for local children. Through the design process, any new accommodation to facilitate the expansion of the school would be compliant with the Equality Act 2010.

The expansion of Allerton Grange School is proposed as it will provide 60 more places at an Ofsted rated 'Good' school in an area of high need and is popular with local families, providing an opportunity for more of them to gain a place at their local school. The school's most recent Ofsted inspection took place in February 2020 with inspectors commenting that *"Leaders want the best for every pupil. The curriculum is challenging, but there is support in place to make sure that all pupils, including disadvantaged pupils and those with special educational needs and/or disabilities (SEND), can access the work and make progress."*

The proposal would have a positive impact on promoting choice and diversity for local families who would be applying for a school place, supporting the achievement of 'The Best Council Plan' outcome that states that *"we want everyone in Leeds to do well at all levels of learning and have the skills they need for life"*.

The proposal would also have a positive impact on vulnerable groups as more of them would be able to access a Good education locally and receive the support they need to achieve.

The proposal would positively impact children attending the DAHIT provision, as any build solution, which may include the remodelling of existing buildings or changes to the CLC building, would replicate the existing provision in the school e.g. sound fields in each classroom.

The local authority has a statutory duty to ensure the sufficiency of school places for all the children living in Leeds. In addition to our statutory duty we want to further support the authority's aspiration to be the best city to grow up in and be a Child Friendly City.

• **Actions**

If the proposals are taken forward, the extra secondary places will be made available in Year 7 from September 2021.

During the consultation process, all views and responses were considered equally. If the proposal is approved, due regard to equality will be given to all aspects of developing and implementing the proposal with further equality impact assessments conducted at key points within the programme. Any identified actions would then be used to inform the proposals and implementation during the design process for new school accommodation.

Design plans would be shared with stakeholders and be subject to the relevant consultation processes.

Provision for children who are deaf and hearing impaired (DAHIT) currently at Allerton Grange School would continue to operate as it does now. Any build solution should replicate the existing provision in the school e.g. sound fields in each classroom. This would ensure that the building is accessible to all users; students, staff and visitors.

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
Darren Crawley	Sufficiency and Participation Manager	22/04/2020
Date screening completed		31/10/2019

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: 27/04/2020
For Delegated Decisions or Significant Operational Decisions – sent to appropriate Directorate	Date sent:
All other decisions – sent to equalityteam@leeds.gov.uk	Date sent:

Report of Director of Children and Families

Report to Executive Board

Date: 24 June 2020

Subject: Outcome of consultation and request to approve funding to permanently increase learning places at Leeds West Academy from September 2022



Are specific electoral wards affected?	☒ Yes	☐ No
If yes, name(s) of ward(s): Bramley & Stanningley		
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

- This report contains details of a proposal brought forward by The White Rose Academies Trustees, working in partnership with Leeds City Council, to meet the local authority's duty to ensure sufficiency of school places. The changes that are proposed form prescribed alterations under Department for Education advice for academy trusts, Making Significant Changes to an Open Academy (November 2019). For prescribed alterations for maintained schools the Local Authority would be the decision maker, but for expansions relating to Academies the Trust Board is the decision maker with regards to the proposal. However, as the scheme is being funded by the Local Authority, Executive Board would need to grant provisional approval for authority to spend (ATS) to deliver the proposed permanent expansion at Leeds West Academy.
- A consultation on a proposal to expand Leeds West Academy from a capacity of 1200 to 1500 students by increasing the admission number in year 7 from 240 to 300 with effect from September 2022 took place between 27 January and 1 March 2020.
- A total of 87 consultation responses were received of which 35.5% either strongly or somewhat supported the proposal. 60% strongly opposed or somewhat opposed the proposal and 4.5% neither supported nor opposed the proposal. Further details about the responses and issues identified by stakeholders and respondents during the consultation period are detailed in the main body of this report.

- Following the consultation period the White Rose Academies Trust Board met on 14 May 2020 to consider the outcome of the consultation that had taken place and approved the proposal to expand the school.

2. Best Council Plan Implications (see the [latest version of the Best Council Plan](#))

This proposal offers good value for money through its capacity to support achievement of the Best Council Plan outcome that states ‘we want everyone in Leeds to do well at all levels of learning and have the skills they need for life’.

This proposal is being brought forward to meet the LA’s statutory duty to ensure that there are sufficient school places for all the children and young people in Leeds. Providing places close to where children live allows improved accessibility to local and desirable school places, is an efficient use of resources and reduces the risk of non-attendance.

This proposal contributes to the city’s aspiration to be the best council, the best city in which to grow up and a child friendly city. The delivery of pupil places through the Learning Places Programme is one of the baseline entitlements of a child friendly city.

Providing additional good quality school places in an already established school, in an area where demand for places is increasing, will contribute towards the achievement of the Child Friendly City aim of ‘improving educational attainment and closing achievement gaps for children and young people vulnerable to poor learning outcomes’. In turn, by helping young people into adulthood, to develop life skills, this proposal provides underlying support for the council’s ambition to produce a strong economy and a compassionate city.

A good quality school place also contributes towards delivery of targets within the Children and Young People’s Plan such as our obsession to improve achievement, attainment and attendance at school.

3. Resource Implications

The funding provided by Central Government for this size of expansion is approximately £5.269m, however, early feasibility indicates the final cost is likely to be lower than this amount. The construction cost estimate of the proposed scheme will be funded from the Learning Places Programme, primarily through Basic Need Grant. However, the precise funding package would be confirmed at the design freeze stage, and detailed in the relevant Design and Cost report (DCR).

The proposed scheme would be subject to planning permission which would need to be granted prior to the commencement of construction works and would be subject to relevant stakeholder consultation.

Ahead of the proposed permanent expansion, some works are required at the academy to support a bulge of 2FE for the academic year 2020/21. Should approval be given for authority to spend with regards to the permanent expansion, these works of £110k will form part of the permanent solution.

Recommendations

Executive Board is requested to;

- a) Note the outcome of consultation on the proposal to permanently expand Leeds West Academy from a capacity of 1200 to 1500 students by increasing the admission number in year 7 from 240 to 300 with effect from September 2022.
- b) Grant provisional approval for authority to spend (ATS) £5.269m to deliver the proposed permanent expansion at Leeds West Academy. Note that early feasibility indicates the final cost is likely to be lower than this amount.
- c) Note that implementation of the proposals is subject to funding being agreed based on the outcome of further detailed design work and planning applications as indicated at section 4.4 of this report and that the proposal has been brought forward in time for places to be delivered for 2022.
- d) Note the responsible officer for implementation of the capital budget is the Head of Learning Systems; and
- e) Note that the White Rose Academies Trustees intend to self-deliver the build scheme.

1. Purpose of this report

- 1.1 This report contains details of a proposal brought forward to meet the Local Authority's duty to ensure a sufficiency of school places, which supports the achievement of the Best Council priority to improve educational attainment and close achievement gaps. This report describes the outcome of a consultation regarding a proposal to expand secondary school provision at Leeds West Academy and seeks a decision to fund delivery of a scheme to create the additional learning places required.

2. Background information

- 2.1 The West (secondary planning) area referred to in this report includes the following secondary schools/academies (Co-op Academy Priesthorpe, Crawshaw Academy, Dixon's Unity Academy, Leeds West Academy, Pudsey Grangefield School and The Farnley Academy).
- 2.2 The increase in the birth rate over the last decade in Leeds, which prompted the need to embark on a programme of primary provision expansion, is now beginning to feed through into the secondary sector with demand anticipated to grow markedly across most parts of the city until at least 2023-24. Current demographic data suggests that up to an additional 33 forms of entry (FE) of year 7 capacity may be required across the city over future years, with up to 5FE of additional year 7 capacity needed across the West of Leeds.
- 2.3 Ongoing discussions with schools across the West have established that permanent expansion of existing schools is the preferred approach to meet all of the additional mainstream need in this area.
- 2.4 Over the last few years a number of secondary schools in the West have admitted additional pupils, above their Published Admission Number (PAN), in response to a rising demand for year 7 places. As the number of secondary-aged students living

in the West is expected to increase further over future years, additional permanent places are now required to address the growing need.

- 2.5 The proposal to expand Leeds West Academy has been developed through discussions between Leeds City Council, The White Rose Academies Trustees and the principal of Leeds West Academy. The proposal is part of a planned approach to address future demand for places in West Leeds and it is anticipated that plans to progress expansions of other local schools will be brought forward in the near future.
- 2.6 The trustee's consultation on the proposal took place between 27 January and 1 March 2020 to seek the views of parents, local residents and other stakeholders. To maximise stakeholder engagement a variety of consultation methods were used, including email communications and an online survey. Informal drop-in sessions were also held at Leeds West Academy (for staff, parents/carers, residents and other interested stakeholders) which offered attendees an opportunity to discuss the proposal with the trustees and school leadership team of Leeds West Academy as well as Leeds City Council representatives. 5,000 leaflets advertising the consultation were delivered to residents in the close vicinity of Leeds West Academy. Details of the consultation and drop in sessions were also advertised in The Squeaker which is delivered to homes across West Leeds and in the West Leeds Dispatch (an online distribution). The academy informed parents and carers of existing pupils in writing. Details about the consultation were sent via email to primary and secondary schools in the area to share with their parents and communities. Information was also shared via email with local ward members, MP's and other stakeholders. Information was available via the academy's website, Leeds City Council website and through various social media platforms. A targeted Facebook advertising campaign was also undertaken to reach people living within postcode areas located across West Leeds.

3. Main issues

- 3.1 There is an identified need for additional secondary places in the West area of Leeds to meet anticipated demand over future years. Leeds West Academy is popular and consistently over-subscribed. The school is located in an area of high demographic need and the proposed 60 additional permanent year 7 places would address some of the anticipated future local pressure in West Leeds.
- 3.2 Leeds West Academy was rated 'Good' by Ofsted at its most recent inspection in May 2019 and is popular with local families. The principal and trustees are confident that if the academy were to expand, existing high standards of teaching and learning could be maintained, resulting in improved outcomes for a greater number of local children.
- 3.3 A total of 87 survey responses were received during the consultation period of which 31 (35.5%) either strongly supported or somewhat supported the proposal to permanently expand Leeds West Academy, 52 (60%) either strongly opposed or somewhat opposed the proposal and a further 4 (4.5%) neither supported nor opposed. The majority of respondents who either strongly or somewhat opposed the proposal were local residents.
- 3.4 A copy of the responses received can be requested from the Sufficiency and Participation Team at educ.school.organisation@leeds.gov.uk
- 3.5 A summary of the views expressed by the 31 survey respondents who strongly or who somewhat supported the proposal is listed below;

- Most comments received recognised that an expansion at Leeds West Academy is needed in order to address the rising demand for secondary places in this area.
- Some comments mentioned that an expansion could have benefits to the school in terms of budget and/or improved facilities.
- Some respondents felt that increasing the number of places would give local parents a better chance of gaining a place at their preferred school.
- Some comments noted that adding capacity to an existing school that is improving its quality of education would be a sensible solution to accommodate the anticipated growth in need for secondary school places in the local area.

3.6 A summary of concerns raised by respondents and responses to those concerns is given below;

3.7 **Concern about potential negative impact on traffic and highways:** comments received expressed concern that there would be increased traffic on roads around the school, some respondents also went on to mention concern related to parking on streets close to the Academy and concern over road safety.

Response: If the proposed expansion were to progress a full traffic assessment and a transport statement, based on the results of surveys commissioned for this project, would be produced to reflect and support the planning application process. This would include an assessment of current highways issues and modelling what the impact would be of additional traffic in the area. LCC encourages sustainable travel and although it is expected that the majority of children would walk to school any planning application would need to demonstrate how any issues resulting from an increase in traffic could be mitigated. Specifically these would look at concerns raised by residents and parents, such as parking around the school and safe walking routes. An updated school Travel Plan would also be required, and the provision of improved cycle facilities and electric parking points to support sustainable travel would be considered in light of the Council's commitment to carbon reduction. The academy promotes walking and cycling to school for both students and staff. The White Rose Academies Trust has a cycle to work scheme for employees and the academy has a reward scheme for students which includes bikes as rewards to encourage cycling to school. The academy also takes part in the annual national "Walk to School" week. The principal and senior leadership team are keen to develop further initiatives and have also been working towards securing the Eco-Schools National Award for 2020/21. The increase in pupil numbers would happen gradually over a 5 year period so the full impact of increased numbers of pupils walking to and from school would not take place suddenly. Although there will be an increase in students from year 7 to 11 of 300 pupils it should be noted that the academy was until recently operating as an 11-18 provision and there has been a reduction in the overall school population due to the change in age range to 11-16. The academy has previously been operating with up to 190 students in sixth form meaning the net gain in the school population will actually be closer to 100 pupils.

3.8 **Concern about potential increase in anti-social behaviour:** a minority of the comments received expressed concerns over behaviour of students in the local area around school with regards to issues such as swearing, causing damage, litter and being rude to residents, which they anticipate would become worse with an increase in student numbers.

Response: Leeds West Academy has high expectations in terms of how its students should conduct themselves and the senior leadership team is confident

that the proposed expansion would not lead to an increase in anti-social behaviour from its students within the local community. The academy believes that appropriate measures are in place to work with the local community on any issues of concern that may emerge with regards to this. Conduct within the school and the wider community is a key part of the curriculum and is supported and informed by well-established links with both local feeder primary schools and a variety of external organisations including youth workers and social workers working with young people in the Bramley area. The academy has an experienced pastoral team who oversee students' needs, liaising with families and members of the community as necessary. If the proposed expansion were to progress the levels of staff in the pastoral and behaviour support team would also increase.

Leeds West Academy has a successful Student Parliament, who have established various groups including a "Department for Environment" with a focus on improving the environment across the Bramley area. They have taken part in community activities such as the recent 'anti-litter campaign'.

In line with many other high schools across the city, Leeds West Academy has appointed a Safer Schools Police Officer (SSPO) who will start with the Academy in September 2020. The SSPO will provide an additional layer of support and guidance for young people and work with school staff to enhance students' awareness and acceptance of their responsibilities and rights as citizens and members of the community.

- 3.9 **Concern about potential negative impact on teaching and learning:** comments received expressed concerns that the standards of education and teaching might be compromised were the academy to increase in size. Staffing levels may not be adequate and class sizes may increase.

Response: Were the academy to expand, additional teaching and support staff would be required over the five year period that it would take for all year groups (years 7 to 11) to increase in size to 300 places. The principal and Local Accountability Board are committed to maintaining the current high standards and feel that due to the positive reputation of the academy they would be able to continue to attract high quality staff. The principal and senior leadership team are confident that the proposed expansion would not have a negative impact on students and anticipate that with an increase in pupil numbers they would be able to enhance their curriculum offer, providing more choice for students and be more effective at meeting students' needs. The principal has confirmed that there are no plans to increase class size as a result of the proposed expansion.

- 3.10 **Concern about the proposed number of students:** comments received expressed concerns that the proposed number of students was too large and that there could be overcrowding which would put extra pressure on certain facilities within school –i.e. dining area and science labs.

Response: An initial assessment has identified that there will likely be a need for additional classrooms, science labs and dining provision in order for 300 pupils per year group to be accommodated. We have agreed with the academy to fund further feasibility work to investigate what additional accommodation is required and inform how this could be delivered. The academy has commissioned further detailed work and will provide this to inform the proposed design. Were the academy expansion to go ahead then the proposed design would address these issues and ensure that there was adequate provision of all necessary facilities for 1500 pupils.

- 3.11 For expansions relating to Academies the Trust Board is the decision maker with regards to the proposal. Following the consultation period the White Rose

Academies Trust Board met on 14 May 2020 to consider the outcome of the consultation that had taken place and approved the proposal to expand the school.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 The process in respect of this proposal has been managed in accordance with the relevant legislation and with local good practice.
- 4.1.2 The trustee's consultation on the proposal took place between 27 January and 1 March 2020 to seek the views of parents, local residents and other stakeholders. To maximise stakeholder engagement a variety of consultation methods were used, including email communications and an online survey. Informal drop-in sessions were held at Leeds West Academy to provide an opportunity for parents, carers, students, school staff, local residents and other interested stakeholders to ask questions and discuss the proposal with the trustees and school leadership team of Leeds West Academy as well as Leeds City Council representatives. Information about the consultation was distributed widely. 5,000 leaflets advertising the consultation were delivered to residents in the close vicinity of Leeds West Academy. Details of the consultation and drop in sessions were also advertised in The Squeaker which is delivered to homes across West Leeds and in the West Leeds Dispatch (an online distribution). The academy informed parents and carers of existing pupils in writing. Details about the consultation were sent via email to primary and secondary schools in the area to share with their parents and communities. Information was also shared via email with local ward members, MP's and other stakeholders. Information was available via the academy's website, Leeds City Council website and through various social media platforms. A targeted Facebook advertising campaign was also undertaken to reach people living within postcode areas located across West Leeds.
- 4.1.3 Comments were received via the online survey from parents and carers, students, local ward members, staff, trustees and local residents.
- 4.1.4 Ward members for Bramley & Stanningley, Armley, Pudsey, Farnley & Wortley and Calverley & Farsley were communicated with to make them aware of the proposal and given an opportunity to attend one of the drop in sessions or respond via the online survey. Ward Members for Bramley & Stanningley, where the academy is located, were represented at a drop in session and also through the Local Accountability Board for the academy and have expressed support for the proposed expansion.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 The EDCI screening form for the proposal is attached as an appendix to this report.

4.3 Council policies and the Best Council Plan

- 4.3.1 This proposal offers good value for money through its capacity to support achievement of the Best Council Plan outcome that states 'we want everyone in Leeds to do well at all levels of learning and have the skills they need for life'.
- 4.3.2 This proposal is being brought forward to meet the LA's statutory duty to ensure that there are sufficient school places for all the children and young people in

Leeds. Providing places close to where children live allows improved accessibility to local and desirable school places, is an efficient use of resources and reduces the risk of non-attendance.

- 4.3.3 This proposal contributes to the city's aspiration to be the best council, the best city in which to grow up and a child friendly city. The delivery of pupil places through the Learning Places Programme is one of the baseline entitlements of a child friendly city.
- 4.3.4 Providing additional good quality school places in an already established school, in an area where demand for places is increasing, will contribute towards the achievement of the Child Friendly City aim of 'improving educational attainment and closing achievement gaps for children and young people vulnerable to poor learning outcomes'. In turn, by helping young people into adulthood, to develop life skills, this proposal provides underlying support for the council's ambition to produce a strong economy and a compassionate city.
- 4.3.5 A good quality school place also contributes towards delivery of targets within the Children and Young People's Plan such as our obsession to improve achievement, attainment and attendance at school.

Climate Emergency

- 4.3.6 Due to anticipated increases in the demand for secondary places in West Leeds the provision of 60 additional year 7 places at Leeds West Academy has been proposed as part of a strategy to address secondary need in the West over future years. Leeds West is located in an area where we are experiencing an increase in pupil numbers. This proposal would support more local families to access local places thereby potentially reducing journey times to and from school.
- 4.3.7 As part of any planning application, the school's 'Travel Plan' would be considered and a package of measures would be identified in order to mitigate against the potential negative impact on the highway as a result of the development. Leeds City Council's 'Influencing Travel Behaviour Team' would support these measures and seek to ensure safe routes to and from school by promoting walking, cycling and other sustainable methods of transport. Progress on these matters would be monitored and support offered where appropriate.
- 4.3.8 The academy supports initiatives that promote walking and cycling to school among both students and staff. The White Rose Academies Trust has a cycle to work scheme for employees and the academy has a reward scheme for students which includes bikes as rewards to encourage cycling to school. The academy also takes part in the annual national "Walk to School" week. The principal and senior leadership team are keen to develop further initiatives and have also been working towards securing the Eco-Schools National Award for 2020/21.
- 4.3.9 The responsibility for the design and ensuring the proposed development meets the demands of current building strategies and social responsibility, such as the use of renewable energy and energy saving technologies, will be that of the academy and their appointed architectural practice.

4.4 Resources, procurement and value for money

- 4.4.1 Planning permission would need to be granted prior to the commencement of construction works required. Once the feasibility stage is complete and, subject to the proposal gaining approval to proceed to the detailed design stage, budgets

would be realigned to reflect that all parties have agreed the final design and cost estimate, which would take account of the site investigations and survey information, in accordance with standard project and risk management principles. The scheme would also be subject to relevant stakeholder consultation.

- 4.4.2 The construction cost estimate of the proposed scheme would be funded primarily through Basic Need Grant, which, based on a Department for Education (DfE) Central Government funding rate of £17,564 per new secondary place, is approximately £5.269m. The precise funding package would be confirmed at the design freeze stage, and detailed in the relevant Design and Cost report (DCR).
- 4.4.3 School Places Programme Board (SPPB) provides strong cross council and corporate involvement to ensure that appropriate governance is applied to learning places schemes. The Director for Children and Families, who Chairs SPPB, provides the final approval of individual scheme DCRs, along with any Capital Risk Fund applications. Executive Board approved the establishment of a Capital Risk Fund to provide a mechanism which enables timely and proportionate responses to variations which are required to individual project budgets. Decisions by the Director of Children and Families to access the fund must be made with the prior approval of the Director of City Development and the Director of Resources & Housing, both of whom are Board members, and be in consultation with the appropriate Executive Members.
- 4.4.4 Executive Board is asked to approve 'provisional' authority to spend of £5.269m for this scheme. Once design freeze has been reached, School Places Programme Board will be asked to approve authority to spend for the scheme along with any necessary risk fund application, in line with the governance arrangements set out above.

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

- 4.5.1 The processes that have been and will be followed are in accordance with the statutory framework and departmental advice set out in: Making Significant Changes to an Open Academy and Closure by Mutual Agreement (November 2019).
- 4.5.2 This report is subject to call in.

4.6 Risk management

- 4.6.1 These proposals have been brought forward in time to allow additional secondary places to be delivered for 2022. A decision not to proceed at this stage may result in fresh consultations on new proposals, and places may not be delivered in time. It may also result in further bulge cohorts being delivered in other local schools which would be more costly in the longer term. The Local Authority's ability to meet its statutory duty for sufficiency of school places in the short term may be at risk.
- 4.6.2 In response to growing demand for year 7 places, Leeds West Academy and other local schools have been admitting over their Published Admission Number (PAN) for the previous three years and have committed to doing so again in September 2020. As the number of secondary-aged students living in the West is anticipated to increase further in future years, additional permanent places are required to address the growing need. A decision not to proceed with the expansion of Leeds West Academy could result in insufficient school places being available to meet local demand.

- 4.6.3 If the proposal does not proceed there is a risk that increased demand for places in the local area would have to be met further from the area of need, reducing the opportunity for more children and young people to walk to their local school, and potentially increasing journey times and car use.
- 4.6.4 There is also a corporate risk associated with failing to provide sufficient school places in good quality buildings that meet the needs of local communities.
- 4.6.5 The trustees of Leeds West Academy are intending to self-deliver the scheme with design and delivery being managed via an architectural practice commissioned directly by the Academy. A Grant agreement will be in place prior to any work that identifies the level of financial support from the authority.

5. Conclusions

- 5.1 Our ambition is to be the best city in the country. As a vibrant and successful city we will attract new families to Leeds, and making sure that we have enough school/learning places, is one of our top priorities. This proposal has been brought forward to support learners in Leeds to benefit from being able to access a local secondary place and so delivering our vision of Leeds as a child friendly city.
- 5.2 There was recognition from a number of respondents to the consultation that more school places are needed in this area, this was the most frequent comment received. The majority of respondents that expressed concerns were local residents and the concerns raised have been responded to in this report. All concerns raised during consultation have been considered, and on balance, the proposal remains strong and addresses the need for school places in the area.
- 5.3 In response to growing demand for year 7 places, Leeds West Academy has already been admitting over its published admission number (PAN) for the last three years. Other local schools have also admitted above their PAN. As the number of secondary aged students living near to Leeds West Academy continues to increase this proposal will allow more children and young people to attend their local school, which they will be able to walk or cycle to, reducing reliance on private cars and public transport.
- 5.4 The additional places are required to ensure the authority meets its legal requirement to ensure sufficiency of secondary provision for September 2022. There is evidence that up to an additional 5FE of year 7 places are required across the West area over future years and, if implemented, this proposal would contribute towards addressing that need. It is therefore recommended that the proposal to permanently expand Leeds West Academy be approved.

6. Recommendations

Executive Board is requested to:

- a) Note the outcome of consultation on the proposal to permanently expand Leeds West Academy from a capacity of 1200 to 1500 students by increasing the admission number in year 7 from 240 to 300 with effect from September 2022.
- b) Grant provisional approval for authority to spend (ATS) £5.269m to deliver the proposed permanent expansion at Leeds West Academy. Note that early feasibility indicates the final cost is likely to be lower than this amount.

- c) Note that implementation of the proposal is subject to funding being agreed based on the outcome of further detailed design work and planning applications as indicated at section 4.4 of this report and that the proposal has been brought forward in time for places to be delivered for 2022.
- d) Note the responsible officer for implementation of the capital budget is the Head of Learning Systems; and
- e) Note that the White Rose Academies Trustees intend to self-deliver the build scheme.

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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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: Children and Families	Service area: Sufficiency and Participation
Lead person: Darren Crawley	Contact number: 0113 3785945

Title: Assessing the consultation process on a proposal to permanently expand Leeds West Academy from September 2022

Is this a:

☐

Strategy / Policy

☐

Service / Function

☒

Other

If other, please specify

The proposal seeks to ensure a sufficiency of school places in the area.

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

The Education Act 1996 places a duty on local authorities to ensure there are sufficient school places for all children living in its area. The local authority (LA) is also required to promote choice and diversity, and therefore must also ensure that there are a range of options available to parents/carers.

The proposal is to permanently expand Leeds West Academy on its existing site from 240 places to 300 places in Year 7 from September 2022. The total number of children in the school would then increase year on year.

This screening form looks at the equality considerations that have taken place in order to ensure that the consultation and stakeholder engagement process that is required for this proposal is fair and addresses equality, diversity, cohesion and integration from the outset and throughout.

3. Relevance to equality, diversity, cohesion and integration

All the council's strategies and policies, service and functions affect service users, employees or the wider community – city wide or more local. These will also have a greater or 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	

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

• How have you considered equality, diversity, cohesion and integration?

The proposal is to permanently expand Leeds West Academy on its existing site from 240 places to 300 places in Year 7 from September 2022. The total number of children in the school would then increase year on year.

Leeds West Academy is a non-selective community secondary school with that admits children and young people in accordance with the Local Authority's coordinated admission arrangements.

The school's current Equality Statement, Policy & Objectives (March 2019) states that;

“The White Rose Academies Trust recognises that certain groups in society have historically been disadvantaged on account of unlawful discrimination they have faced on the basis of their race, gender, disability, religion/belief, sexual orientation or age.

This policy will put in place a range of actions to eliminate prejudice, unlawful discrimination and victimisation within the Trust, its school communities and workforce...

The Trust and its academies are opposed to all forms of prejudice and particularly recognise that children and young people who experience any form of prejudice-related discrimination may fare less well in the education system.”

The need for primary school places in the West of Leeds increased significantly in recent years which led to the expansion of a number of local primary schools. This increase in the number of primary school pupils is now starting to feed through into the secondary phase.

The population data of the West (Secondary Planning) Area was considered in developing this proposal, along with parental preference trends and projections. It was concluded that additional capacity is required in the area local to Leeds West Academy, which is why we are proposing to increase the number of places here.

Public consultation on the proposal took place between 27 January and 1 March 2020. To maximise stakeholder engagement a variety of consultation methods were used, including email communications and an online survey. Informal drop-in sessions were also held at Leeds West Academy (for parents/carers, local residents and other interested stakeholders) which offered attendees an opportunity to discuss the proposal with representatives from the schools Leadership Team and Board of Trustees as well as officers from the council's Sufficiency and Participation and Highways teams. Leaflets advertising the consultation were delivered to residents in the local area and publicised in local publications. Details about the consultation were also sent to all local primary and secondary schools in the area and to other stakeholders. Information was available via the Academy's web site and Leeds City Council website and through various social media platforms and accounts. A targeted Facebook advertising campaign was also undertaken to reach people living within postcode areas located in West Leeds.

• **Key findings**

From the equality impact screening the Sufficiency and Participation team found that this proposal would have a positive effect on some of the 6 categories listed below;

- Age
- Sex and Gender Reassignment
- Religion
- Ethnicity
- Disability
- Sexual orientation

The additional learning places would create more opportunities for more pupils to be supported in a way that meets their individual needs, regardless of age sex, gender reassignment, religion, ethnicity, disability or sexual orientation, in an inclusive school

environment. This proposal supports that aim and would not have an adverse impact on any child or young person who attends the school included in this proposal.

The school's existing ethos and any new accommodation provided would both help to ensure that all children and young people who attend can take a full part in the school curriculum in an environment that supports and protects their own individual equality characteristics. Expansion of the existing school will ensure that it continues to support the needs of its community by providing more places for local children. Through the design process, any new accommodation to facilitate the expansion of the school would be compliant with the Equality Act 2010.

The proposal would have a positive impact on promoting choice and diversity for local families who would be applying for a school place, supporting the achievement of The Best Council Plan outcome that states that 'we want everyone in Leeds to do well at all levels of learning and have the skills they need for life'.

The local authority has a statutory duty to ensure the sufficiency of school places for all the children living in Leeds. In addition to our statutory duty we want to further support the authority's aspiration to be the best city to grow up in and be a Child Friendly City.

- **Actions**

If the proposals are taken forward, the extra secondary places will be made available in Year 7 from September 2022.

During the consultation process, all views and responses were considered equally. If the proposal is approved, due regard to equality will be given to all aspects of developing and implementing the proposal with further equality impact assessments conducted at key points within the programme. Any identified actions would then be used to inform the proposals and implementation during the design process for new school accommodation.

Design plans would be shared with stakeholders and be subject to the relevant consultation processes.

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
Darren Crawley	Sufficiency and Participation Manager	23 April 2020
Date screening completed		

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:
For Delegated Decisions or Significant Operational Decisions – sent to appropriate Directorate	Date sent:
All other decisions – sent to equalityteam@leeds.gov.uk	Date sent:

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Report of the Director of Children & Families

Report to Executive Board

Date: 24th June 2020

Subject: Update on Thriving: The Child Poverty Strategy for Leeds



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

1. Main issues

- This report was requested in November's Executive Board meeting, following a discussion on 'Thriving: The Child Poverty Strategy for Leeds'. It aims to provide an update on the implementation of the Child Poverty Strategy. It is the first of two reports which will be provided each year, an annual report in April and an interim report in November. This report is the baseline structure of the annual report, and will provide an update on the Impact Workstreams, and detail the impact measures that will be implemented.
- Poverty is estimated to affect 173,600 people across Leeds (after housing costs are deducted from income). Child poverty is increasing, in Leeds and nationally, and it is having devastating impacts on children, the adults children become, and on the societies in which poor children live. Latest local data for 2018/19 has revealed 23% of children under 16 (34,862) in Leeds lived in poverty (before housing costs are deducted from income), an increase of 3% since 2016. Nationally, 18% of children under 16 lived in poverty (before housing costs are deducted from income).
- In work poverty is also increasing, with 73% of young people living in poverty having at least one adult in work across the UK (a 3% increase in a year). The statistics show that Leeds is not on its own in the prevalence and negative impacts of child

poverty. Its story is not unique, the debate is not original, and the impacts of poverty in Leeds are comparable to the impacts of poverty everywhere.

- In 2016, the Government removed the statutory target to eradicate child poverty by 2020, and the commitment to measure and report on the proportion of children living in poverty. The changes also remove a requirement to produce a national child poverty strategy, or for local authorities to produce local child poverty strategies.
- It is recognised that the ultimate aim is to eradicate poverty, and that is the long term goal for Leeds- however, to do this, a national approach that allocates resources to tackle poverty, decreases in work poverty, and strengthens the safety net that children, young people and families rely on is crucial. Whilst Leeds City Council will continue to work to eradicate poverty with the powers that they have, in the short term there is a need to mitigate the most negative impacts of poverty and inequality on young people.
- Researchers from the University of York have said that the COVID-19 pandemic is likely to expose and prolong existing inequalities, and create significant new forms of hardship and vulnerabilities. Save the Children have stated that children are becoming the pandemic's biggest victims of its social and economic impacts. Children's Society have said that COVID-19 is likely to have a particularly pernicious impact on children already living in poverty in the UK. In addition both the Education Policy Institute and the Northern Powerhouse Partnership have been called for additional pupil premium funding allocations. The Northern Powerhouse are requesting that an entitlement of at least £700 for every secondary school pupil on free school meals to fund extra weekly tuition. Across England this would equate to funding of over £300 million. Any additional increase of funding allocated to schools and targeted to vulnerable children will be welcomed by school leaders and will enable them to begin to 'close the gap' which the COVID-19 situation is likely to have made significantly worse for the most vulnerable learners.
- The charity StepChange has said that 4.6 million households risked building up dangerous levels of debt because of the pandemic, and families who are more likely to have problem debt at the start of the pandemic have seen their incomes fall more than families less likely to have problem debt. They have released figures which show that since late March, as many as 1.2 million people have fallen behind on utility bill payments, 820,000 on council tax, and 590,000 on rent. There has been an inequality in wealth since the beginning of lockdown, with research from the Resolution Foundation showing that as many as two in five high-income families have experienced budget gains in the crisis, compared with one in eight low-income households. Phil Andrew, chief executive of StepChange, has warned that poorer families will face a "tsunami" of household debt and arrears due to the crisis.
- To ensure that the COVID-19 pandemic does not cause rates of children living in poverty to drastically increase, a national approach is needed. A national child poverty strategy should be created, and the statutory requirement for each local authority to have a child poverty strategy should be reintroduced. Funding should be

allocated to each Local Authority to mitigate the impact of child poverty, and schools should receive additional funding to support children's mental, emotional and developmental needs, which may have been negatively impacted as a result of the pandemic and measures to contain it.

- Policy in Practice have advised that three main recommendations should be made to support the country through this pandemic. They have called for the savings limit in Universal Credit to be suspended for the next 12 months, the two-child benefit limit and the benefit cap to be suspended (or at least increased to £2,500 per month) for the duration of the pandemic and the increased generosity of the welfare system to be maintained after April 2021.
- In addition to this, The Children's Society recommends that:
 - a. The Government should ensure Free School Meal vouchers are easily attainable, without a significant time lag, and valid for exchange in a range of accessible shops. These should be available to all school children, regardless of their family's immigration status.
 - b. The Government should temporarily uplift Child Benefit Payments by £10 per child per week to help these families during this period of financial uncertainty.
 - c. Advance payments of Universal Credit should be made as non-repayable grants, rather than as loans.
 - d. The Government should introduce a £1000 increase in the child element of Child Tax Credit to parallel the uplift in Working Tax Credit.
 - e. The Government urgently needs to suspend the Tax Credit income disregard for reductions in earnings at least for the financial year 2020-21
 - f. A significant portion of the announced hardship fund should be allocated to Local Welfare Provision. Such support should be accessible to all who need it, regardless of immigration status

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

- This strategy directly relates to most of the Best Council Plan priorities:
- tackling poverty, helping everyone benefit from the economy to their full potential
- reducing health inequalities and supporting active lifestyles
- making Leeds the best city for children and young people to grow up in
- improving the quality of lives and growing the economy through cultural and creative activities
- providing homes of the right quality, type and affordability in the right places and minimising homelessness
- keeping people safe from harm and promoting community respect and resilience

3. Resource Implications

- Each project will have an individual resource implication. Where possible, a partnership approach will be implemented, to pool resources from a variety of directorates and sectors across Leeds.

Recommendations

- a) That Executive Board note the strategic framework in place to mitigate the impact of child poverty, and the work being undertaken by the council and its partners in the key areas of activity.
- b) Note the data overview, current work and reporting updates outlined in the report.
- c) Note the officer responsible for implementation is the Chief Officer, Partnerships & Health by December 2022.
- d) That Executive Board have an understanding of the potential impact of COVID-19 on child poverty, and note the calls for a national approach to mitigating the impact of child poverty.

1. Purpose of this report

- 1.1 This report provides an update on the work that has been undertaken, response to COVID-19 and outputs and outcomes of each Impact Workstream under Thriving: The Child Poverty Strategy for Leeds. The report, also details the way in which the Thriving Strategy will be monitored and evaluated. Two reports a year will be provided to Executive Board- an interim report in November, and an annual progress report in April.
- 1.2 Child poverty is at the heart of the Children and Young People's Plan, and there is a focus on mitigating the impact of poverty and reducing poverty within all of the key areas of the council. We have a strong track record of engaging children, young people and families, and we will build on this to embed a qualitative impact analysis under every workstream that is based on experiences of children and parents.

2. Background information

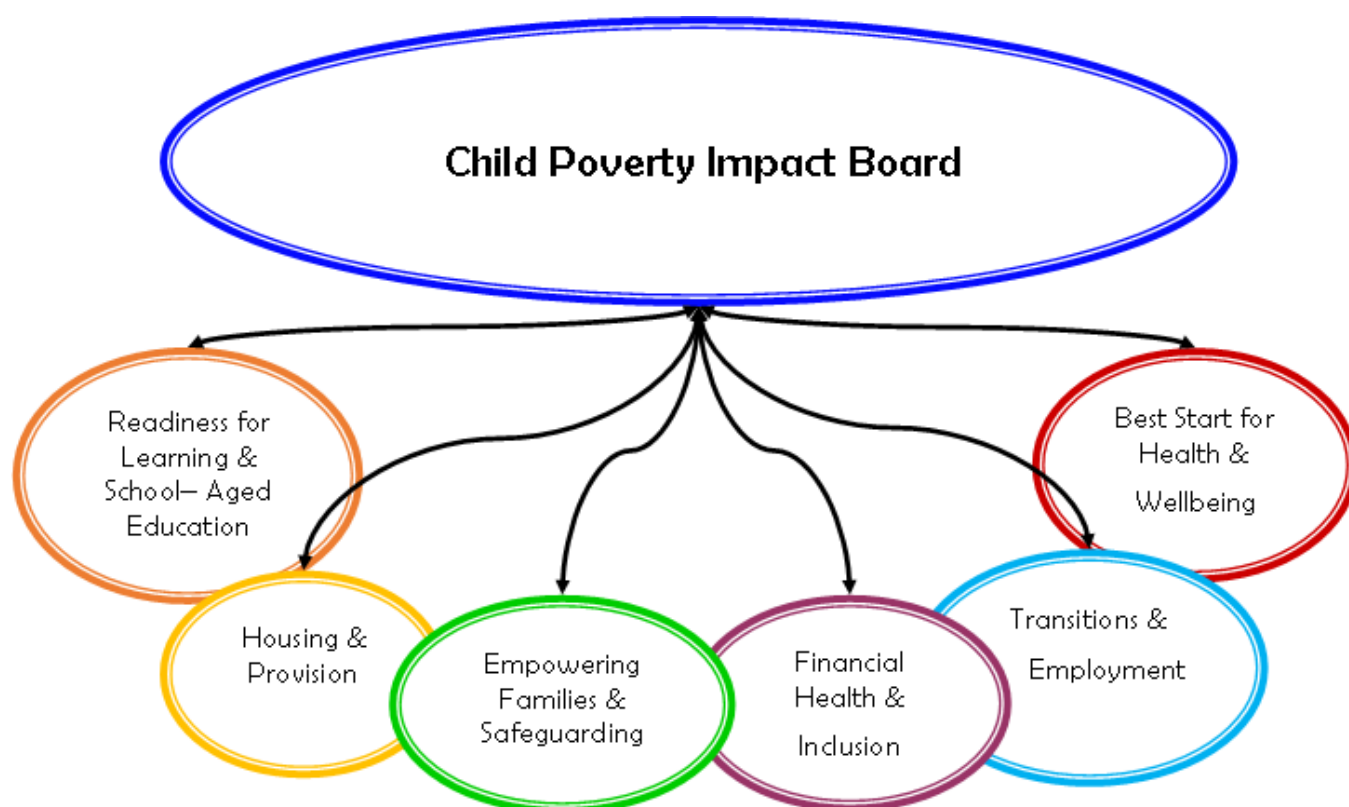
- 2.1 The strategy was created in partnership with children, young people and parents. Tackling poverty forms a key part of achieving the council's vision to build a strong economy in a compassionate city, detailed in the council's Best Council Plan.
- 2.2 The strategy should be understood within the specific context of Leeds, and the city's approach to tackling poverty and inequality. The localities approach, which has been developed by Communities & Environments, has facilitated a greater partnership approach both at local and city wide level. The approach seeks to adopt a new flexible, collaborative working, focussed on our least advantaged communities. At its heart is more joined up, effective service provision, with key

services - housing, communities, children's, adults social care - adopting a new working model with a very clear locality focus.

- 2.3 An example of how partners across the city are joining up to mitigate the impact of poverty related issues can be seen with the response to the COVID-19 pandemic. Leeds City Council colleagues from a range of directorates, schools, food banks, business partners, third sector, individuals, families and communities are working together to ensure that food and key services are being provided to those who are vulnerable across Leeds. Once immediate service and care has been provided, there will need to be significant focus on the likely long term economic impact on families, communities, schools and businesses across Leeds.
- 2.4 Relevant reports include: *Best Council Plan Refresh 2019/20*, *Inclusive Growth Strategy: Delivery, Tackling Poverty and Inequality*, *Children & Young Peoples Plan* and *Health and Wellbeing Strategy*.

3. Main issues

- 3.1 The intention behind the Thriving strategy is to weave together existing resources, organisations, projects and people to co-ordinate the work around poverty to maximise impact and provide long lasting, sustainable organisational changes.
- 3.2 The delivery is conducted through inclusive, equal partnerships, made up of children and young people, council directorates, schools, education provisions, academics, third sector, private sector, public sectors, and community representatives. These partnerships use their knowledge and expertise to investigate the impact of poverty on a specific area of children's lives, and then work together to create projects that mitigate this impact.
- 3.3 Thriving has five fundamental principles:
 - 1) All work needs to be informed by the voices of children, young people and parents
 - 2) All projects need to work with a wide variety of partners
 - 3) The focus is on changing structures, not individuals
 - 4) We need to reframe the language that is used
 - 5) Research is incorporated into every project
- 3.4 An overview of the work that has already commenced, or that is planned to start, is detailed for each workstream below, in addition to the impact measures and each workstreams' response to COVID-19.



3.5 Workstream 1: Readiness for Learning & School Aged Education

3.6 *We want to improve the educational experiences and outcomes of children and young people who live in poverty*

3.7 Overview of the activities that have taken place

3.8 The 3A's Strategy

3.9 The 3A's Strategy aims to reduce the gap in educational attainment for all vulnerable children and young people, has been launched. This strategy is focussed around the collective drive to improve the Attendance, Achievement and Attainment of all our children and young people, but particularly those who are vulnerable and/or less advantaged. A Leeds 'Year of Reading' has been launched in partnership with Booktrust. This partnership will bring over £1 million worth of books and resources into the city across 3 years, with much of this being targeted at areas of high deprivation. Our aim is that over time we will have narrowed the gap between 4 and 5 year olds on Free School Meals compared to 4 and 5 year olds not on Free School Meals by working with them, their families and professionals earlier and more effectively.

3.10 A group of schools and staff have been identified to participate in poverty proofing the school day training, the first iteration of which has taken place online. Golden tickets will be sent out in June to families eligible to access funded childcare for 2 year olds. It is expected that the number of families eligible for the 2 year old offer will have increased due to Covid-19 and the impact on employment. Therefore, we will closely monitor the number of eligible families to ensure the sufficiency of places while early years settings start to re-open.

3.11 Period Products

- 3.12 The city wide approach to tackling period poverty is based on a collaboration between Children & Families and Communities, and includes partnerships with third, public, private, education and academic sectors. The approach has been led by young people, and partnerships have been developed to identify current practice and develop a scheme that meets the need in a non-stigmatising, sustainable way.
- 3.13 Period products that are in packaging that has been designed by a young person in Leeds will be supplied for free in schools and community hubs from June 2020. Products in plain packaging have been supplied to 129 schools and 39 community hubs since autumn 2019. An app is currently in development, which will enable the user to locate their nearest products and advise how they can access them. An officer is sitting on the government's taskforce on tackling stigma and shame around periods.

3.14 COVID-19 Response

- 3.15 The lockdown measures and the partial closure of schools has implications for child poverty in Leeds, and across the country. We have put in place the following measures to mitigate the impact of differing aspects of child and family poverty:
- a) Schools have continued to provide for children eligible for free school meals. This has been in the form of daily grab bags, weekly hampers or vouchers which can be redeemed in local supermarkets. The Government launched a National Voucher Scheme through its provider, Edenred, but this has been problematic and led to delays in families accessing their entitlement.
 - b) Schools are providing work for pupils to complete at home. Some of this is on line. However, this disadvantages pupils who do not have access to digital devices in the home. Many schools have responded by loaning these out or purchasing them on behalf of pupils. The Department of Education has a national scheme to support vulnerable learners with an allocated social worker who currently have no access to a digital device (laptop or tablet), which they require to progress their learning or mitigate against isolation if a care leaver, which can include a router with a monthly data allowance for a period of 6 months, if required.
The Department of Education calculated that for children and young people in Leeds with an allocated social worker, this allocation would be 2,181 digital devices (laptops or tablets) each with a bag and 303 routers, which have a set monthly data allowance for a period of six months. A 'forecast survey' was returned to the Department of Education in early May, where Leeds City Council confirmed it would require the full allocation for its vulnerable learners
There is a separate scheme for vulnerable year 10 students attending local authority schools in Leeds, which has also received an allocation of digital devices (laptops or tablets) each with a bag and an allocation of routers. There is a separate process for academies, administered centrally. 343 devices were originally allocated with a shortfall of 39 devices following the identification of students meeting the criteria in maintained schools. This was challenged and it has been confirmed that we will receive the additional devices in due course.
 - c) Girls not attending schools may be in need of period products and lack the means of buying them. These have been provided in three ways: through direct deliveries sent out through the council when applicable, through the Community Care Hubs

for distribution with food parcels, and by being included once a month in the Catering Leeds hampers. Schools have been reminded that they can still access products through the Government scheme and the Leeds scheme.

- d) Schools closed on 23rd March to all but the children of key workers and vulnerable children. There is widespread concern both locally and nationally about the numbers of vulnerable children actually attending school. For example, in the week beginning 27th April, only 13.56% of the total number of vulnerable pupils in Leeds attended school (though this is a higher rate of attendance than the English average of 5%). Schools and social care are making regular contact with pupils to ensure they remain safe and well. This is in the form of regular calls or welfare visits. There is little doubt, however, that those children who are disadvantaged are likely to suffer more from school closures and their educational progress will be impacted.
- e) There is a wide range of on-line learning opportunities available to support pupils' home learning. For example, the BBC has created a series of daily bitesize lessons. In Leeds we have collated lists of good learning resources and also signposted and created materials to support pupils' emotional well-being. There is guidance for parents, with activities and creative ideas for families to do during lockdown on the Child Friendly Leeds website.
- f) Poverty Proofing the School Day training for staff is going ahead on line so that it can be rolled out in September as planned.

3.16 Plans are underway to help pupils throughout the recovery phase during which schools will reopen. Different services are coming together to anticipate the nature and level of need following lockdown.

3.17 **How outputs will be monitored**

3.18 3A's:

- Take up of 2 Year Old offer
- Good Level of Development in areas of deprivation and narrowing of gap to all peers (evidenced in the Annual Standards Report)
- Number of children and young people accessing and completing the summer reading challenge.

3.19 Period Products:

- Number of users of the app, number of products provided across all schools, libraries and community hubs, qualitative impact on wellbeing and inclusion.

3.20 **How outcomes will be monitored**

3.21 Impact Case Studies will be provided for the interim report in November demonstrating how positive outcomes are being achieved.

3.22 **Workstream 2: Housing & Provision**

3.23 *We want every family to live in housing that is safe, appropriate and affordable.*

3.24 **Overview of the activities that have taken place**

- 3.25 The service has previously shared a range of activities undertaken that support the wider delivery of the Child Poverty Strategy, with these being now embedded in day to day functions of the housing service. To maximise impact, the focus in the year ahead is on two specific areas of work:
- a. The implementation of Selective Licensing and the opportunity this brings to improve housing conditions, identify more specialist needs and offer wider support to families
 - b. Developing the work of the enhanced income service to ensure we maximise support to vulnerable tenants, seeking to maximise household income through a range of benefit and Universal Credit related support
- 3.26 Between April and November 2019, the enhanced income team worked with 1,819 tenants and have been able to secure around £2.13m in additional income for them.
- 3.27 The team have also made changes to the way their activity and outcomes are recorded so that we are able to identify the households with children.
- Between April and November 2019 we have worked with 372 households with children and have been able to secure around £559k in additional income.
 - The average amount secured for each household with children is around £1,500
 - We have been able to secure income for households with children from 16 different sources.
- 3.28 With regards to Selective Licensing, the scheme is now fully designated and in operation. The service is currently developing a comprehensive implementation plan that will fully incorporate activities and interventions from all key stakeholders including schools, Safer Leeds, safeguarding, NHS and CCG's, Children and Adult services as well as the local community. The aim is to not only tackle poor housing conditions but also address individual and family needs to make tenancies more sustainable and fit for purpose.

3.29 COVID-19 Response

- 3.30 As previously reported to the Executive Board, the housing focus for the year is on two specific areas of work; the implementation of Selective Licensing and the opportunity this brings to improve housing conditions and support for families and developing the enhanced income service to ensure we maximise household income through a range of benefit and Universal Credit related support.
- 3.31 Selective Licensing:
- 3.32 Due to restrictions in place the full implementation of Selective Licensing in both Harehills and Beeston has been delayed. Whilst processing of licence applications continues and full advice and guidance is being issued, we have not been able to commence the intensive property inspection regime as planned. However, the service continues to ensure processes are followed and procedures are in place to ensure the inspections can commence once restrictions are relaxed or lifted.
- 3.33 In the meantime, officers are liaising with local community and support groups to offer support and advice to vulnerable tenants and families in these deprived areas.

We have identified an increase in allegations of harassment cases where landlords may be pressuring tenants in rent arrears. We have established a close working arrangement with colleagues in Leeds Housing Options to put a robust referral pathway in place and ensure landlords are unable to exploit the most vulnerable tenants, the majority of which are often families.

3.34 **Enhanced Income Service:** We have moved the service provided by Housing Officers Income and Enhanced Income Officers to home based working. Our officers have continued to support tenants with income and benefit issues by telephone and online. The challenges we have faced include the following:

- A significant increase in the number of tenants claiming UC. We have continued to deliver the existing service offer by phone or online. We increased the resources available to deal with verifications on the landlord portal during peak demand.
- There has been an issue of people who have access to the internet but they are unclear or unable how to make applications. Officers have successfully talked tenants through the online applications on the phone.
- Tenants who don't have internet access can claim UC by phone, but the lines initially had long wait times to be answered. We raised the issue with DWP who clarified which tenants needed to use the line and increased resources to deal with new claims. We are working with colleagues in Benefits to identify ways tenants without internet access can claim Housing Benefit and Discretionary Housing Payment.
- Our plans going forward are to reintroduce face to face support for tenants, when it is safe to do so, and this is likely to remain the main way of providing the service once the emergency situation is over. However, we are likely to be providing the service remotely for some time yet and we would be looking to continue to develop remote delivery in specific situations where this supports improved service delivery.
- More generally, Housing Leeds in response to COVID-19 have issued regular email updates to over 33,000 tenants signposting a range of health and well-being information including Active Leeds 'healthy at home' and Child Friendly Leeds online resources.
- To support our vulnerable customers a Lettings Panel was set up to deal with emergency moves during Covid-19. Over the last few weeks the panel have successfully completed 18 lettings into Council homes and one letting into a Housing Association property.
- Carried out over 7,000 essential repairs and 2,600 essential gas safety checks

3.35 How outputs will be monitored

- The number of property inspections (within and outside of Selective Licensing areas) and the number of hazards identified and removed
- Number of households with children given additional support by the Enhanced Income Team
- Amount of additional income secured to households with families.
- The number of support referrals from Housing Officer Income

3.36 How outcomes will be monitored

3.37 Our Housing Officers support families with complexities including arrears prevention, reuniting families, securing work and those fleeing domestic violence.

Please see Appendix 1 for detailed case studies, which will be provided with the two reports per year, to demonstrate outcomes of this workstream.

3.38 Workstream 3: Empowering Families & Safeguarding

3.39 *We want to change the structure around social care to better support children, young people and families living in poverty.*

3.40 Overview of the activities that have taken place

3.41 Within this workstream, the main project is 'Poverty Proofing Social Work Practice'. The British Association of Social Work has been developing an anti-poverty practice guide to support members in their work with service users living in poverty. Leeds will work with BASC and key academics to develop a model of 'poverty proofing practice' that aims to train social workers and key staff in poverty and its impacts- and support families in mitigating the impact of poverty. There has been a substantial amount of preliminary work to establish the best method of developing this framework, with key collaborations with academics and the Poverty Truth Commission.

3.42 A master class for social workers on the topic of poverty with Professors Brid Featherstone and Kate Morris was held in Leeds. Work with the University of Leeds to look at the best way to turn academic findings on topics of child poverty into useful information for practitioners has started. Research into the understandings of social workers in relation to poverty is ongoing. Workshops have been held with Heads of Service within Social Care to look at the impact of poverty on social work practice.

3.43 We will: map all services relating to poverty so that all social workers can access the information; ensure that all social work students and newly qualified social workers have training on poverty delivered by those with lived experience; ensure best practice is shared; connect social work teams with the Financial Inclusion team and other services who have extensive knowledge on welfare rights.

3.44 A resource hub has been established at Hunslet Hall office, providing families who are working with social workers with essential items, such as toiletries and clothes.

3.45 Current work is being undertaken with Leeds based Children & Families social work service teams, Leeds Beckett University, LCC Financial Inclusion team and the University of Leeds.

3.46 COVID-19 Response

3.47 To bring services together a "Tackling Poverty Group" has been set up to develop a Framework for Social Workers around poverty and connect services. The group has met twice since lockdown with the focus of the work being around responding the immediate needs of vulnerable children and families. The group is led by the Children's Principal Social Worker and includes social work team managers from each of the areas of the city, Families First Service Manager, Front Door Service Manager, Child Protection/ISU Service Manager and colleagues from the Financial Inclusion Team.

- 3.48 To help respond to the impact of COVID-19, all social workers received information during the first week of lockdown on how and where to access support and advice for families.
- 3.49 The Early Help Hubs have co-ordinated referrals for assistance direct from families and practitioners for delivery of essential items such as food parcels, toiletries, medication.
- 3.50 The Early Help Hubs have also worked closely with the Care Leavers service to ensure care leavers are supported during the lockdown and isolation. This has included delivery of essential items as well as more personal items such as birthday cakes for care leavers who have birthdays during lockdown.
- 3.51 The Workforce Development Offer has been adapted to a virtual offer and the work around tackling poverty is part of inductions and training for newly qualified social workers.
- 3.52 Weekly Bronze meetings bringing all services working with children together have been established across the 3 areas of the city to ensure a localised response to the needs for children and families during the pandemic and lockdown.

3.53 **How outputs will be monitored**

There will be a number of output and impact measures integrated within this work, including:

- Number of people engaged in consultation
- Number of people receiving welfare rights training
- Number of student social workers and newly qualified social workers reached
- Impact of changes to system on social workers
- Impact on families experiencing poverty and social work professionals

3.54 **How outcomes will be monitored**

- 3.55 Case studies will be provided in November's report.

3.56 **Workstream 4: Financial Health & Inclusion**

- 3.57 *We want every family to be equipped with the support, guidance and safety net needed to live financially secure and stable lives.*

3.58 **Overview of the activities that have taken place**

- 3.59 **Healthy Holidays** The programme aims to support families and children access meals and activities during the school holidays. During 2019, funding for the Healthy Holiday projects totalled £549,598. Leeds Community Foundation managed the delivery of 77 projects, reaching 5,441 unique children, and 903 adults. All of the programmes provided lunch, and some also provided breakfast and/or food parcels. Many used food from Rethink Food and FareShare, and Leeds Catering offered food preparation. FareShare alone distributed 15.21 tonnes of intercepted food, which would otherwise have been considered as waste, equating to 4,375

trays/crates of food with an estimated retail value of £21,645. The Healthy Holidays Task & Finish Group secured council, government and external funding for 2020.

- 3.60 **Free School Meals** In order to improve take-up figures for Free School Meals, Children & Families have been exploring ways to engage with schools and families. This has included the Health and Wellbeing service working with the Council Tax and Benefits service to provide training for school staff to support families and pupils with claiming their entitlement: and the launching of a new Free School Meals Toolkit with the support of other services across the council. The toolkit provides essential advice and information to those who are directly involved in free school meals and those who support children and families.
- 3.61 **School Savings Clubs** Schemes are currently running in primary schools. In order to increase knowledge, awareness and take up the Financial Inclusion Team will work closely with Leeds Credit Union to increase the number of schools engaged.
- 3.62 **Staff Training** Four sessions have been undertaken this year. Sessions have had low attendance, and so this is an area that needs significant drive and will be an immediate focus for the new position within the Financial Inclusion team. A 'toolbox' of new training materials will be developed, and a push to make the training more of a mandatory requirement for all staff will be made.

3.63 COVID-19 Response

- 3.64 The delivery of the 2020 Healthy Holidays scheme has been changed significantly to adhere to social distancing measures. Leeds City Council committed £150,000 to Healthy Holidays projects for 2020 with a further £170,000 being secured from other donations including JIMBOs and Direct Line. The application process for funding bids closed prior to the enforcement of social distancing within the UK. As a result 31 organisations are now delivering significantly modified online and offline activities that can be done safely by children and young people. This includes a range of activities including sport, physical activity, creative arts, cookery gardening and mental wellbeing support, alongside a meal. Further funding will be made available to organisations as the situation evolves and lockdown measures are lifted. In addition, Leeds Community Foundations has been assured by Department for Education that the Holiday Activity Fund 2020 funding of £450,000 is currently still allocated for project in the school summer holidays.
- 3.65 Free School Meal entitlement has been a critical indicator for schools and catering providers to ensure that families most in need are receiving food and support needed. In April 2020 The Government launched the National Voucher Scheme to support families with £15 per week for each FSM eligible child. Schools have been able to make their own decision as to whether to offer vouchers or work with their catering service to offer daily meals or weekly hampers. Schools in which LCC is the catering provider are distributing grab bags, hampers and hot meals which equates to 21,000 meals each week to children on Free School Meals. There have been reports from schools of a number of issues with the National Voucher Scheme, including problems issuing vouchers and delays in schools receiving registration information. These issues are beginning to be resolved and have also been reported nationally. The national Bite Back campaign have produce a

shopping list and menu ideas for families in receipt of the National Voucher Scheme and are delivering live cooking sessions each day.

- 3.66 Estimates by the Food Foundation thinktank show that about 5 million people in households with children have struggled to put food on the table during the pandemic. The government have announced that the Free School Meal voucher scheme, for which 1.3 million children qualify, and that has been running since March, will be stopped in July. Charities have expressed concern that children will go hungry throughout the holidays, with more families facing poverty as they lose jobs and income due to the pandemic. The Department of Education has suggested that it could expand the Healthy Holidays scheme, however no further details have been provided. The Healthy Holidays scheme covers 50,000 young people in 17 local authorities.
- 3.67 The Health and Wellbeing Service have been working with the Council Tax and Benefits Service to support schools and communicate information relating to FSM and COVID-19. A new E-learning training course is being developed to support schools and replace the face-to-face training course previously offered.
- 3.68 It has also been noted that there has been an accelerated increase in the number of FSM claims since COVID-19. The number of FSM awards in March was at 25,874 and by the beginning of May this was at 26,624, which has been an increase of 750 in a two month period. In comparison, the increase in FSM awards from January to March 2020 was 610. This rate of acceleration will be monitored over the coming months.
- 3.69 Recruitment of schools for credit union savings clubs, and staff training is currently suspended, with work being undertaken to review resources and materials.
- 3.70 Work has been taking place in Leeds to understand and to get a picture of and understanding of the disproportionate or differential impact on inequality that is happening due to COVID-19. This work is supported by Voluntary Action Leeds, Forum Central and a range of partners who provide specialist support to the city's diverse communities. This includes starting to gather evidence of the impact on Communities of Interest some of which is evidence based and some is anecdotal. It also shows that there is also overlap across many Communities of Interest. This mirrors work that is being undertaken by Public Health on the direct and wider health inequalities of COVID-19.
- 3.71 This work will form a key part of the recovery work that is being undertaken by the Communities Team and partners to ensure that the needs of those Communities of Interest who have been disproportionately affected by COVID-19 are addressed to prevent further widening of the inequalities gap.
- 3.72 All aspects of the financial health and inclusion work stream are under constant review and will be adapted as lockdown measure are lifted.
- 3.73 How outputs will be monitored**
- **Healthy Holidays** The number of: FSM children attending HH sessions, overall children attending HH sessions, meals provided, and activities provided

- **Free School Meals** The number of children accessing FSM in Leeds and the number of awareness raising activities/sessions held to promote entitlement
- **School Savings Clubs** The overall number of schools accessing the school savings clubs, number of new schools accessing school savings clubs, number of awareness raising sessions to promote opportunity

3.74 **How outcomes will be monitored**

- 3.75 **Healthy Holidays** Case studies and an in depth evaluation to include the above indicators will be provided.
- 3.76 **Free School Meals** Updates will be provided every six months, please note the number of children accessing FSM in Leeds data is updated annually, released in June.
- 3.77 **School Savings Clubs** Updates will be provided on the indicators every 6 months.

3.78 **Workstream 5: Transitions & Employment**

- 3.79 *We want every young person and family to have the relevant skills and experience to access and secure well paid employment.*

3.80 **Overview of the activities that have taken place**

- 3.81 In 2018, a partnership between Children & Families and Employment and Skills was developed, to support parents and carers into work. There were 122 parents consulted, with a 43% return rate. The Family Learning course received the highest number of enrolments of any previous provision on site, with 18 parents enrolled, and 14 who completed the course. All completers had one to one information, advice and guidance support and recorded improvements on their individual progress journey. Individual information, advice and guidance sessions have taken place with 8 parents wanting to explore getting back into learning/work.
- 3.82 This project is currently evolving, with plans around working with a variety of partners to provide volunteering/ work experience/ work, as well as working with parents to develop the 'soft skills' and experiences that are needed to thrive in a working environment. The initial approach was piloted in a small number of Children's Centres. The impact of this was assessed, and a possible expansion across the city is currently being looked at. The exact approach will be adapted to the needs of each community.
- 3.83 A further 912 residents enrolled in 2019/20 academic year on family learning courses delivered in children's centres, inner city primary schools and community centres. The Council's Adult Learning programme includes Family English, Maths and Language and Wider Family Learning. These targeted programmes aim to improve the literacy and numeracy outcomes for children and to increase the literacy and numeracy skills of parents not in employment or with low skills and the least likely to access education with the intention to build more successful families and communities. Employability skills and next steps guidance are embedded in these accredited courses.

- 3.84 Targeted employment support services supported 10,000 plus local residents in 2019/20, of which 19% had a child under 16 years of age and 10% were lone parents. Over 5,400 residents were successfully supported to secure employment with around 300 businesses from across all sectors of the economy with 61% living in the most disadvantaged neighbourhoods. Ensuring that links are built between the pilot and the city's wider employment and skills infrastructure will enable the project participants to progress and sustain their success.
- 3.85 Over the last few months, project activity has included:
- A training programme to respond to local parents' needs over a twelve months period
 - A new rewards scheme looking to reward parents at three stages of involvement in the programme
 - Funding has been secured to link in with the scheme for access to training
 - Additional links with the community centre are being developed to offer courses as they already deliver a substantial amount to adults in the area
 - 3 celebration events organised per year where we will bring all parents and families together who have gained a reward within the particular period.

3.86 COVID-19 Response

- 3.87 Since 23rd March 2020 all group and training activities have ceased during the COVID-19 lockdown period. Childrens Centres are still in regular contact with families through food, milk activity box drops. A service audit in the first week of May found over 700 families identified by Children's Centre staff to have a level of vulnerability. For all of these families weekly, or more regular phone, facetime or email contacts are in place to maintain the relationships between staff and parents. We are exploring different media approaches to contact and training for example, an Infant Massage group has been run through the ZOOM platform.
- 3.88 Maintaining contact and ensuring families have food, support and feel safe in their homes is essential at this period. This will enable training, contact and groups to resume as and when it is safe to do so.

3.89 How outputs will be monitored

- 3.90 Outputs and impact will be assessed on:
- The number of parents involved in the programme over the period of the programme
 - Distance travelled towards work readiness, measured through assessment and tracking frameworks
 - Change in family circumstance, such as accessing training, volunteering or work

3.91 How outcomes will be monitored

- 3.92 These will be provided for November's report

3.93 Workstream 6: Best Start for Health & Wellbeing

We want every Leeds baby from conception to age two to have the best start in life, especially those who are the most vulnerable.

3.94 Overview of the activities that have taken place

- 3.95 We have a best start strategy because development in first 1000 days of life is of crucial importance
- 3.96 Within this workstream, the initiative aims to enhance early parenting capacity and increase breastfeeding and relationship building by making available evidence-based information. This initiative provides the information via the Baby Buddy app, and the Baby Express magazines for the digitally excluded. The project is being carried out by frontline services in Leeds and has a specific focus on young parents living in deprived circumstances.
- 3.97 The Baby Buddy app provides personalised information to parents to be and in the six months after the baby is born and is designed to provide stage appropriate knowledge, awareness and confidence. Locally it is being used regularly by practitioners to support their consultations and delivery of city wide PBB courses.
- 3.98 To ensure practitioners are up to date an extra workshop will be delivered in Spring 2020 by Best Beginnings for Baby Buddy Leads which will be cascaded to all practitioners. Learning from this will also be shared in the Best Beginnings practitioner forum.
- 3.99 Work continues in partnership with Best Beginnings to enhance the information available on the app. The workshop being delivered in Spring 2020 will also explore any additional local information that could be included. The app has a geolocation facility that enables parents to access local information, aiming to enhance communication and reduce isolation.

3.100 Perinatal Parenting Partnership (3P) Board

- 3.101 This board brings together partners offering perinatal education offer across the city, providing opportunities for learning, education and improved communication across the services. Antenatal and postnatal offer cards have been developed, it is hoped these will enable providers to better engage families in the range of programmes available from pregnancy to age two and increase take up.

3.102 COVID-19 Response

- 3.103 COVID-19 is undoubtedly exacerbating child poverty in Leeds and it is thus more important than ever to take action to mitigate the impact of poverty and provide every child with the best start in life. Services available to children and families have adapted quickly and many which provide support during the crucial 1000 days are now operating remotely and via digital means. Such services include Baby Steps, which provides antenatal education and support for vulnerable families, Breast Feeding Peer Support services, and Pregnancy in Mind, which works with women with mild to moderate anxiety and depression. Pregnant women are deemed a

vulnerable group in relation to COVID-19 and many women and families will be requiring additional support at this time. There are also plans for the Preparation for Birth and Beyond information and support to be provided in a digital format. The Baby Buddy app is also a vital tool, particularly at this time, and the content has been updated to include information on COVID-19. This is being promoted by all services and practitioners and downloads are up by approximately 15% at time of writing. The Perinatal Parenting Programmes Network has been utilised to share relevant COVID-19 information: including services changes, emergency food provision, reliable sources of information (i.e. RCOG), tools and resources to use with pregnant women and families and any relevant campaigns at this time. The network also continues to act as a means by which practitioners and services can share best practice.

3.104 How outputs will be monitored

3.105 *Best Beginnings*

3.106 Quarterly reports provided by Best Beginnings will give information about who uses the Baby Buddy app, demographics and the most used features.

3.107 *Perinatal Parenting Partnership (3P) Board*

3.108 The development of antenatal and postnatal offer cards and the uptake of this will provide us with an overview of the reach and impact of perinatal education in the city.

3.109 How outcomes will be monitored

The use of case studies to better understand the impact for these focus areas is being explored and an update will be provided in November's report.

3.110 Summary

3.111 This report has provided an overview of the work for each of the Impact Workstreams, detailed the response to COVID-19, and outlined the structure of the proposed outputs and outcomes to be incorporated within the work. It provides a baseline structure for the annual and interim reports and will shape updates moving forward.

3.112 It is important to note that some work will be undertaken not because it has substantive statistical impacts on outcomes of young people, but because it is the right thing to do for children living in poverty in Leeds. For example, the Healthy Holidays scheme will continue, even if it cannot demonstrate an impact on educational outcomes, because it is morally wrong that children are hungry during school holidays. We want to ensure that the systems that families are accessing are as kind, supportive and responsive as possible. We want to ensure that young people do not feel the individualised shame that is a common consequence of experiencing poverty in this country, and that families know where to go to for advice, support and guidance that is provided in a non- stigmatising or blaming approach. Poverty is a consequence of a failing political context, and we do not want our young people to carry the burden of national mistakes.

4 Corporate considerations

4.1 Consultation and engagement

- 4.1.1 Extensive consultation has been carried out with regards to this strategy, with private, public, third and education sectors, children, young people and parents, universities and community groups.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 Equality and diversity issues have been considered throughout this work (EDCI Screening Form attached at Appendix 2). Disadvantaged pupils are not a single group; characteristics such as Special Education Need and Disability (SEND), ethnicity and EAL (English as an Additional Language) interact with disadvantage with varying impacts on progress rates, gaps with non-disadvantaged pupils and the long term impact of disadvantage.
- 4.2.2 Equality Improvement Priorities have been developed to ensure our legal duties are met under the Equality Act 2010. The priorities will help the council to achieve its ambition to be the best city in the UK and ensure that as a city work takes place to reduce disadvantage, discrimination and inequalities of opportunity.

4.3 Council policies and the Best Council Plan

- 4.3.1 This report provides information on poverty, which is a key city regional and national challenge. This priority is reflected in all city strategies contributing to the strong economy compassionate city including the Best Council Plan 2018/19-2020/21, the Inclusive Growth Strategy, the Joint Health and Well Being Plan and the Tackling Poverty and Inequality Executive Board report, discussed in December 2018.
- 4.3.2 Equality Improvement Priorities 2016 – 2020 have been developed to ensure that the council meets its legal duties under the Equality Act 2010 by helping the council to identify work and activities that reduce disadvantage, discrimination and inequalities of opportunity.
- 4.3.3 The work fulfils some of the best council objectives and priorities as defined in the Best Council Plan 2018/19-2020/21. These include; improving educational achievement gaps; providing skills programmes and employment support; improving school attendance and reducing the percentage of young people who are NEET.
- 4.3.4 The strategy aligns with local and city wide strategies such as the Priority Neighbourhoods work, the Children and Young People's Plan, Child Friendly Leeds, Future in Mind Strategy, and the Best City for Learning

Climate Emergency

- 4.3.5 As the climate continues to change, extreme weather patterns across the globe will become increasingly common. The knock on effects of these changes will be profound, however it is hard to determine what specifically they will look like. What

is certain is that there will be scarcity of various resources, such as food and energy, which could lead to a price increase, which will have a disproportionate impact on people who live in poverty. We should seek to mitigate the impact of poverty and reduce insecurity and inequality around these basic needs to build strengthened communities for the future.

4.4 Resources, procurement and value for money

- 4.4.1 This report provides an update on existing services provided by the Council, schools and other partners and details how these have adapted in response to COVID-19, for example through remote delivery and signposting. Any costs to the Council due to COVID-19 will be fed through to the financial reporting associated with this. This report does not introduce new areas of strategy, however should a need for this be identified in future this will take into account current financial pressures and the need for savings to be identified across the Council. Where possible, a partnership approach would continue to be implemented, to pool resources from a variety of directorates and sectors across Leeds.

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

- 4.5.1 This report is subject to call-in.

4.6 Risk management

- 4.6.1 None

5 Conclusions

- 5.1 Experiencing poverty has a significant correlation to poorer outcomes across a wide range of life indicators. This is a problem that is growing, both in Leeds and nationally, and it is clear that a radical approach is needed to reduce the impact of poverty.
- 5.2 In Leeds, we believe that a young person's life chances should not be impacted by their background or the area in which they live. We want to ensure that poverty presents no barriers for our children and young people, and we want all people to have access to the same opportunities, regardless of their background. We believe that all children and young people should have the freedom to choose their pathway, and that we can work together as a city to tackle any limitations that poverty may place on these pathways
- 5.3 We also know the challenges that are faced, both by the people who live in poverty, and by the services who work across the city. We need to focus on mitigating the impact of poverty on children and young people- whilst we work as a city to improve the structures around people who experience, or are at risk of, poverty.

- 5.4 For this reason, we need to work as a city, to share our understandings, knowledge and practice, to learn about the day to day impact of poverty for children and young people- and then to work with children and young people to tackle this impact.

6 Recommendations

- 6.1 That Executive Board note the strategic framework in place to tackle child poverty, and the work being undertaken by the council and its partners in the key areas of activity.
- 6.2 Note the current work and reporting updates outlined in the report.
- 6.3 Note the officer responsible for implementation is the Chief Officer, Partnerships & Health by December 2022.
- 6.4 That Executive Board have an understanding of the potential impact of COVID-19 on child poverty, and note the calls for a national approach to mitigating the impact of child poverty.

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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Housing Case Studies- April, 2020.

Arrears prevention - Our Housing Officer Income received a pro-active referral from the local Housing Team. Arrears were only £85 but they were increasing. The Housing Officer Income visited and discovered that the oldest child had moved out and they now had an under occupation charge. The family didn't want to downsize as he may need to move back in the future. A Discretionary Housing Payment claim was completed and a wider review of their entitlement was undertaken. It was identified they were not getting the Council Tax support they were entitled to. Our Housing Officer Income resolved this and a back date was made which put their council tax £235 in credit and saved them £5 a week going forward. When our Housing Officer Income told the mother this, she burst into tears as the family had been burgled over Christmas and this would allow them to replace items that had been stolen, as well as help pay for the new school uniform for their daughter.

Reunited family - Our Housing Officer Income visited following a referral about a housing benefit shortfall. The house was cold and the mother was struggling to feed her children, who had been placed back in her care following an extended period in foster care. Referrals were made for food support and 3rd sector family support. There were issues relating to multiple benefits which have been tackled and backdates of £550 Housing Benefit and £500 Council Tax Support were secured. The outcome has been that the mother's mental health has improved and she is attending courses at the local community centre. The children are back home and the family are beginning to thrive. Ongoing support is being provided.

Supported into work with the NHS - Our Housing Officer Income contacted a tenant about her arrears which were increasing due to under occupying her home. She was not in a position to move due to her child's school and the tenant had also secured a part time job in the NHS which had led to her Income Support and Housing Benefit being cancelled. The tenant didn't have any other debts and was eligible for Housing Benefit extended payment. Our Housing Officer Income submitted a Discretionary Housing Payment claim and advised Leeds Benefits Service to secure the additional Housing Benefit. The payments cleared her rent arrears and when we told the tenant of this she was sincerely grateful as this would free up some much needed cash as she would not receive her wage until the end of the second month of work.

Young mother fleeing domestic violence: Our Housing Officer Income supported a young mother who had moved as she was fleeing domestic violence. Housing Benefit was being paid to the previous address and the rent account on the new address was going into arrears which was causing her worry and upset that she might lose her new safe home. Our Housing Officer Income liaised with the local housing team and Leeds Benefits Service to clarify the tenancy end date of the previous property, appeal Housing Benefit on two homes and apply for Discretionary Housing Payment. The outcome was that rent arrears were substantially reduced and it alleviated the tenant's stress levels, she no longer feared she was going to lose her new home.

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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: Children & Families	Service area: Partnerships & Health
Lead person: Sue Rumbold	Contact number: 01133783629

1. Title: Thriving: A Child Poverty Strategy			
Is this a:			
☒	Strategy / Policy	☐	Service / Function
		☐	Other
If other, please specify			

2. Please provide a brief description of what you are screening
The Child Poverty strategy has been created based on consultation from a wide range of partners. The main report reflects upon the barriers faced by children who live in poverty and looks at how council directorates and a large range of partners can do more for children living in poverty in Leeds. The content of the strategy is being screened to ensure that there are no negative impacts on equality, diversity, cohesion or integration. Executive board requested oversight of monitoring the impact of the actions taken under each priority workstream in the strategy. This will include qualitative and quantitative information reported twice a year.

3. Relevance to equality, diversity, cohesion and integration

All 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 and any other relevant characteristics (for example socio-economic status, social class, income, unemployment, residential location or family background and education or skills levels).

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	

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

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

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

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

If you can demonstrate you have considered how your proposals impact on equality, diversity, cohesion and integration you have carried out an impact assessment. Please provide specific details for all three areas below (use the prompts for guidance).

• **How have you considered equality, diversity, cohesion and integration?** (think about the scope of the proposal, who is likely to be affected, equality related information, gaps in information and plans to address, consultation and engagement activities (taken place or planned) with those likely to be affected)

The Child Poverty Strategy has been developed in consultation with a wide range of partners. Placing prominence on equality, diversity, cohesion and integration is key to

this work, as it aims to improve the lives of those who experience poverty. A key stakeholder in our work is children and we have ensured that the voices and experiences of children living in Leeds is at the forefront of our strategy. Children and young people will be consulted as we understand the impact of mitigating poverty.

There is a focus on Equality and Diversity & Cohesion and Integration throughout our strategy and this will be highlighted as we report on the impact and outcomes. The Equality and Diversity & Cohesion and Integration section within this report highlights that equality and diversity issues have been considered throughout the work in developing the strategy. We have recognised that disadvantaged children are not a single group; characteristics such as Special Education Need and Disability (SEND), ethnicity and EAL (English as an Additional Language) interact with disadvantage with varying impacts on progress rates, gaps with non-disadvantaged pupils and the long term impact of disadvantage.

Equality Improvement Priorities have been developed to ensure our legal duties are met under the Equality Act 2010.

- **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 Child Poverty strategy is focused upon eliminating the impact of experiencing poverty, which has provided the opportunity for partnerships to form between external and internal partners. We recognise the variations in the complexity and breadth of the impacts of poverty, and are therefore addressing the impacts of experiencing poverty from a multi-organisational approach, which is based upon inclusive and equal partnerships. The strategy incorporates the formation of strong relationships between children and young people, council directorates, schools, education provisions, academics, third sector, private sector, public sectors, and community representatives to work on policies and projects which are low cost, but provide high impact solutions to improving the lives of children and young people in poverty.

Through this strategy, different partners across the city will work together to share their understanding, knowledge, resources and good practice to help tackle the impact of poverty on children and young people. We want to improve the opportunities and enable better outcomes for children and young people by collectively combatting the challenges that they face. The work will be overseen by the Child Poverty Impact Board, who will analyse key findings and promote these across the city,

We will report on the impact the strategy has on the lives of children and young people in the city which has been brought into focus during the Covid19 pandemic.

- **Actions**

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

- We will maintain and develop the work that is already being done to combat child poverty in Leeds
- We will continue to work in partnerships with children, young people, their families and internal and external partners, to ensure our strategy is shaped by the people who are living in poverty and by the partners who are working first-hand with these individuals
- We will also be working in close partnerships with third sector and private sector groups to provide further support to disadvantaged individuals and to collaborate with these partners to see what more can be done to help those living in poverty
- We will continue to monitor the data and trends on poverty in Leeds to ensure that the work we are doing is still effective and targeting the right areas across the region
- We will assess the success of the work being done by the impact workstreams to ensure that each workstream is producing tangible outcomes and working towards the broader ambition of reducing the impacts of poverty on children. We will also seek to understand the qualitative impact on the lives of children through their lived experience.
- The strategic board will assess the learnings of the impact workstreams and promote positive improvements both locally and nationally

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
Sue Rumbold	Chief Officer Partnerships & Health, Children & Families	1/6/2020

7. Publishing

This screening document will act as evidence that due regard to equality and diversity has been given. If you are not carrying out an independent impact assessment the screening document will need to be published.

Please send a copy to the Equality Team for publishing	
Date screening completed	1/6/2020
Date sent to Equality Team	
Date published (To be completed by the Equality Team)	

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