



SCRUTINY BOARD (CITY DEVELOPMENT)

Meeting to be held in Civic Hall, Leeds, LS1 1UR on
Wednesday, 27th January, 2016 at 10.30 am

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

MEMBERSHIP

Councillors

- A Castle - Harewood;
- D Cohen - Alwoodley;
- P Davey - City and Hunslet;
- R Harington - Gipton and Harehills;
- J Heselwood - Bramley and Stanningley;
- M Ingham - Burmantofts and Richmond Hill;
- S McKenna - Garforth and Swillington;
- C Townsley - Horsforth;
- P Truswell (Chair) - Middleton Park;
- P Wadsworth - Guiseley and Rawdon;
- J Walker - Headingley;

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

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A G E N D A

Item No	Ward/Equal Opportunities	Item Not Open		Page No
1			<p>APPEALS AGAINST REFUSAL OF INSPECTION OF DOCUMENTS</p> <p>To consider any appeals in accordance with Procedure Rule 25* of the Access to Information Procedure Rules (in the event of an Appeal the press and public will be excluded).</p> <p>(* In accordance with Procedure Rule 25, notice of an appeal must be received in writing by the Head of Governance Services at least 24 hours before the meeting).</p>	
2			<p>EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC</p> <p>1 To highlight reports or appendices which officers have identified as containing exempt information, and where officers consider that the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons outlined in the report.</p> <p>2 To consider whether or not to accept the officers recommendation in respect of the above information.</p> <p>3 If so, to formally pass the following resolution:-</p> <p>RESOLVED – That the press and public be excluded from the meeting during consideration of the following parts of the agenda designated as containing exempt information on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information, as follows:</p> <p>No exempt items have been identified.</p>	

Item No	Ward/Equal Opportunities	Item Not Open		Page No
3			<p>LATE ITEMS</p> <p>To identify items which have been admitted to the agenda by the Chair for consideration.</p> <p>(The special circumstances shall be specified in the minutes.)</p>	
4			<p>DECLARATION OF DISCLOSABLE PECUNIARY INTERESTS</p> <p>To disclose or draw attention to any disclosable pecuniary interests for the purposes of Section 31 of the Localism Act 2011 and paragraphs 13-16 of the Members' Code of Conduct.</p>	
5			<p>APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTES</p> <p>To receive any apologies for absence and notification of substitutes.</p>	
6			<p>MINUTES - 16 DECEMBER 2015</p> <p>To confirm as a correct record, the minutes of the meeting held on 16 December 2015.</p>	1 - 4
7			<p>SCRUTINY INQUIRY INTO BUS SERVICE PROVISION (SESSION 1)</p> <p>To receive reports from the Director of City Development and West Yorkshire Combined Authority providing initial background information as part of the Board's Inquiry on bus services in Leeds and West Yorkshire.</p>	5 - 14
8			<p>FLOODING</p> <p>To receive a report from the Head of Scrutiny and Member Development to facilitate discussion regarding the recent flooding in Leeds.</p>	15 - 36

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9			<p>FINANCIAL HEALTH MONITORING (CITY DEVELOPMENT) - BUDGET UPDATE PERIOD 8, 2015/16 AND BUDGET PROPOSALS FOR 2016/17 CONSULTATION</p> <p>To consider a report from the Head of Scrutiny and Member Development detailing the City Development Budget proposals for 2016/17 and the budget update for period 8, 2015/16.</p>	37 - 86
10			<p>QUARTER 2 2015/16 BEST COUNCIL PLAN PERFORMANCE REPORT</p> <p>To consider a report from the Director of City Development presenting a summary of performance data for Quarter 2, 2015/16 in relation to progress in delivering the relevant objectives in the Best Council Plan 2015-20.</p>	87 - 94
11			<p>WORK SCHEDULE</p> <p>To agree the Board's work schedule for the remainder of the municipal year.</p>	95 - 114
12			<p>DATE AND TIME OF NEXT MEETING</p> <p>Wednesday, 17 February 2016 at 10.30am (pre-meeting for all Board Members at 10.00am)</p>	

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			<p>THIRD PARTY RECORDING</p> <p>Recording of this meeting is allowed to enable those not present to see or hear the proceedings either as they take place (or later) and to enable the reporting of those proceedings. A copy of the recording protocol is available from the contacts on the front of this agenda.</p> <p>Use of Recordings by Third Parties – code of practice</p> <ul style="list-style-type: none"> 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. 	

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SCRUTINY BOARD (CITY DEVELOPMENT)

WEDNESDAY, 16TH DECEMBER, 2015

PRESENT: Councillor P Truswell in the Chair

Councillors A Castle, D Cohen, B Flynn,
R Grahame, R Harington, J Heselwood,
M Ingham, S McKenna, C Townsley and
J Walker

43 Late Items

There were no late items.

44 Declaration of Disclosable Pecuniary Interests

There were no disclosable pecuniary interests declared to the meeting.

45 Apologies for Absence and Notification of Substitutes

Apologies for absence were submitted by Councillor P Wadsworth and Councillor P Davey who were substituted by Councillor B Flynn and Councillor R Grahame.

46 Minutes - 18 November 2015

RESOLVED – That the minutes of the meeting held on 18 November 2015, be approved as a correct record.

47 Session 3 - Scrutiny Inquiry into Digital Inclusion

The Director of City Development and the Chief Information officer submitted a report which provided the Scrutiny Board with the information required to undertake the third session of the inquiry into digital inclusion.

The following information was appended to the report:

- Tinder Foundation, Biography of Helen Milner CEO
- Tinder Foundation, Digital Nation 2015, Digital Divide infographic
- Tinder Foundation, Doing Digital Inclusion, Libraries Handbook
mHabitat overview
- The Universal Offer, SCL Leading and Managing Public Libraries.

The following representatives were in attendance and responded to Members' queries and comments:

- Councillor Debra Coupar, Executive Board Member (Communities)
- Dylan Roberts, Chief Information Officer

Draft minutes to be approved at the meeting
to be held on Wednesday, 27th January, 2016

- Richard Hart, Deputy Head of Service, Leeds Library and Information
- Jason Tutin, Digital and Learning Development Manager
- Victoria Betton, mHabitat
- Helen Milner, Tinder Foundation
- Jane Robinson, Crossgates Good Neighbours
- Barbara Hiscott, Volunteer Crossgates Good Neighbours
- Nick Hart, Community Hub Manager
- Sarah Buncall, Development Manager, Customer Access.

The key areas of discussion were:

- The vision and work of the Tinder Foundation, the 5 basic digital skills that will benefit people, the digital skills gap and the myths about digital inclusion.
- The pilot projects of the Crossgates Good Neighbours Scheme working with volunteers to get online and use the internet and YECCO healthcare app. The evaluation of the pilots and the need to evolve an integrated, joined up approach with GP's and surgeries.
- The focus and purpose of mHabitat to support digital innovation. The delivery of free Wi-Fi and projects for digital engagement in clinical settings.
- The work of the National Information Board, personalised health care 2020 and the barriers to digital inclusion within the NHS and the focus to resolving this.
- The need for devolved funding to develop initiatives which meet the needs of communities.
- The development of a digital practitioner programme which aims to develop the digital skills of health service practitioners and neighbourhood networks and rolled out to the workforce in the wider city.
- The potential for Halifax Building Society to support or provide digital skills programmes in Leeds.
- 'Learn my way' and the provision of basic digital skills training in localities to facilitate online job searching and application.
- The importance of a clear strategic vision and drive which identifies gaps in support across the city, learning from people 'on the ground', co-design of resolutions and speedy implementation. The need to support grassroots organisations that can provide the support in localities.
- The need to be aware of internet and hardware deals negotiated by Tinder Foundation which may benefit those in financial hardship.
- The need to ensure the Council website is not a barrier to inclusion.
- The need to assess funding and resource requirements to support the City's aspiration for digital inclusion.
- The need to consider what would motivate individuals to access digital services and how the skills to access those services can be supported by organisations in the City.

RESOLVED – That the Board notes the evidence considered as part of the inquiry.

(R Grahame left the meeting at 11.00am during this item.)

48 Work Schedule

A report was submitted by the Head of Scrutiny and Member Development which detailed the Scrutiny Board's draft work schedule for the current municipal year.

RESOLVED – That the work schedule be approved.

49 Date and Time of Next Meeting

Wednesday, 27 January 2016 at 10.30am (pre-meeting for all Board Members at 10:00am)

(The meeting concluded at 12.40pm.)

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Report of Director of City Development and WYCA

Report to Scrutiny Board (City Development)

Date: 27 January 2016

Subject: Inquiry into Bus Service Provision

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes <input type="checkbox"/> No

Summary of main issues

1. The Scrutiny Board at its meeting on the 17th of June 2015 resolved to undertake an inquiry to consider bus service provision.
2. The Board expressed a desire to have a clear understanding of current service delivery and how this supports our objectives as a Council to connect residents and visitors to employment, training, culture and leisure and support the economic prosperity of the city. This report provides the board with initial background information on the following:
 - De-regulation and the West Yorkshire Context
 - Key Achievements
 - Role of the Highway Authority & WYCA in the Bus System
 - Bus Services and the economy
 - Bus Strategy and Single Transport Plan
 - Partnership and Quality Contract Legislation
3. Further sessions of this inquiry will focus in more detail on the following:
 - WYCA Bus Strategy, Single Transport Plan Consultation and Buses Bill
 - Stakeholder Involvement
 - Operator representations

Recommendations

4. Members are requested to note and comment on this report.

Purpose of this report

- 1.1 This report provides Members with initial background information on bus services in Leeds and West Yorkshire.

2 Background information

- 2.1 Local bus services are an important, but often neglected, mode of transport with a customer base that is less 'vocal' than rail passengers. Recent research by Greener Journeys and the Urban Transport Group (formerly pteg) has confirmed the importance of bus services to local economies. The 2014 Greener Journeys report (Buses and Economy 2), which was based upon research undertaken by Leeds University (Institute of Transport Studies), concluded that:

There is a significant relationship between accessibility by bus and employment. People in urban areas who are currently unemployed and seeking work depend heavily on the bus for access to employment. This is particularly the case for younger people, females, those with no car available and those with lower skills.

The bus is a vital artery for shopping trips. In our sample survey, 70% of non-food shopping trips are to town/city centres with 30% out of town. Bus has the largest market share (one third) of retail/expenditure trips to city centres. Bus users contribute 22% of expenditures on non-food and entertainment across all locations.

The bus has an important social insurance dimension. This is the value of having the option available of using the bus, plus any social or community value buses have on behalf of others.

- 2.2 The pteg report (Making the Connections: the Cross Sectoral Benefits of Supporting Bus Services) re-enforces these findings and also concludes that:

The bus provides exceptional value for money in generating economic benefits for urban areas. In PTE areas, bus networks are estimated to generate over £2.5bn in economic benefits, against public funding of £0.5bn - around £1.3bn reflect user benefits from access to jobs, training, shopping and leisure opportunities.

The bus is a unique and effective tool of social policy. Vulnerable and socially disadvantaged groups in society are most reliant on bus networks; this includes low income households; young people in education, or trying to enter the job market; older people; disabled people; jobseekers; and women.

Bus services are key to providing access to opportunity including providing the jobless with access to work; young people to education and training; and providing a way out of social isolation for older and disabled people.

- 2.3 The quality and effectiveness of local bus services will be important in delivering the Strategic Economic Plan as buses provide access to employment and training opportunities, support retail and other activities as well as helping to address congestion.

De-regulation and the West Yorkshire Context

- 2.4 The 1985 Transport Act de-regulated and privatised local bus services, with the exceptions of London and Northern Ireland. As a result bus services in West Yorkshire are operated by private companies within a de-regulated framework, with circa 90% of bus service mileage provided on a 'commercial' basis (i.e. without direct subsidy from WYCA and associated contractual arrangement), with a small proportion of operating costs offset by Bus Service Operators Grant (BSOG). Bus operators of commercial services determine most aspects of service standards, including routes, frequencies, fares, ticketing, and quality of delivery.
- 2.5 Local Transport Authorities, such as WYCA, are able to influence the performance and development of local bus services through partnership agreements (either voluntary or statutory) or through a Quality Contract Scheme, which has the effect of suspending bus de-regulation and introducing the tendering regime that applies in London and most major European cities. Further information on these approaches is set out in Section 3 and will be covered in the second session to the Scrutiny panel.

Key Achievements

- 2.6 There has been considerable bus related investment by the former WYITA (now WYCA), District Councils and bus operators. Operators have moderated the frequent service changes and fares increases of a few years ago and introduced some fare reductions, as well as investing in vehicles (including hybrid buses) and introducing wifi on some services. Patronage appears to have stabilised at around 180-185 million journeys per year, with the major operator currently reporting year-on-year growth. The most recent Passenger Focus survey of existing passengers reports an increase in satisfaction with bus services in West Yorkshire.
- 2.7 Working together, WYCA, the Council, Operators and other stakeholders have delivered successes across the Bus system in West Yorkshire, including:
- Rebuilt/refurbished almost all bus stations/interchanges across West Yorkshire to a modern standard
 - Introduced a fully low floor bus fleet in accordance with the Disability Discrimination Act
 - Implemented the largest Real Time system outside London
 - Implemented changes to tendered services to better reflect passenger needs
 - A65 Quality Bus Corridor enhancements
 - Opened a Park & Ride at Elland Road
 - Implemented the MCard, the West Yorkshire smartcard multi-modal ticketing scheme with a range of products, with over 95% of all West Yorkshire's buses able to read MCards, covering all routes
 - Implemented a new, smart-enabled retail network incorporating travel centres, website and 700 Payzone outlets
 - Achieved over 1,000,000 smart ENCTS & MCard bus journeys per week

Role of the Highway Authority & WYCA in the Bus System

- 2.8 The Council does not have a statutory responsibility for the co-ordination, provision or financial support of bus services, which in West Yorkshire lies with the West Yorkshire Combined Authority (WYCA).
- 2.9 Leeds City Council, as the Local Highway Authority have the following duties with regard to buses in accordance with the Acts of Parliament outlined below;
- The Highway Act (1980), which sets out the main duties of highway authorities in England and Wales, with regard to the management and operation of the road network. This legislation relates to the creation, maintenance and improvement of the highway. In terms of provision for buses, this act gives the Highway Authority the responsibility for the creation, maintenance and improvement of bus infrastructure, for example bus lanes and traffic light priority measures.
 - The Traffic Management Act (2004), includes a duty for local traffic authorities to secure ‘the expeditious movement of traffic on the authority’s road network’ to tackle congestion and disruption on the road network, including the movement of buses.
 - Under the provisions of the Road Traffic Regulation Act (1984), local authorities can implement ‘Traffic Regulation Orders’. A traffic regulation order (TRO) is the legal instrument by which traffic authorities implement most traffic management controls on their roads. TROs are designed to regulate, restrict or prohibit the use of a road, or any part of the width of a road by vehicular traffic or pedestrians.
 - In November 2005, new regulations enabled local authorities outside London to carry out camera enforcement of bus lanes provided that their area had been designated as a permitted/ special parking area under the provisions of Schedule 3 of the Road Traffic Act 1991 undertaking enforcement by way of the Decriminalised Parking Enforcement (DPE) provisions. A number of local authorities have adopted these powers to enforce bus lanes.
 - Local Development Plan working closely with WYCA on strategic transport developments, such as HS2 and Transport for the North.
- 2.10 On its formation in 2014 the West Yorkshire Combined Authority (WYCA) brought together previously dispersed decision-making powers around Transport, Economic Growth and Regeneration into a single body. It works on behalf of the 2.2 million people of West Yorkshire, under the brand ‘Metro’ for its public transport services, to help plan and coordinate public transport services. WYCA undertakes the following roles with regard to bus provision:
- As the Local Transport Authority for West Yorkshire under the 2008 Local Transport Act, WYCA has a statutory duty to produce and maintain a Local Transport Plan for the region. WYCA is currently developing a new, overarching Single Transport Plan to replace the existing Local Transport Plan. Through this Local Authorities have input into public transport policies contained within these plans.
 - The planning and delivery of tendered bus services (those bus services which are considered to be “socially necessary” and are not provided

commercially by bus operators). These services, at present around 10% of the bus system in West Yorkshire, are typically funded by the public sector;

- Managing the English National Concessionary Travel Scheme on behalf of the registered residents in West Yorkshire, including Senior, Disabled, Disabled and Companion. In addition WYCA manages Young Persons, Scholars and 16-25 year olds concessionary travel schemes;
- Managing school transport by procuring bus services for school pupils across the county, co-ordinating the needs of statutory travel (the responsibility of the District Local Education Authorities) and non-statutory needs.
- Administering and facilitating the development and implementation of M-Card smartcards
- Managing transport assets across the region, including 14,000 bus shelters and stops, and 30 bus stations and bus points.
- Providing travel information at stops, stations, online, and over the phone through Metroline

3 Main issues

Bus Services and the Economy

- 3.1 Good transport is essential to support economic growth. People need to travel to access jobs, education and training and to get to amenities and leisure activities in communities across West Yorkshire and the wider Leeds City Region. 'Better transport connectivity is the driving force' of the City Region's Strategic Economic Plan.
- 3.2 Buses account for most public transport journeys by far. In 2013/14, there were more than three times as many bus journeys as rail journeys. Every day, almost 2.5 million people all over Britain travel to work by bus. Bus users make 1.4 billion shopping trips per year and spend an estimated £27 billion on retail goods. Across Great Britain, 30% of people are frequent bus users (defined as using the bus at least once a week) – a quarter of men and a third of women. Over half of 16-19 year olds and over a third of 20-29 year olds are frequent bus users.
- 3.3 The bus has a critical role in supporting the growth of urban economies. In PTE areas alone bus networks are estimated to generate over £2.5 billion in economic benefits by providing access to opportunities; reducing pollution and accidents; and improving productivity. Across West Yorkshire the majority of public transport journeys are made by bus. However bus patronage has declined significantly over the last 20 years.
- 3.4 The urban bus offers excellent value for public money. Every pound spent gets traffic off the road and reduces congestion for other road users. However, it is a transport measure that also meets multiple social policy goals. It gives the jobless access to jobs, gives young people access to education and training and gets older and disabled people out of isolation. It also contributes to public health through the associated exercise as well as getting people to healthcare appointments.
- 3.5 Although our transport network supports a high volume of passenger and freight movement, it is not keeping up with the pace of growth in our economy and the

growth in our workforce. The bus system offers the flexibility to enable transport provision to reflect and adapt to these changes. And there is mutual benefit in developing the bus system to meet West Yorkshire's economic needs. Only by steadily increasing its use can we underpin the long term commercial viability and financial sustainability of West Yorkshire's bus system.

Bus Strategy and Single Transport Plan

- 3.6 There has been an on-going debate about the effectiveness of bus de-regulation, with some strongly held opposing views. The Competition Commission undertook an investigation of the bus industry between 2010 and 2012. The Commission's final report of 2012 concluded that there was, in general, little effective competition between bus operators and that some detriment (the Adverse Effect on Competition) was likely as a result. The Competition Commission noted that the Adverse Effect on Competition was, in general, more likely to occur in West Yorkshire than other comparable metropolitan areas.
- 3.7 The Competition Commission proposed a number of remedies aimed to promoting competition between bus companies. The former WYITA were advised that these remedies were unlikely to be effective in the West Yorkshire context as they were already in place or were considered to have little potential impact. Recent market analysis has demonstrated that the level of competition has not changed significantly since the Competition Commission's report was published, meaning the potential for significant detriment (Adverse Effect on Competition of c £30 million per annum) remains.
- 3.8 Bus patronage in West Yorkshire has declined by 11% between 2001 and 2011, despite an increase in population and the introduction of the English National Concessionary Travel Scheme. The reasons for decline are complex and include changes in car ownership, growth in local rail travel, the relative costs of public transport and car use, perceptions of value for money and operational performance.
- 3.9 WYCA are currently developing a West Yorkshire Single Transport Plan, to update the existing Local Transport Plan, bringing a range of current strategic transport plans and programmes into one single plan and provide a clear statement of the Combined Authority's vision for transport.
- 3.10 A key element of the Single Transport Plan is the Bus Strategy for West Yorkshire. This will be a 10 to 15 year strategy to set out what we want to achieve from the Bus System. WYCA are currently working with a range of stakeholders to develop the principles and vision. A full Public and Stakeholder Consultation is planned for early 2016.

Partnership and Quality Contract Legislation

- 3.11 Current legislation and guidance in England sets out two broad alternative approaches to improving local bus services
- Partnership Approaches, including voluntary, qualifying and statutory forms, which are non-contractual ways of joint working between Local Transport

Authorities (such as WYCA), highway authorities and private bus operators. Most areas are developing partnership approaches and these may be supplemented by a Ticketing Scheme; and

- A Bus Quality Contract Scheme. This would suspend the 1985 Transport Act (de-regulation) for a period of up to ten years and introduce a London style contracting regime for the majority of local services. No Local Transport Authority (LTA) has introduced a Bus Quality Contract Scheme. The only area to have used the powers is the North East Combined Authority (NECA).

3.12 Whichever approach is taken, all aspects of a scheme must comply with the respective competition law which is intended to remove barriers to market entry and prevent anti-competitive practices.

3.13 In November 2014, the North East Quality Contract Scheme Board gave an opinion on NECA's proposals. The Board concluded that the NECA's proposal to introduce a Quality Contract Scheme did not meet all of the public interest tests. NECA is currently reconsidering its position following the Board's findings and is considering four options:

- In theory, NECA could introduce the QCS as it currently stands, setting out in a response to the QCS Board any actions taken to respond to its recommendations
- NECA could revise the QCS proposals and supporting evidence particularly the economic appraisal and the approach to financial risk management), in such a way that seeks to address the QCS Board's concerns.
- NECA could seek to introduce bus franchising using powers to be included in the forthcoming Buses Bill referenced in the devolution agreement.
- NECA could continue discussions with the bus operators as to the proposed Voluntary Partnership Agreement. The operators have proposed this as a way forward in their public responses to the QCS Board's findings.

3.14 The challenges of using the existing legislation were illustrated by the opposition from the local bus operators.

Buses Bill

3.15 The Government is planning a Buses Bill. The Buses Bill will provide local authorities, elected Mayors and bus operators with a more effective toolkit to enable improvements to be made to bus services in their areas. The Bill will make it easier for Mayoral Combined Authorities to introduce bus franchising and also provide a better framework for enabling Local Authorities and Operators to reach an Enhanced Partnership agreement.

3.16 The new franchising powers are being designed to be clearer and simpler to use than the current Quality Contract Scheme (QCS) process, but would achieve the same end outcome – the replacement of the de-regulated bus market within an area or area(s) with a new system in which the local transport authority would take responsibility for planning and specifying the services to be delivered, and bus operators would bid to provide those services.

- 3.17 The Buses Bill would enable local transport authorities to pursue franchising, but not require them to. Areas that will have access to these powers, including as part of a devolution deal, will be able to take a local decision on whether or not they wish to franchise their bus services. This reflects the Government's commitment to devolution and the principle that local areas must decide for themselves the most appropriate approach for improving bus services in their areas.
- 3.18 The Bill will also contain stronger arrangements to allow local government to work in partnership with bus operators and other local stakeholders. The Bill is likely to revise existing quality partnership rules by removing the requirement that LTAs are always required to provide new facilities and by adding to the measures that can form part of a quality partnership scheme. This reflects the views that the existing quality partnership framework was too restrictive.
- 3.19 The DfT are also continuing to work up proposals for "Enhanced Partnerships". This is to encourage partnership working to go further by improving governance arrangements, expanding the areas that partnership measures can cover and allowing local implementation and enforcement. Overall, it is intended that these powers will allow Enhanced Partnerships to deliver some of the outcomes that are only otherwise possible under a franchising model. The Enhanced Partnership proposals will also allow for majority decision-making and provide some additional protection from the competition legislation

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 WYCA have taken a phased approach to the development of the Bus strategy with both public and stakeholder consultation taking place over the next 6 months with the aim to produce a 'WY Bus Strategy Policy Document' adopted by WYCA by April 2016.
- 4.1.2 Highways and Transportation schemes are subject to the following four stage consultation process;
- Stage 1 – Internal Scheme Development Consultation List (Technical).
 - Stage 2 – External Scheme Development Consultation List (Key Stakeholders).
 - Stage 3 – Public Engagement Consultation List.
 - Stage 4 – Review Feedback, Report Back Findings & Recommendations.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 WYCA will be responsible for ensuring compliance with Equality and Diversity requirements of the Bus Strategy.

4.3 Council policies and Best Council Plan

- 4.3.1 This inquiry will support objectives as defined in The Vision for Leeds 2011 – 2030 and the Best Council Plan 2015-20

4.4 Resources and value for money

4.4.1 This report has no specific resource and value for money implications

4.5 Legal Implications, Access to Information and Call In

4.5.1 This report has no specific legal or access to information implications

4.6 Risk Management

4.6.1 This report has no risk management implications. Processes for risk and project management form part of the various projects related to the bus strategy being progressed by Leeds City Council and WYCA.

5 Conclusions

5.1 This report has presented an initial overview of the background position to the provision of bus services in Leeds, in the context of the history of the deregulation and privatisation of the bus industry. The report outlines the current legislative position of the Council as the Local Highway Authority, and the role of the West Yorkshire Combined Authority with regard to the provision of bus services in Leeds. The report also provides background to Bus Services in Leeds and West Yorkshire, and the relationship between Bus Services and the economy.

5.2 This report also provides members with the background to the WYCA Bus Strategy and the emerging Single Transport Plan.

6 Recommendations

6.1 Members are requested to note and comment on this report.

7 Background documents¹

7.1 None

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

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Report of the Head of Scrutiny and Member Development

Report to Scrutiny Board (City Development)

Date: 27 January 2016

Subject: Flooding

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

1 Purpose of this report

- 1.1 The purpose of this report is to facilitate discussion regarding the recent flooding in Leeds.

2 Main Issues

- 2.1 The report presented to the Executive Board on the 20th of January 2016 is attached as appendix 1 to inform the board of the current position and aid the Scrutiny Board in identifying any specific areas for additional focus. This describes the impact of Storm Eva in Leeds taking into account the immediate response and the short-term recovery work, within the context of previous reports on flooding and relevant flood alleviation schemes. In addition, the report looks to secure agreement to the strategic recovery approach for the short, medium and longer term, and also outlines the approach towards learning lessons about the effectiveness of our arrangements to respond to, and recover from incidents of this nature.
- 2.2 Gary Bartlett, Chief Highways officer with responsibility for flood risk management is attending the meeting to answer questions raised by the Board.
- 2.3 The Scrutiny Board will have further opportunity to consider the impact of Storm Eva at the March meeting, when the annual review of the Local Flood Risk Management Strategy is scheduled into the work programme. In addition the Board could seek additional input to discussion and request further information for the February 2016 meeting.

3. Recommendations

3.1 Members are asked to:

- a) Consider content of the Executive Board report appended and information provided verbally at the meeting.
- b) Determine if further information and advice is required in advance of the March 2015 when the Local Flood Risk Management Strategy is due to be considered.
- c) Make recommendations as deemed appropriate

4. **Background papers**¹ - None used

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

Report of the Assistant Chief Executive (Citizens and Communities)

Report to Executive Board

Date: 20 January 2016

Subject: Storm Eva – Recovery Plan

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s): Adel and Wharfedale, Armley, Beeston and Holbeck, Bramley and Stanningley, Burmantofts and Richmond Hill, City and Hunslet, Guiseley and Rawdon, Harewood, Horsforth, Kippax and Methley, Kirkstall, Otley and Yeadon, Rothwell, Wetherby		
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, Access to Information Procedure Rule number: Appendix number:		

Summary of main issues

1. On 26/27th December 2015 Leeds experienced an unprecedented flooding event in various parts of the city that has had a big impact on those businesses and residents affected. Local communities, volunteers, local and regional public services responded in an incredible way, using press, PR and social media to engage anybody who could help. At the same time, there were similar flooding incidents in other areas of Yorkshire. We are working with key partners and other councils through the West Yorkshire Resilience Forum, and liaison with various government departments on issues relating to flood recovery but also in regard to future requirements for flood alleviation.
2. The assessment of properties affected in the hours after the flood event occurred was between 300-400 businesses and approximately 2000 residential properties. These figures change daily as services assess those affected and more people report the impact of the floods. The figures as of 12 January indicate that 519 businesses have been affected, 1732 residential properties and 14 other properties (e.g. sports clubs, churches etc.) have been flooded or have been affected by flooding. That's 2265 properties affected in total. Some specific examples are included in the main body of the report to illustrate the range of impacts ranging from minimal disruption to complete devastation to people's livelihoods and businesses. Flooding of this nature causes significant issues beyond just water

penetration with impacts on the sewerage system and silt from overflowing rivers leaving a significant mess to clean-up with the obvious smell and hygiene issues that are left once the water has receded. Important infrastructure was also affected, such as bridges, roads, ICT/data cables, as well as some council buildings being flooded. The longer term economic impact of Storm Eva is also a significant concern. Work is ongoing to quantify the full impact and costs and also to develop a regeneration plan for the main areas affected as well as understanding the requirements for further flood alleviation measures.

3. Staff from the local authority, emergency services and specialist bodies such as the Environment Agency and Yorkshire Water, worked with volunteers from the businesses and communities affected to address the immediate impacts. This work continues as the impact is better understood, with extensive support and advice being offered. Early priorities for the recovery approach include: grant schemes to enable financial support to those affected; ongoing clean up; community engagement; repair of key infrastructure; audit and assessment of the impact on individuals, businesses, residential and infrastructure; advice and guidance to those affected; learning lessons to be better prepared for any reoccurrence; liaison with partners about recovery, and liaison with Government.
4. Inevitably there will be lessons to be learned for all agencies as a result of this major event for the city, about the response to the incident, about recovery and about future resilience. We will undertake our statutory Section 19 responsibilities and complete a Flood Incident Report and also produce a lessons learned report for Corporate Governance and Audit Committee. The context of austerity is relevant in learning these lessons, as is our ambition to be a compassionate city with a strong economy.
5. Given the fast moving pace of developments, it is likely that supplementary information, including photographs, will be tabled at Executive Board, that will update on the impact and also provide a more comprehensive and coherent city recovery plan.

Recommendations

Members of Executive Board are recommended to:

1. Thank staff, partners, local ward members, community representatives, volunteers and all those affected by the floods for their efforts in supporting the recovery operation;
2. Note the implementation of a Council Flood Emergency Management Team, led by the Assistant Chief Executive (Citizens and Communities), which met for the first time on the 4th January 2016.
3. Note that we are working with other councils and partners, especially Calderdale Council, West Yorkshire Police, West Yorkshire Fire and Rescue, the Environment Agency and other key partners on the recovery work at both a local and West Yorkshire level.

4. Endorse the financial support and advice arrangements that have been put into place to support affected householders and businesses.
5. Note the funding provided by Government to support the schemes at paragraph 3.1.2 and ask the Deputy Chief Executive to keep a record of all relevant expenditure associated with responding to Storm Eva.
6. Require the Director of City Development to work with the Environment Agency to bring a report to Executive Board as soon as possible on the city's flood alleviation developments including plans for seeking Government support to progressing phase 2 and 3 of the Leeds Flood Alleviation Scheme.
7. Request that the Chief Executive write to the relevant Secretary of State requesting the urgent approval of £3m to allow for preparatory and design work to commence on Phase 2 of the Leeds (River Aire) Flood Alleviation Scheme with a firm commitment being provided by Government to support both phases 2 and 3.
8. Require the Director of City Development to work with the Environment Agency to identify measures that could be undertaken to increase flood resilience for all communities affected Storm Eva.
9. Require the Director of City Development to complete a full assessment of all impacts of Storm Eva on city infrastructure and develop proposals for the necessary repair and rebuild work that maybe necessary, including work required on Linton Bridge.
10. Request that the Director of City Development consider the development of a regeneration based approach to help Kirkstall recover from Storm Eva.
11. Require the Director of City Development to make arrangements to undertake a statutory Section 19 investigation into the causes and impacts of the Storm Eva flooding event.
12. Require the Assistant Chief Executive (Citizens and Communities) to oversee the development and delivery of a Storm Eva Strategic Recovery Plan and report back to Members on this plan as well a further update on recovery efforts in March 2017.
13. Require the Assistant Chief Executive (Citizens and Communities) to undertake a lessons learned exercise and provide a formal report on this to the Council's Corporate Governance and Audit Committee.
14. Require the Assistant Chief Executive (Citizens and Communities) to ensure experiences and impacts in Leeds are fed into the national review of flooding.

1 Purpose of this report

- 1.1 To describe the impact of Storm Eva in Leeds taking into account the immediate response and the short-term recovery work, within the context of previous reports on flooding and relevant flood alleviation schemes.
- 1.2 To secure agreement to the strategic recovery approach for the short, medium and longer term especially financial support, advice and guidance, community engagement, infrastructure repair and flood alleviation proposals.
- 1.3 To outline the approach to learning lessons about the effectiveness of our arrangements to respond and recover to incidents of this nature.

2 Background information

- 2.1 Flooding is not a new issue to Leeds. In 2000, the city centre was only centimeters away from flooding with further near misses in 2004, 2007 and 2008. These events also affected communities beyond the city centre. More recently, Leeds has also faced a wide range of local flooding incidents (particularly in August 2014 and August 2015) in various areas of the city, sometimes caused by river water, at other times by surface water, or a mixture of both. Through our statutory Section 19 reports, the nature of these incidents is described in the relevant Flood Incident Reports which are published on the council's website.
- 2.2 Previous estimates by the Environment Agency were that over 4,500 residential and commercial properties were at risk of approximately £400m of direct damage were there to be a major flood from the River Aire in Leeds. There were relevant reports to Executive Board between 2009 and 2014 on this matter with the Leeds (River Aire) Flood Alleviation Scheme report dated 10th February 2012 informing Members that the proposed £188m flood defence scheme, providing a 1 in 200 year standard of flood protection, would not be funded in the near future. In light of that a phased approach had to be adopted and a report to Executive Board on 4th September 2013 proposed implementation of phase 1 of the Leeds (River Aire) Flood Alleviation Scheme which has the aim of defending the City Centre against a 1 in 75 year flood event. That £45m scheme has since commenced development with advance mitigation works in Woodlesford having been completed and the main scheme in the city centre projected to complete in 2017.
- 2.3 Storm Eva hit the UK on 26th December 2015, causing an impact in various parts of the country and particularly the North of England. The full impact of the Storm was first felt on the 26th December in communities around the Wharfe. In the early hours of 27th December, the River Aire reached a level of 3.3m, causing extensive flooding, stretching from Kirkstall Bridge Road, through the city centre, and all the way to Crown Point. Some of the flooding gauges on the Aire and the Wharfe could not be used because they had reached their maximum possible readings and the water was still rising. In Armley, there was a peak of 5.2m on the 27th December which compares to a typical level of 1.5m and the previous highest ever recorded level was 4m in 2000.

- 2.4 In other areas Otley recorded levels of 2.014m, Pool 3.978m, Arthington 4.321 and Collingham 5.21m, the majority of which were the highest levels ever recorded. Anecdotal evidence also suggests that both the River Aire and River Wharfe were the most ferocious people had ever witnessed.
- 2.5 A map is attached at annex 1 showing the principal areas affected, although this will be subject to change as further information becomes available.
- 2.6 In summary the story of the Storm Eva flooding event is as follows:
- On the morning of 26th December water levels on the Wharfe were exceptionally high and flooding occurred in Otley and other areas of the Wharfe during the day.
 - In the early hours of 27th December, the Armley flood gauge of the River Aire reached 5.2m which compares to a typical level of 1.5m (the previous highest ever reading at Armley was 4.03m in 2000).
 - Key areas in the city centre including dwellings close to Royal Armouries, The Calls and Bridge Street were flooded. Some residents were evacuated but made their own arrangements. Kirkstall Road was closed, with much of it affected by flooding from Wellington Street up to beyond the Cardigan Arms, the Bridge and the new Kirkstall Forge shopping area.
 - Further flooding associated with the River Aire occurred in Stourton and in Methley and Mickleton. The Wharfe flooded at Otley, Pool and Collingham.
 - Early estimates by the Environment Agency of properties affected suggested 300-400 businesses and up to 2000 residential properties. There were more than 70 requests of help from the Fire Service and between 400-500 calls into the council's contact centre for assistance, e.g. for sandbags or other help.
 - Industrial units of all sizes, warehouses, smaller offices and studio spaces were affected, as well as retailers, restaurants and farms having been affected, with a severe impact on machinery, stock, premises, infrastructure, and many facing food hygiene issues as well. Some larger employers in the city centre were also affected.
 - Other businesses were disrupted rather than devastated, with significant damage to telecoms and internet infrastructure. Business was most adversely affected in the Kirkstall Road area and Hunslet and Stourton, with some city centre and Otley businesses affected as well.
 - Significant risks on key infrastructure sites were identified, including flood protection for both the VodaPhone site off Kirkstall Road which provides important communications for Council, Police and NHS and the Power Sub Station on Redcote Lane, Kirkstall which provides power for 50,000 properties.
 - Linton Bridge, near Collingham, suffered significant structural damage and will be closed for some time whilst repairs are undertaken. Diversions are in place.

- Some council buildings have been significantly damaged. The Assisted Living Centre saw four feet of water in the office, with fleet vehicles lost floating down the river, a huge loss of equipment and supplies, and power failure. At the Industrial Museum in Armley, the flood water was four feet above the metal sign which signifies the highest previous flood - in 1868, and there has been a gallant effort to recover collections and clear up. It was similar at Thwaite Mill.
- There has been no damage to other schools or children's centres.
- Leeds Rhinos faced significant disruption to its 80 staff, 120 pro players and everyday community use of indoor and outdoor facilities. Everyone from Rhinos, Carnegie and Leeds Rugby Foundation had to be transferred elsewhere and it is likely to take 6 to 12 months to recover at a cost of £1m+. This is one example of a wider ongoing issue about inability to get insurance without a flood solution.
- The floods also caused major impacts on other sporting facilities including, for example, Wetherby Ings.
- In Allerton Bywater whilst there was no flooding in the village itself, there was severe internal flooding to properties along Barnsdale Road which is an area prone to flooding.
- In Mickeltown there were significant concerns about potential flooding and with the risk being so high preparations were made to evacuate 600 properties including arrangements for a rest centre. Thankfully water levels receded before an evacuation was commenced, however, the fact it came so close is a cause for concern.
- Members will be aware that the first phase of the flood alleviation scheme has been completed at Woodlesford. The flood protection measures that have been implemented did withstand the river flooding caused by Storm Eva. However, it is the case that the river did flood into the Canal further upstream, which did cause some flooding to occur in the Woodlesford area.

2.7 Council services, partners and volunteers provided the best service they could to help with the clean-up operation, demonstrating the council values and a strong community spirit. The response was limited by the fact that it was the closedown period, however, this also meant fewer people were trying to get around the city and more people were available to volunteer. We estimate that there were more than a thousand volunteers helping across the city and well over a hundred council staff supporting the response.

2.8 It is a point of significant note that had this flooding event occurred on a normal working day there would have been significant disruption to a major regional centre with thousands of people unable to get to work - Leeds' workforce amounts to 469,000 people with a large number of people travelling into the city from other local authority areas. Key road networks would have been closed as a consequence of the flooding causing significant disruption to public transport, and resulting in thousands of people unable to access work, schools, colleges, universities, hospitals and other vital services. The economic cost of Storm Eva is

yet to be calculated and will be a significant figure, however, had this occurred on a normal working day the economic cost would have been far greater.

2.9 Some of the highlights that illustrate the level of response include:

- extensive council services deployed with road signage, the clean-up, gully cleansing, community engagement, customer services and website changes;
- councillors meeting those affected, galvanising volunteers and helping with the clean-up;
- weather warnings, situation reports and communications updates issued;
- a swift, decisive and effective response to council ICT failures caused by flooding in a third party provider data centre;
- council's Emergency Control Centre operational and additional on-call staff;
- hundreds of media enquiries handled;
- senior staff and councillors overseeing the situation and in regular contact;
- deployment of sand bags to key sites;
- support from the Army, as well as an extensive range of partners;
- planning for Storm Frank on 31 December, which thankfully didn't materialise in this region;
- skips and other equipment provided free by commercial providers;
- rest centres made operational ready for potential major evacuation, and;
- various services involved in visiting those affected, such as environmental health, economic services and council tax/benefits.

2.10 There was significant media interest locally, as well as national and international interest in the floods. During the response phase, we worked with West Yorkshire Police to provide information through to Cabinet Office Briefing Rooms (COBRA). The Council Leader was in close touch with Secretary of State Greg Clarke, including securing his visit to the city on 30th December to raise awareness of the impact and issues about the effectiveness of flood defence schemes and resources. The HRH Duke of York also visited the city on 7 January to talk to those affected by flooding and involved in the response. The newly appointed Flood Minister for Yorkshire, Robert Goodwin MP, will be visiting the city on 14 January 2016. Some of the key communications statistics are as follows:

- Significant local, national and international coverage of flooding in the media, reaching a peak 922 articles on Monday 28th December with a potential reach of 1.33billion people.

- Key messages delivered by the Leader of Council featured in various publications on topics including: the flood alleviation scheme in Leeds and the decision by Government in 2011 to just fund phase 1 (a £45m scheme) of the previously proposed £188m scheme that had been prepared and included in the Environment Agency's work programme, subject to further discussions on funding; the need for Leeds to receive the same level of financial support as other areas considering the significant risks and impact of flooding on businesses in the city centre; support available to businesses and homeowners; and the response to events and updated reactive activity.
- 73 tweets from @lcc-news between 24/12/15 and 04/01/2016 resulting in 581,442 Impressions and 14,124 Engagements, with a peak on 27/12/2015. Notable tweets included on the number of properties affected, support for businesses, appeals not to drive on Kirkstall Road and council support for affected residents.

3 Main Issues

3.1 Immediate recovery

3.1.1 The immediate recovery process overlapped with the emergency response, in the last days of 2015 and the very early part of 2016. The main areas of focus have been:

- developing grant schemes to enable financial support to those affected;
- ongoing clean up;
- community engagement and communications;
- assessment and repair of key infrastructure;
- audit and assessment of the impact on individuals, businesses, residential and infrastructure;
- responding to enquiries through the council's contact arrangements including the flood email address and telephone helpline arrangements;
- giving advice and guidance to those affected;
- learning immediate lessons to be better prepared for any reoccurrence, and;
- liaison with key partners and other councils through the West Yorkshire Resilience Forum, and liaison with various government departments about recovery and preparedness for subsequent incidents.

3.1.2 Leeds received an initial payment of £2.86m on 30th December as part of the Government Scheme, to help residents and businesses. Indications are that this £2.86m equates to approximately 25% of what Leeds will be due if the estimates on the number of households and businesses affected are accurate. If they are,

Leeds could receive a total of approximately £11.44m to support recovery from Storm Eva. We received a further £1.8m on 11th January taking the total received to date to £4.66m. This budget provision is to fund the grant schemes available. Separate provision is being made available for council tax and business rate relief. £40m has been set aside by Government for the areas affected by Storm Eva, which covers a range of authorities in the North of England, to fix flood defences that were overwhelmed which will include repairs to pumping and barriers and clearing blockages in rivers.

- 3.1.3 The grant funding received from Government has been used to provide households affected by flooding with a £500 cash payment to help with recovery costs; £2,500 grants to businesses affected to help with recovery; and a £5000 grant scheme for businesses and householders to make their properties more resilient to future flooding events. In addition to these cash grant schemes, those householders and businesses who have been particularly affected will be entitled to claim/receive council tax or business rate relief for a minimum of three months or longer if needed.
- 3.1.4 Following these early commitments, schemes were published for both residents and business grants on 7th January and communicated to councillors, staff and the public. We also refer to related schemes (e.g. Yorkshire Water) on our webpages. The first payments to those most affected have been made and we anticipate the rate of payments being made to increase significantly the next two weeks.
- 3.1.5 We will be publishing a further scheme as soon as possible for the £5,000 resilience grants.
- 3.1.6 Leeds Community Foundation, at the request of the Council, has also established a fund raising appeal so that they can administer grants to those residents, charities or social enterprises who need it. Donations can be made online and grant applications can be made. The Government have also committed to match-fund any funds raised in appeals of this nature. The City Council have also requested that grants from the fund raising appeal be used to support residents and communities not specifically affected by Storm Eva, but nevertheless are communities who have previously been flooded.
- 3.1.7 Ward member briefings and discussions with senior politicians took place on the first working day back so that there could be active engagement in the recovery work and lessons learned. Community engagement events are taking place in affected areas with councillors, officers and relevant partners.
- 3.1.8 The West Yorkshire Resilience Forum, a statutory body to cover our responsibilities under the Civil Contingencies Act, which is jointly chaired by Police, Fire and the Council, met on the 4th January 2016 to ensure there is an effective framework for partnership working to deal with the recovery issues. Leeds will play a key role in this, and has already established an officer group to support the recovery arrangements, as well as using local arrangements for recovery, such as business and community impact, infrastructure, understanding the financial impact, communications, lobbying and lessons learned.

- 3.1.9 The city has over 150 structures (bridges, culverts, retaining walls) that will need investigation to assess the extent of any damage. All key and high risk pieces of infrastructure have been initially assessed with no major causes for concern being identified other than Linton Bridge. All key infrastructure assets will be subject to review to see if there is any further damage identified, however, continuing high water levels will impede the full and detailed investigation of many pieces of infrastructure, particularly bridges. There were a number of minor carriageway impacts distributed across the affected areas. These are no longer causing any traffic impacts but will need to be addressed as part of our maintenance obligations.
- 3.1.10 A further infrastructure issue which continues to cause traffic congestion in Otley relates to the closure of the A59 at Kexgill by North Yorkshire County Council due to a potential landslide.
- 3.1.11 We are also aware of significant impacts to other infrastructure including power generation, drainage and sewers and retaining walls on private land and property which will also need to be fully considered as part of the flood recovery and flood alleviation work that is now being progressed.

3.2 **Business Impact and Recovery**

- 3.2.1 The flooding has had a severe impact on many businesses in Kirkstall and Hunslet, and has caused disruption to several businesses in the city centre and in Otley. Several businesses, including some large manufacturers, have suffered significant damage to their premises, plant and machinery.
- 3.2.2 In addition to the substantial support from the Council's cleansing team, other emergency response bodies, and volunteers the main actions have included:
- a package of support to businesses has been designed and is operational comprising advice and property searches for firms needing urgent alternative accommodation, a webpage and email and telephone contact service for businesses has been established, and a financial support scheme launched;
 - around 200 businesses have been contacted directly, most of them face-to-face;
 - the Manufacturing Advisory Service have been commissioned to make contact with and provide support to the manufacturers that have been affected;
 - an application form and process has been implemented for the Government business financial support scheme, and;
 - the visit to affected businesses in Leeds on 29th December 2015 by Greg Clark MP, Secretary of State for Communities, was organised, and subsequent liaison has been undertaken with CLG's Emergency Planning team and BIS.

- 3.2.3 Whilst the flooding did have a major impact on the city centre, it did not impede the main retail and business core of the city, however, those in close proximity to the River Aire and associated watercourses (e.g. sewerage and drainage systems linked to the River Aire) were significantly affected. However despite this impact the overwhelming majority of the city centre retail, business and cultural quarters continued to function as normal in the immediate aftermath of Storm Eva.
- 3.2.4 We are also working with the Leeds City Region Local Enterprise Partnership to secure support to help businesses recover. Along with Calderdale, who also face significant challenges, we are also making the case for a specific scheme to support manufacturers.
- 3.2.5 Whilst a lot of support is being provided to businesses affected, the challenges are significant and work will continue for many months to support full recovery. In Kirkstall, there are specific challenges considering the nature of many small and medium enterprises and a regeneration type approach is being considered to provide the level of support that may be required to help small businesses in Kirkstall fully recover. Without such a plan there are significant risks regarding the viability and sustainability of both individual businesses and the wider economic area.
- 3.2.6 For some businesses there will be an impact on employees, particularly in the short term as businesses are unable to trade or recover to the extent of their previous operations. The council's employment and skills service will work closely with such businesses and those employees affected to help people find alternative work both in the short, medium and longer term.
- 3.2.7 There are also significant insurance issues for businesses and many, particularly in Kirkstall, were unable to get insurance so were uninsured, and many may struggle to renew insurance policies without adequate flood protection being in place. There are also issues with delays in the attendance of loss adjusters to assess claims quickly which is hampering some businesses in their effort to recover quickly. The council through its Chief Officer for Economy and Regeneration is liaising with the Association of British Insurers on these issues.

3.3 **Strategic recovery plan**

- 3.3.1 The Council is the lead agency locally for recovery. Councillor Richard Lewis, Executive Member for Regeneration, Transport and Planning, is the Executive Member with responsibility for leading the recovery and especially improving the city's resilience to the impact of flooding. James Rogers, Assistant Chief Executive (Citizens and Communities) is the named Strategic Recovery Officer in the Council's Emergency Handbook and he is leading the officer work to develop and deliver the recovery plan.
- 3.3.2 It is worth noting that national guidance and experience suggests that strategic recovery:
- is a complex and long running process involving many more agencies and participants than the response phase;

- is about rebuilding, restoring and rehabilitating the community, but it is more than simply the replacement of what has been destroyed and the rehabilitation of those affected;
- needs arrangements that recognise the complex, dynamic and protracted nature of recovery processes and the changing needs of affected individuals, families and groups within the community over time;
- is best approached from a community development perspective, conducted at the local level with the active participation of the affected community and a strong reliance on local capacities and expertise. Recovery is not just a matter for the statutory agencies - the private sector, the voluntary sector and the wider community will also play a crucial role;
- is most effective when agencies involved in human welfare have a major role in all levels of decision-making which may influence the wellbeing and recovery of the affected community, and;
- will cover humanitarian/welfare, economic, infrastructure and environmental aspects to the plan.

3.3.3 The West Yorkshire Resilience Forum (WYRF), a statutory body to cover our responsibilities under the Civil Contingencies Act, which is jointly chaired by Police, Fire and the Council, will need to ensure that there is an effective framework for partnership working to deal with the recovery issues. Leeds will play a key role in this, and has already established an officer group to support its own recovery arrangements. Work with partners so far has been done at a West Yorkshire level or through existing bilateral arrangements, however, arrangements are currently being made to establish a Leeds Strategic Recovery Group which will include all key partners.

3.3.4 A Leeds Strategic Recovery Plan will be developed to guide our recovery work and the plan is expected to be based around the following headings:

- business recovery
- community recovery and capacity
- infrastructure repair and development
- communications, media, public affairs
- city resilience and preparation for future incidents

3.3.5 An important aspect of being prepared for future events is to take the opportunity to learn lessons about the effectiveness of the city's resilience and emergency planning arrangements. There is a great opportunity to use this incident to improve our responsiveness as a council and a city to emergencies. Two of the standing risks on the corporate risk register are about a failure in council services and business continuity in the city, so it is a good opportunity to use this to refresh those action plans as well. There is government guidance on best practice on learning lessons and also extensive literature from the Emergency Planning College, which we will draw on during our process, as well as using own

Emergency Planning Handbook. We will undertake this process during January and February. We will use the following headings to consider the lessons learned:

- people
- process
- ICT
- Culture
- communications

3.3.6 We will use the following questions to prompt contribution and provide a framework:

- what went well?
- what could have gone better?
- how can we improve the effectiveness of our arrangements and our resilience?

3.4 **Flood Alleviation**

3.4.1 Previous estimates by the Environment Agency were that over 4,500 residential and commercial properties were at risk of approximately £400m of direct damage were there to be a major flood from the River Aire in Leeds. There were relevant reports to Executive Board between 2009 and 2014 on this matter with the Leeds (River Aire) Flood Alleviation Scheme report dated 10th February 2012 informing Members that the proposed £188m flood defence scheme, providing a 1 in 200 year standard of flood protection, would not be funded in the near future. The £188m scheme had previously been subject to significant preparatory work and had been included in the Environment Agency's work programme, subject to further discussions on funding.

3.4.2 In light of that a phased approach had to be adopted and a report to Executive Board on 4th September 2013 proposed implementation of phase 1 of the Leeds (River Aire) Flood Alleviation Scheme which has the aim of defending the City Centre against a 1 in 75 year flood event.

3.4.3 That £45m scheme has since commenced development with advance mitigation works in Woodlesford having been completed and the main scheme in the city centre projected to complete in 2017. The Woodlesford aspect of the scheme was completed some months ago.

3.4.4 The new defences have been designed to provide additional protection for the city centre and over 3,000 homes and 500 businesses with protection against flood events from the River Aire and the Holbeck, extending 4.3km between Leeds train station and Thwaite Mills. Phase 1 at Woodlesford was completed in 2014 to give protection to residents against a 1 in 200 year flood event from the River Aire and it is believed that without this scheme, Woodlesford would have seen more significant flooding during Storm Eva.

3.4.5 The council is of the view that urgent work needs to now be progressed on phases 2 and 3 of the Leeds (River Aire) Flood Alleviation Scheme. Officers estimate that £3m is urgently needed to fund preparatory and design work for

phase 2 and this report proposes that Government be requested to urgently provide funding to allow this work to commence.

3.4.6 In addition to phase 2 and 3 of the Leeds (River Aire) Flood Alleviation Scheme there is recognition that other areas of the city, particularly communities along the Aire downstream of the city centre and communities along the Wharfe, are particularly vulnerable to flooding. It is, therefore, essential that wider work is undertaken to seek to increase flood resilience for communities affected across the whole Leeds district.

3.4.7 Another area of flood resilience activity relates to supporting communities to develop their own capacity to better respond to the risk of flooding. There are good examples, particularly in Garforth, and one now developing in Kirkstall, where communities are coming together to develop locally based solutions. Colleagues in the council's locality teams will support communities with this work including sharing good practice across the city.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 The Chief Executive provided updates during the initial response to all members and Leeds MPs on 29th and 31st December, while additional member briefings, took place on the council's first working day back after the Christmas closedown, 4th January 2016, to ensure active engagement in the recovery work and lessons learned. There is regular liaison with partners and with government.

4.1.2 Community engagement events began during the week beginning 4th January. At the time of writing community engagement events have either taken place or are being arranged in Kirkstall, Otley, Collingham, Methley/Mickeltown, Allerton Bywater and the City Centre/Holbeck. More will be arranged as required and requested by local members and communities.

4.1.3 Specific proposals to further mitigate the risk of flooding and its impacts upon residents, businesses and communities have been, and will continue to be, subject to specific consultation and engagement arrangements.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 Further initiatives to mitigate the risk and effects of flooding across the city will be subject to detailed Equality Impact Assessments to ensure that the most disadvantaged are not adversely impacted and that individual needs and the requirement to make reasonable adjustments where necessary are recognised.

4.2.2 Equality impact considerations are built into the council's own emergency and business continuity management arrangements.

4.3 Council policies and Best Council Plan

4.3.1 Under the council's renewed Best Council/Best City ambition agreed by the Executive Board in September 2015, Leeds aspires to be a compassionate city with a strong economy, supported by an efficient and enterprising local authority

that works effectively with partners and communities. The response to December's flooding in Leeds was a testament to this compassion and joined-up working while the commercial effects highlight the importance of managing the risk of flooding for individual businesses affected (owners and employees) and the wider economy of Leeds.

4.3.2 The arrangements detailed in the report form part of the council's Emergency Planning Policy, Business Continuity Management Policy and Local Flood Risk Management Strategy.

4.4 **Resources and value for money**

4.4.1 In line with the council value of 'spending money wisely', the council is committed to using its resources in the best possible way in both the initial response and longer-term recovery stages from a flooding incident. The report details how staffing and financial resources were deployed during the Christmas period to maintain service delivery and help residents and businesses affected and also the ongoing arrangements underway and planned.

4.4.2 The Government have pledged a £50m grant support package for businesses and householders across the North of England affected by Storm Eva. Leeds City Council has received £2.86m thus far with indications that this represents 25% of what will be received in total for the grant schemes subject to the numbers of businesses and householders affected being at the level currently projected. Therefore, Leeds currently expects to receive approximately £11.44m of support for householder and business grant schemes.

4.4.3 Additional funding to support council tax and business relief schemes will be funded separately by Government.

4.4.4 Government have also committed £40m to authorities in the North of England affected by Storm Eva to repair and maintenance costs affected by Storm Eva and the cost of repair to Linton Bridge is currently estimated to be £1m to £2m.

4.4.5 Individual proposals to further mitigate the risk of flooding will be supported by fully costed business cases.

4.4.6 Consideration is also being given to the extent to which the council can utilise the Belwin scheme to cover some of the costs incurred following Storm Eva, however, it should be noted that the conditions of the Belwin scheme are challenging and further work is needed on this issue.

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

4.5.1 There are no specific legal implications or access to information issues with this report. The report is subject to call-in.

4.6 **Risk Management**

4.6.1 The events of Storm Eva highlighted the risk the city faces from flooding. Unprecedented levels of rain fell in many parts of the country with river levels reaching new highs. However, the risk can be managed down with arrangements

put in place to mitigate both the potential causes and effects of a flooding incident. The report details the importance of a joined-up response from Government, the council, partner agencies and communities and individuals themselves to manage the risk.

- 4.6.2 The council has a specific role as the lead local flood authority for the city and, under the Flood Water Management Act (2010), has a duty to produce a Local Flood Risk Management Strategy (LFRMS). Leeds' LFRMS was adopted in 2014 and describes the approach to reducing flood risk from surface water, ordinary watercourses, groundwater and small reservoirs. This is supplemented by the Strategic Flood Risk Assessment which collates information on all known sources of flooding, maps the areas with different probabilities of flooding within the district and informs the development of council policy on managing flood risk and the allocation of land for future development.
- 4.6.3 The risk of flooding in the city centre is being reduced through delivery of the Leeds (River Aire) Flood Alleviation Scheme, however, the original £180m proposed scheme was not funded and only phase 1, an investment of £45m, has thus far been progressed with completion expected in 2017.
- 4.6.4 To extend the Flood Alleviation Scheme to such areas as Kirkstall would require significant additional investment. However, in light of the River Aire having got to a metre higher than ever before, the Environment Secretary has committed to reviewing this scheme to ensure that it can protect the businesses and communities in Leeds.
- 4.6.5 This report details therefore the need to urgently progress Phases 2 and 3 of the Leeds (River Aire) Flood Alleviation Scheme and work will now be progressed to secure relevant Government and Environment Agency support for this.
- 4.6.6 The council's corporate risk register contains specific risks on a major flooding incident in Leeds, major ICT failure and the preparation and response to a major incident (both the external effects and the impacts on the council's ability to deliver critical services). Three key elements to managing the corporate flooding risk are to complete the planned schemes under the Local Flood Risk Management Strategy; develop the Leeds Flood Alleviation Scheme and develop local initiatives to improve the resilience of communities at risk of flooding.
- 4.6.7 The corporate risk register also includes risks around both the council's in-year budget and medium-term financial strategy. Significant financial risks arising from the initial response and recovery to this incident are also referenced in this report.
- 4.6.8 All corporate risks, and the action plans in place to mitigate them to an acceptable level, are reviewed on an ongoing basis and those related to flooding will be updated again in response to recent events.

5 Conclusions

- 5.1 The impact of Storm Eva was significant for Leeds and other areas in Yorkshire. Significant work has already been undertaken to help recovery and plan for the future but recovery work will continue for some time. We are still building a picture

of the full impact from this event. Immediate support is being provided to householders and business affected and many will also need longer-term support. Future flood resilience and flood alleviation is now a critical issue for the city.

6 Recommendations

6.1 Members of Executive Board are recommended to:

6.1.1 Thank staff, partners, local ward members, community representatives, volunteers and all those affected by the floods for their efforts in supporting the recovery operation;

6.1.2 Note the implementation of a Council Flood Emergency Management Team, led by the Assistant Chief Executive (Citizens and Communities), which met for the first time on the 4th January 2016.

6.1.3 Note that we are working with other councils and partners, especially Calderdale Council, West Yorkshire Police, West Yorkshire Fire and Rescue, the Environment Agency and other key partners on the recovery work at both a local and West Yorkshire level.

6.1.4 Endorse the financial support and advice arrangements that have been put into place to support affected householders and businesses.

6.1.5 Note the funding provided by Government to support the schemes at paragraph 3.1.2 and ask the Deputy Chief Executive to keep a record of all relevant expenditure associated with responding to Storm Eva.

6.1.6 Require the Director of City Development to work with the Environment Agency to bring a report to Executive Board as soon as possible on the city's flood alleviation developments including plans for seeking Government support to progressing phase 2 and 3 of the Leeds Flood Alleviation Scheme.

6.1.7 Request that the Chief Executive write to the relevant Secretary of State requesting the urgent approval of £3m to allow for preparatory and design work to commence on Phase 2 of the Leeds (River Aire) Flood Alleviation Scheme with a firm commitment being provided by Government to support both phases 2 and 3.

6.1.8 Require the Director of City Development to work with the Environment Agency to identify measures that could be undertaken to increase flood resilience for all communities affected Storm Eva.

6.1.9 Require the Director of City Development to complete a full assessment of all impacts of Storm Eva on city infrastructure and develop proposals for the necessary repair and rebuild work that maybe necessary, including work required on Linton Bridge.

6.1.10 Request that the Director of City Development consider the development of a regeneration based approach to help Kirkstall recover from Storm Eva.

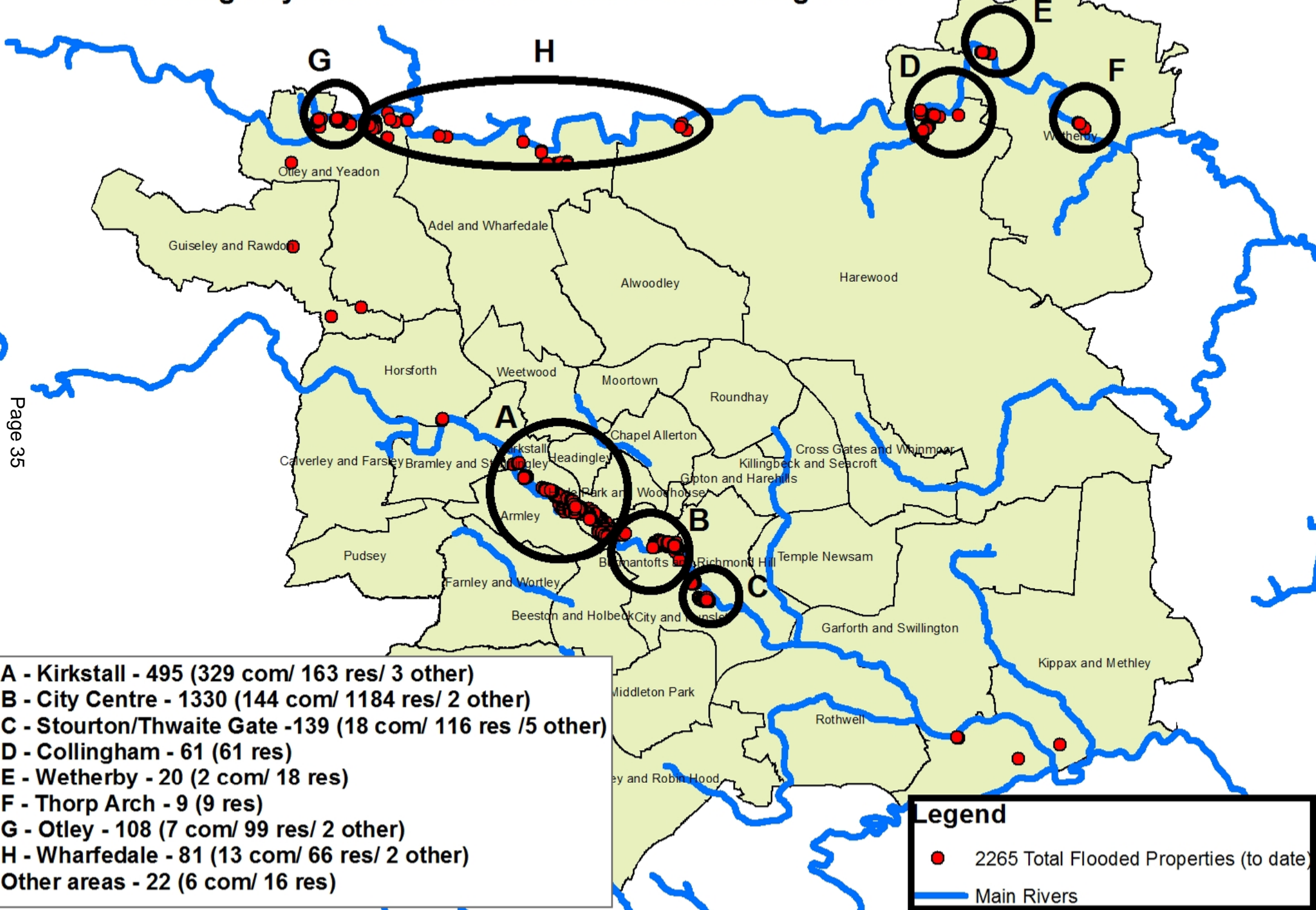
- 6.1.11 Require the Director of City Development to make arrangements to undertake a statutory Section 19 investigation into the causes and impacts of the Storm Eva flooding event.
- 6.1.12 Require the Assistant Chief Executive (Citizens and Communities) to oversee the development and delivery of a Storm Eva Strategic Recovery Plan and report back to Members on this plan as well a further update on recovery efforts in March 2017.
- 6.1.13 Require the Assistant Chief Executive (Citizens and Communities) to undertake a lessons learned exercise and provide a formal report on this to the Council's Corporate Governance and Audit Committee.
- 6.1.14 Require the Assistant Chief Executive (Citizens and Communities) to ensure experiences and impacts in Leeds are fed into the national review of flooding.

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.

Boxing Day 2015 / Storm Eva - Extreme Flooding Event



A - Kirkstall	- 495 (329 com/ 163 res/ 3 other)
B - City Centre	- 1330 (144 com/ 1184 res/ 2 other)
C - Stourton/Thwaite Gate	- 139 (18 com/ 116 res /5 other)
D - Collingham	- 61 (61 res)
E - Wetherby	- 20 (2 com/ 18 res)
F - Thorp Arch	- 9 (9 res)
G - Otley	- 108 (7 com/ 99 res/ 2 other)
H - Wharfedale	- 81 (13 com/ 66 res/ 2 other)
Other areas	- 22 (6 com/ 16 res)

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Report author: Sandra Pentelow
Tel: 24 74792

Report of Head of Scrutiny and Member Development

Report to Scrutiny Board (City Development)

Date: 27 January 2016

Subject: Financial Health Monitoring City Development- Budget Update Period 8 2015/16 and Budget Proposals for 2016/17 Consultation

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary of main issues

1. The Scrutiny Board (City Development) resolved to consider the budget of City Development at appropriate intervals. This is reflected in the work programme of the Scrutiny Board 2015/16. The purpose of this report is to provide Board Members with information with regard to the financial health of City Development for period 8 (appendix A).
2. Initial budget proposals for 2015/16 were considered at the Executive Board meeting on 16 December 2015, when the Board referred the proposals to Scrutiny. The sections of the report relevant to this Scrutiny Board's portfolio are attached (appendix B and C).
3. The Scrutiny Board will have the opportunity at its meeting to raise any specific questions with regard to budget proposals that fall within its portfolio area. Any conclusions, observations and recommendations that are made by Scrutiny Board (City Development) will be fed back to Executive Board prior to full Council.
4. The directorate's Head of Finance have been invited to present the budget information and address any further questions from the Board.

Recommendations

5. Members are asked to:
 - a. note the financial position of City Development for period 8 2015/16
 - b. consider the initial 2016/17 budget proposals relevant to the Scrutiny Board's portfolio and provide relevant comment and recommendations.

Background documents

6. None¹

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.

Overall - The month 8 forecast variation is that the Directorate will spend £0.16m below the £48m net managed budget. This is a similar position to that reported for Period 7. It is also projected that the Directorate will receive additional one off income in achieving its balanced position. **Staffing** - An underspend of just over £1,035k is projected. The budgeted reduction in FTEs has been achieved following over 100 staff leaving the Directorate through the Early Leaver Initiative scheme in the final quarter of 2014/15. Vacancies will continue to be closely managed during the remainder of the year to ensure that further savings are realised. **Income** - the forecast position is an overachievement of £284k with a projected shortfall in advertising and other income in Asset Management and in Sport offset by additional income in other services.

Planning and Sustainable Development - is forecast to spend below budget by £58k. Staffing is expected to be slightly above budget. The service is still experiencing high volumes of planning applications and workloads and at Period 8 planning and building fee income is £3,259k against the phased budget of £3,134k. Total income is projected to be above budget by £50k.

Economic Development - is forecast to spend within budget. The main risk area is the level of income and expenditure at Kirkgate Market, particularly with the commencement of the re-development scheme. Income at Kirkgate Market is currently in line with the budgeted assumptions.

Asset Management and Regeneration - is forecast to overspend by £446k. Staffing is projected to underspend by £412k as a result of a number of vacant posts. A shortfall in income of £1,364k is forecast, mainly due to longer lead in times required to secure new income from various budget initiatives including new commercial property acquisitions, additional advertising income and income from operating additional car parking at the Leeds International Pool site. Although all these are progressing income will be less than the budgeted assumptions this financial year.

Highways and Transportation - is forecast to spend within budget with an underspend on staffing and additional spend on premises and supplies and services offset by additional income mainly as a result of additional spend on contractors reflecting the increase in work that the service is managing.

Libraries, Arts and Heritage - is projected to overspend by £142k. The overspend is as a result of some budget actions not progressing as quickly as assumed in the budget. The budget for the district library service has now been transferred to Citizens and Communities.

Sport and Active Recreation - The service is expected to spend slightly below budget with a shortfall in income of £286k expected to be offset by expenditure savings including savings on energy costs.

Resources and Strategy - is projected to have an underspend of £638k. This underspend is as a result of additional one-off income that is expected to be received in the

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 and Sustainable Development	8,963	(5,496)	3,467	7	2	(8)	(12)	2					(9)	(49)	(58)
Economic Development	4,915	(3,985)	930	(26)	192	(190)	3	34					13	(13)	0
Asset Management and Regeneration	11,756	(10,698)	1,058	(412)	(28)	(82)	(14)	(339)		(43)			(918)	1,364	446
Highways and Transportation	56,633	(36,349)	20,284	(356)	386	816	(59)	5					792	(792)	0
Libraries, Arts and Heritage	22,669	(8,145)	14,524	(146)	(7)	679	11	69	20	1			627	(485)	142
Sport and Active Recreation	25,212	(19,117)	6,095	(136)	(190)	(4)	(7)	(1)		(1)			(339)	286	(53)
Resources and Strategy	1,571	(108)	1,463	34	0	(33)		(44)					(43)	(595)	(638)
Total	131,719	(83,898)	47,821	(1,035)	355	1,178	(78)	(274)	20	(43)	0	0	123	(284)	(161)

Key Budget Action Plans and Budget Variations:

				RAG	Action Plan Value	Forecast Variation against Plan/Budget
					£'000	£'000
		Lead Officer	Additional Comments			
A. Budget Action Plans						
1.	Efficient and enterprising Council - Reduction in asset running costs	Ben Middleton	Mostly savings on Merrion rent and on schedule to be delivered. Merrion purchase completed end of May.		560	0
2.	Dimming/switching off street lights	Gary Bartlett	A further report on delivery options being produced for discussion with the Executive Member. Proposals may need to include invest to save initiative. Other savings expected to make up any shortfall this financial year. This includes savings on fuel of approximately £75.		300	0
3.	Staff savings through ELIs and vacancies	Ed Mylan	ELI reductions managed across directorate. FTE reductions achieved following a number of ELI leavers at the end of March.		680	0
4.	Joint working with WYCA and City Region efficiencies	Tom Bridges	Leeds and Partners now wound up and new arrangements put in place which will deliver the budgeted savings. The budgeted £250k contribution from L&P reserves has been received.		950	0
5.	New income in Asset Management including increased income from advertising from 2 new advertising towers, new commercial property acquisitions and income from establishing a temporary car park on the LIP site	Chris Gomersall/ Ben Middleton	JC Decaux progressing with the new sites including discharging the planning conditions. They are also progressing with awarding appropriate contracts. Determination period a min of 8 weeks, construction 4-6 mths. Earliest 'go live' date estimated end December. Max potential income 15/16 is £140k. Harper St car park purchased, additional acquisition on hold. LIP car park opened at the beginning of September 2015.		700	620
6.	Increased income Planning and Building Control	Tim Hill	Pre-application planning charges have been implemented and there is an increased income target for building control. Additional income is also assumed from the Community Infrastructure Levy to fund administration costs. The authority has now started to receive CL income.		300	0
7.	Other additional income from fees and charges/VAT exemption and changes in volumes	Various CO's	Proposed price increases have been implemented. No significant variations expected.		810	0
8.	Arts grant reduction - new funding arrangements	Cluny MacPherson	New grant allocations will deliver the savings. DDN published 25 March and implemented 1st April		500	0
9.	Other Culture savings. Including savings on the events budget, Breeze and CAT proposals for Pudsey Civic Hall and Yeadon Tarn Sailing Centre and other running cost savings	Cluny MacPherson	Most saving proposals being implemented. The CAT opportunities are in the process of being advertised.		820	140
10.	Savings in Sport and Active Recreation including reduction in operating hours and realignment of sports development unit	Cluny MacPherson	Detailed proposals being worked up. Any changes will require consultation therefore implementation not possible by 1 April and likely now to be January 16 and this will impact on savings target although expected to be offset by other savings.		200	60
11.	Reduction in highways maintenance budgets	Gary Bartlett	Budget reduced		360	0
B. Other Significant Variations						
1.	Other Staff savings	Ed Mylan	Projected net savings from vacancies and expected ELIs			(355)
2.	Other expenditure	Ed Mylan	Net other variations.			(31)
3.	Other Income (net)	Ed Mylan	Additional one off income anticipated to be received in 15/16 subject to final agreement being reached.			(595)
City Development Directorate - Forecast Variation						(161)

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**Report of the Deputy Chief Executive
Report to Executive Board
Date: 16th December 2015**

Appendix B

Subject: Initial Budget Proposals for 2016/17

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The purpose of this report is to set out the Initial Budget Proposals for 2016/17. These budget proposals are set within the context of the 2016/17 – 2019/20 Medium Term Financial Strategy which was agreed by the Executive Board in October 2015, updated to recognise the implications following the Spending Review and Autumn Statement in November 2015. The proposals support the Council’s Best City/Best Council ambitions, policies and priorities aimed at tackling inequalities (please refer to the ‘Emerging 2016/17 Best Council Plan Priorities: Tackling Poverty and Deprivation’ report which is on today’s agenda).
2. Whilst the combined Spending Review and Autumn Statement provided more information about the likely scale and timing of future changes in government funding beyond 2015/16, the specific implications for Leeds will not be known until the provisional local government finance settlement is announced, which is likely to be mid-December 2015.
3. It is clear that the current and future financial climate for local government represents a significant risk to the Council’s priorities and ambitions. The Council continues to make every effort possible to protect the front line delivery of services, and whilst we have been able to successfully respond to the financial challenge so far, it is clear that the position is becoming more difficult to manage and it will be increasingly difficult over the coming years to maintain current levels of service provision without significant changes in the way the Council operates.
4. Pending the announcement of the provisional settlement, the headlines from the Initial Budget Proposals are as follows:
 - A forecast reduction of 56% in real-terms by 2019/20 to the Government funding for Local Government.

- The reduction in the government funding provided to the Council for 2016/17 is estimated at £24.1m, or 9%.
- The additional cost of the Council 'standing still' in 2016/17 is £87.2m, taking into account the estimated reduction in government funding together with changes in costs and income.
- The Initial Budget Proposals outlined in this report total some £73.1m and whilst they do cover a range of efficiencies across the Council, they also require the Council to make some difficult choices as to service provision and charging.

The budget proposals assume an increase in the Council's element of the council tax of 1.99%, plus the social care precept of 2%. The Council's net revenue budget is estimated to reduce by £22.6m from £523.8m down to £501.2m

- In terms of staffing, the proposals would mean forecast net reductions of 259 full-time equivalent posts by March 2017.
- The 2016/17 budget proposals assume an increase in the use of general reserves, some non-recurrent cost reductions and also a significant level of one-off funding income. This will inevitably increase the financial risk across the medium-term and put additional strain on the 2017/18 budget.

5. In respect of the Housing Revenue Account, whilst there are proposals to increase some service charges, the implementation of the rent cap which was announced in July 2015, will mean that housing rents will reduce by 1% from April 2016.

Recommendation

6. Executive Board is asked to agree the Initial Budget Proposals and for them to be submitted to Scrutiny and also for the proposals to be used as a basis for wider consultation with stakeholders.

1. Purpose of report

- 1.1 In line with the Council's constitution, the Executive Board is required to publish Initial Budget Proposals two months before approval of the budget by full Council, which is scheduled for the 24th February 2016. This report sets out the initial budget proposals for 2016/17 which are set within the context of the Medium Term Financial Strategy which was approved by Executive Board in October 2015 updated to recognise the implications following the combined Spending Review and Autumn Statement in November 2015.
- 1.2 Subject to the approval of the Executive Board, this report will be submitted to Scrutiny for their consideration and review, with the outcome of their deliberations to be reported to the planned meeting of this board on the 10th February 2016. The report will also be made available to other stakeholders as part of a wider and continuing process of engagement and consultation.
- 1.3 In accordance with the Council's Budget and Policy Framework, decisions as to the Council's budget are reserved to full Council. As such, the recommendation

at 13.1 is not subject to call in as the budget is a matter that will ultimately be determined by full Council, and this report is in compliance with the Council's constitution as to the publication of initial budget proposals two months prior to adoption.

2. Local Government Funding – the National Context

2.1 July 2015 Budget

2.1.1 As reported in the Council's Medium Term Financial Strategy that was considered by the Executive Board at their meeting in October 2015, the Chancellor on the 8th July 2015, presented a budget that set out Government's plans to tackle the deficit in the public finances and a broad range of policy changes around welfare, housing, tax, a new Living Wage and devolution. The key headlines of the summer budget were;

- The deficit to be cut at the same pace as in the last Parliament which is marginally slower than previously anticipated.
- Planned spending reductions amounting to £37 billion over the course of the Parliament with £12 billion of reductions in welfare, £5 billion from taxation and the remaining £20 billion which will be delivered through a Spending Review as summarised in table 1 below.
- Departmental Expenditure Limits (DELs) totals increased substantially compared to the March 2015 budget and in particular in 2016/17 with an increase of £4 billion seemingly signalling that the planned spending reductions would be managed over a longer time-period than previously anticipated.
- Public Sector pay rises to be capped at 1% a year for four years from 2016/17.

Table 1 – Summer Budget, spending reduction plans over this Parliament (£billion)

	2016-17	2017-18	2018-19	2019-20
Discretionary consolidation	9	20	31	37
Of which announced at Summer Budget 2015	6	9	13	17
Of which welfare reform	5	7	9	12
Of which tax avoidance and tax planning, evasion and compliance, and imbalances in the tax system	1	2	4	5
Remaining consolidation	3	11	18	20

Source: Office for Budget Responsibility. HM Treasury costing and HM Treasury calculations

2.1.2 The Treasury subsequently asked “unprotected” government departments to set out plans for reductions to their resource budgets based on two scenarios: 25% and 40% savings in real terms by 2019/20. With Schools, the NHS, Defence and International Development continuing to be protected, it was clear

that the public sector contribution to tackling the deficit would fall more heavily on 'unprotected' departments, including Communities & Local Government.

2.2 Spending Review and Autumn Statement 2015

2.2.1 On the 25th November 2015, the Chancellor announced the first combined Spending Review and Autumn Statement since 2007. Compared to the Summer Budget 2015, the Office for Budget Responsibility now forecasts higher tax receipts and lower debt interest, with a £27 billion improvement in the public finances over the Spending Review period. The Spending Review sets out firm plans for spending on public services and capital investment by all central government departments through to 2019/20.

Table 2 – Consolidation plans set out in this Spending Review and Autumn Statement

	£ billion			
	2016-17	2017-18	2018-19	2019-20
Discretionary consolidation¹	-1	7	13	18
Welfare	-3	-2	-1	0
RDEL Savings and Apprenticeship Levy ^{2,3}	1	7	11	15
Other tax and AME	1	2	2	3

¹ Totals may not sum due to rounding.
² RDEL savings calculated compared to a counterfactual in which RDEL excluding depreciation grows in line with whole economy inflation from its 2015-16 level (excluding the OBR's Allowance for Shortfall).
³ Apprenticeships spending in England will be ringfenced within DEL budgets.

2.2.2 Key points to highlight from the Spending Review and Autumn Statement include;

- A target budget surplus of £10.1bn by 2019/20.
- Providing the NHS in England with £10 billion per year more by 2020/21 in real terms compared to 2014/15, with an additional £6bn in 2016/17.
- Spending 2% of GDP on defence for the rest of the decade.
- Spending 0.7% of Gross National Income on overseas aid.
- Protecting overall police spending in real terms.
- Maintaining funding for the arts, national museums and galleries in cash-terms over this Parliament.
- Reductions to working tax credits will no longer be introduced.
- The plans in SR2015 will deliver reductions to government spending as proportion of GDP from 45% in 2010 to 36.5% by the end of SR2015.
- £12bn of savings to government departments.

2.2.3 For local government, as per table 3 below, the forecast is a cash terms rise from the £40.3 billion baseline in 2015/16 to £40.5 billion in 2019/20. This represents an average reduction of 1.7% per year in real terms and a 6.7% fall by 2019/20. It should be noted that within these figures Government have assumed increases to locally financed expenditure, ie. increasing income from Council Tax (including the new Adult Social Care precept) and increasing income from the current Business Rates Retention scheme. Therefore, whilst overall Local Government Spending is forecast to reduce by 6.7% in real-terms by 2019/20, the DCLG Local Government spending is forecast to reduce by 56% in real-terms over the period compared to the Treasury request for reductions of between 25% and 40%.

Table 3 – Spending Review and Autumn Statement- forecast Local Government Spending

	£ billion				
	Baseline	Plans			
	2015-16	2016-17	2017-18	2018-19	2019-20
DCLG Local Government DEL ¹	11.5	9.6	7.4	6.1	5.4
Locally financed expenditure ²	28.8	29.0	31.5	33.6	35.1
Local government spending³	40.3	38.6	38.9	39.7	40.5

¹ In this table, Resource DEL excludes depreciation.
² Treasury/DCLG analysis based on data underlying the OBR's Local Authority Current Expenditure (England) forecast.
³ Does not include the impact of business rate reforms, which the government will consult on shortly.

2.2.4 The main points specific for local government include;

- Significant reduction to the central government grant to local authorities.
- Savings in local authority public health spending with average annual real-terms savings of 3.9% over the next 5 years which will manifest in reductions to the public health grant to local authorities.
- Government will also consult on options to fully fund local authorities' public health spending from their retained business rates receipts, as part of the move towards 100% business rate retention. In the meantime, Government has confirmed that the ring-fence on public health spending will be maintained in 2016/17 and 2017/18.
- Introduction of a new power for local authorities with social care responsibilities to increase council tax by up to and including 2% per year. The money raised will have to be spent exclusively on adult social care. Nationally, if all local authorities use this to its maximum effect it could raise nearly £2 billion a year by 2019/20 which would be equivalent to over £20m per year for Leeds. Effectively, the introduction of this new precept represents a shift in the burden for funding the increasing costs of Adult Social Care from national to local taxpayers. The redistribution effect should also be noted in that the precept will be most beneficial to the more affluent local authorities with the largest council tax bases.

- The Spending Review continues Government's commitment to join up health and care. Government will continue the Better Care Fund, maintaining the NHS's mandated contribution in real terms over the Parliament. From 2017, Government will make funding available to local government, worth £1.5 billion by 2019/20, to be included in the Better Care Fund.
- The Spending Review 2015 indicated that Government will consult on reforms to the New Homes Bonus, including means of sharpening the incentive to reward communities for additional homes and reducing the length of payments from 6 years to 4 years. This will include a preferred option for savings of at least £800 million. The potential impact for Leeds could be in the region of £6m and it is anticipated that further detail will be set out as part of the local government finance settlement consultation, which will include consideration of proposals to introduce a floor so that no authority loses out disproportionately.
- Nationally, 26 extended or new Enterprise Zones
- Confirmation of the previous announcement of the proposal to end national uniform business rates with the introduction of 100% retention of business rates for local government and the phasing out of the Revenue Support Grant as well as introduction of new responsibilities giving councils the power to cut business rates to boost growth, and empowering elected city-wide mayors.
- Allowing local authorities to use 100% of receipts from asset sales on the revenue costs of reform projects. Further detail will be set out by DCLG alongside the Local Government settlement in December.
- Capping the amount of rent that Housing Benefit will cover in the social sector to the relevant Local Housing Allowance.
- Extending the Small Business Rate Relief for another year.
- Reduce the Education Services Grant by £600m, or 73% signalling that "Local authorities running education to become a thing of the past". The remaining grant funding will presumably be used to cover local authority statutory duties which the Department for Education will also look to reduce. The 2015/16 allocation for Leeds is £9.2m and based on the national totals a proportionate grant cut would be in the region of £6.7m per year. More information is needed around the impact and timing of this significant reduction and consultation is expected to start in early 2016 with the potential changes effective from 2017/18.
- Introduce a new national funding formula for schools to begin to be introduced from April 2017.
- Plans to build an additional 400,000 affordable homes.

- Homelessness - devolving an increased level of funding to local authorities while ending the current management fee for temporary accommodation, giving them greater flexibility to invest in preventing homelessness.
- Redistribution - Government will also shortly consult on changes to the local government finance system to rebalance support including to those authorities with social care responsibilities by taking into account the main resources available to councils, including council tax and business rates.

2.2.5 In terms of the Settlement Funding Assessment for Leeds, the medium-term financial strategy reported to the Executive Board in October 2015 assumed a reduction of £13m by March 2017.

Table 4 – Estimated 2016/17 Settlement Funding Assessment – MTF5 October 2015

	2015/16 £m	2016/17 £m
Settlement Funding Assessment	268.1	255.1
Reduction (£m)		(13.0)
Reduction (%)		4.8%

2.2.6 Following the Spending Review and Autumn Statement announcement in November, the forecast reduction in the Settlement Funding Assessment in 2016/17 for Leeds has been increased to £24.1m, or 9.0%. This increase recognises that based on the information released in the Spending Review the phasing of the reductions in local government funding has been brought forward when compared to the national spending figures included in the summer budget. It should be stressed that there is still a level of uncertainty and the actual position for individual local authorities will not be known with any degree of certainty until the Local Government settlement is announced, which is anticipated in mid-December 2015.

Table 5 – Forecast Settlement Funding Assessment – Spending Review 2015

	2015/16 £m	2016/17 £m
Settlement Funding Assessment	268.1	244.0
Reduction (£m)		(24.1)
Reduction (%)		9.0%

2.2.7 Based on the revised estimated Settlement Funding Assessment and taking into account an inflationary factor of 0.8% in the Business Rates Baseline, the anticipated split between the Revenue Support Grant and the Business Rates Baseline is shown in table 6 below. This shows an estimated reduction of £25.3m or 20.35% in the Council's Revenue Support Grant from 2015/16 to 2016/17.

Table 6 – Forecast Revenue Support Grant and Business Rates Baseline (Spending Review 2015)

	2015/16	2016/17	Change	
	£m	£m	£m	%
Revenue Support Grant	124.3	99.0	(25.3)	20.35
Business Rates Baseline	143.8	145.0	1.2	0.8
Settlement Funding Assessment	268.1	244.0	(24.1)	9.0

2.2.8 On the 5th October 2015, the Chancellor set out major plans to devolve new powers from Whitehall to local areas to promote growth and prosperity. The Chancellor confirmed in the Spending Review and Autumn statement announcements that by the end of the current Parliament, local government will be able to retain 100% of local taxes – including all of the £26 billion of revenue from business rates. It is worth noting that whilst local government as a whole will retain 100% of the business rates, some degree of re-distribution across the country will still be necessary within the system to take account of the significant differences between rate yields and needs in some areas. The Chancellor also confirmed an intention to abolish the Uniform Business Rate and give local authorities the power to cut business rates to boost enterprise and economic activity in their areas. Local areas which successfully promote growth and attract businesses will therefore keep all of the benefit from increased business rate revenues. At the same time, the Revenue Support Grant will be phased out by 2020, and local government will take on new responsibilities. These proposals are not expected to have any impact upon the Council in 2016/17.

3. Developing the Medium Term Financial Strategy

- 3.1 Since 2010, local government has dealt with a 40% real terms reduction to its core government grant. In adult social care alone, funding reductions and demographic pressures have meant dealing with a £5 billion funding gap. Even in this challenging context, local government has continued to deliver. Public polling nationally has shown that roughly 80% of those surveyed are satisfied with local services and that more than 70% of respondents trust councils more than central government to make decisions about services provided in the local area – a trend that has been sustained during the last five years.
- 3.2 Between the 2010/11 and 2015/16 budgets, the Council’s core funding from Government has reduced by around £180m and in addition the Council has faced significant demand-led cost pressures. This means that the Council will have to deliver reductions in expenditure and increases in income totalling some £330m by March 2016. To date, the Council has responded successfully to the challenge and has marginally underspent in every year since 2010 through a combination of stimulating good economic growth and creatively managing demand for services alongside a significant programme of more traditional efficiencies. However, there is no doubt that it will become increasingly difficult over the coming years to identify further financial savings unless the Council works differently.
- 3.3 Much will depend on redefining the social contract in Leeds: the relationship between public services and citizens where there is a balance between rights

and responsibilities; a balance between reducing public sector costs and managing demand, and improving outcomes. This builds on the concept of civic enterprise, born out of the Leeds-led 'Commission on the Future of Local Government (2012)', whereby the future of the Council lies in moving away from a heavily paternalistic role in which we largely provide services, towards a greater civic leadership role underpinned by an approach of restorative practice: working with people, not doing things to or for them, so that communities become less reliant on the state and more resilient. If more people are able to do more themselves, the Council and its partners can more effectively concentrate and prioritise service provision towards those areas and communities most at need.

3.4 This approach will help to tackle the range of inequalities that persist across the city as highlighted by this year's Joint Strategic Needs Assessment (JSNA) work and the latest socio-economic analysis on poverty and deprivation provided in the 'Emerging 2016/17 Best Council Plan priorities, tackling poverty and deprivation' report on today's agenda. The report draws on the latest analysis on poverty and deprivation based on the 2015 Poverty Fact Book and recently updated Index of Multiple Deprivation.

3.5 **Poverty Fact Book** - the Poverty Fact Book uses national and local data to help define and analyse different poverty themes and informs the council's and city's response to tackling poverty. It is based on definitions and analysis around the two national measures of poverty: Relative and Absolute Poverty. Relative Poverty measures the number of individuals who have household incomes below 60% of the median average in that year. Absolute Poverty measures individuals who have household incomes 60% below the median average in 2010/11, adjusted for inflation. Key findings are:

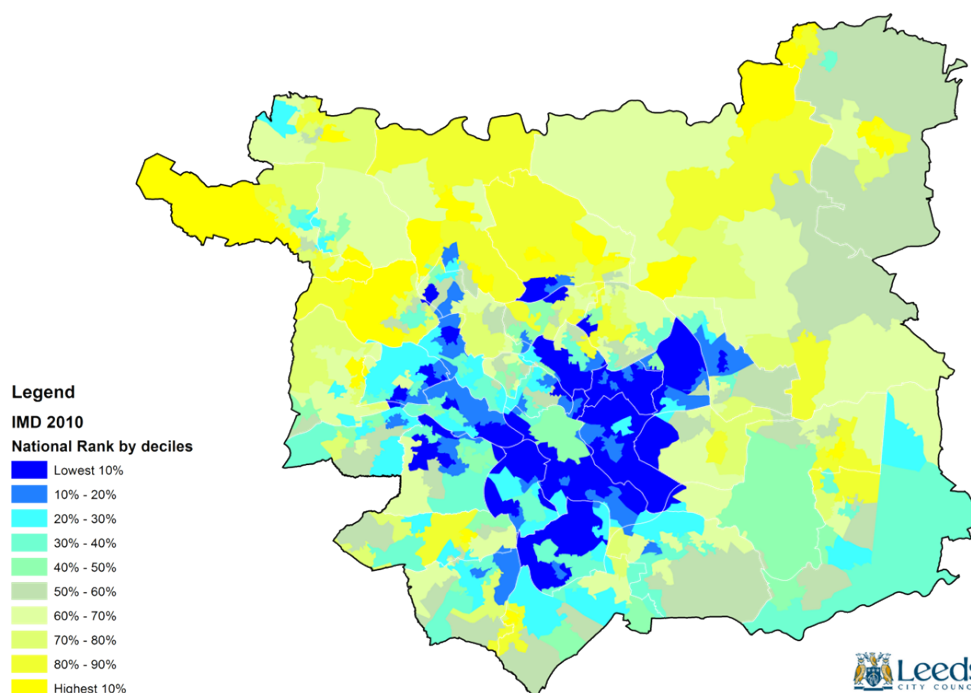
- Almost a quarter of the Leeds population – around 175,000 people across the city - is classified as being in 'absolute poverty'.
- Approximately 20,000 people in Leeds have needed assistance with food via a food bank between April 2014-2015.
- Over 28,000 (19.5%) Leeds children are in poverty, 64% of whom are estimated to be from working families (2013/14).
- As of October 2015, around 73,000 Leeds households were in receipt of Council Tax Support. Of this figure over 25,000 (35%) of these households in Leeds now have to pay 25% of their council tax due to changes to Council Tax Support.
- During 2014/15 in-work poverty was estimated to affect 15,000 households in Leeds. Just over 24,000 Leeds residents in full-time work earn less than the Living Wage and almost 8,000 Leeds workers are on Zero Hour contracts.
- Almost 38,000 Leeds households are in fuel poverty and over 8,000 of these households are paying their fuel bills via prepayment meters (2015).
- Access to credit and interest rates for those on low incomes or with poor credit histories also remains high. Around 121,000 payday loans were estimated to be accessed by Leeds residents in 2013.

3.6

Index of Multiple Deprivation (IMD) 2015 - the recent update of the IMD published by DCLG in September 2015 measures relative levels of deprivation in 32,844 small areas called Lower-layer Super Output Areas (LSOAs) in England. The 2015 indices are based on broadly the same methodology as the previous 2010 Indices. Although it is not possible to use the IMD to measure changes in the level of deprivation in places over time, it is possible to explore changes in relative deprivation, or changes in the pattern of deprivation, between this and previous updates of the IMD. It is also important to note that these statistics are a measure of relative deprivation, not affluence, and to recognise that not every person in a highly deprived area will themselves be deprived. Likewise, there will be some deprived people living in the least deprived areas. Based on the latest IMD, early analysis has been carried out at local ward level and examining Leeds' relative position nationally. Key findings are:

- Leeds is ranked 31 out of 326 local authorities, with 105 neighbourhoods in the most deprived 10% nationally (22% of all Leeds neighbourhoods). Leeds fares relatively well in comparison to other Core City local authority areas.
- There are 164,000 people in Leeds who live in areas that are ranked amongst the most deprived 10% nationally. The corresponding figure in the 2010 Index was 150,000 people, but clearly not everyone living in these areas is deprived.
- The IMD shows the geographic concentration of deprivation in the communities of Inner East and Inner South, confirming the wider analysis of poverty and deprivation undertaken in the recent Joint Strategic Needs Assessment.
- Analysis of relative change in the city since the last Index suggests that there has been some intensification of the concentration of our most deprived and least deprived neighbourhoods.
- The age profile of our most deprived neighbourhoods confirms that our most deprived communities are also our youngest (and fastest growing).

Chart 1 - Index of Multiple Deprivation 2015 – Ward Analysis



- 3.7 Though much work has already been done and is underway¹, the analysis confirms the need for more concentrated and integrated efforts to tackle the often multiple deprivation encountered by our vulnerable communities. The emphasis on tackling inequalities lies at the heart of the renewed ‘Best City’ ambition agreed by the Executive Board in September: to be the ‘Best City’ means Leeds must have a **Strong Economy** and be a **Compassionate City**, with the Council contributing to this by being a more **Efficient & Enterprising** organisation. We want Leeds to be a city that is fair and sustainable, ambitious, fun and creative for all. This ambition underpins the medium-term financial strategy and is informing the development of the Council’s 2016/17 Best Council Plan objectives and priorities and the supporting Initial Budget Proposals set out here. The 2016/17 Best Council Plan will be presented to the Board and then Full Council in February 2016 alongside the final budget proposals.

¹ Please see the June 2015 Executive Board report, ‘Supporting communities and tackling poverty’ for progress made to date and the further actions to be taken under the ‘Citizens@Leeds’ banner; the September 2015 Executive Board report, ‘Best Council Plan – Strong Economy and Compassionate City’ summarising a range of successes so far and continued challenges against these two themes; and the October 2015 Executive Board report, ‘Strong economy, Compassionate city’ that detailed some of the key themes and practical steps the council and its partners can take to further the renewed ‘best city’ ambition by better integrating the approach to supporting growth and tackling poverty.

4. Estimating the Net Revenue budget for 2016/17

4.1 Settlement Funding Assessment – Reduction of £24.1m

As outlined in Table 5 above, based on the announcement of the Spending Review in November, the indicative Settlement Funding Assessment for Leeds represents a reduction of £24.1m (9%) for 2016/17 when compared to 2015/16. However, these are still estimates based on national figures and the actual Settlement Funding Assessment for individual local authorities will not be known until the provisional Local Government Finance settlement which is expected in December 2015.

4.2 Business Rates Retention – Net pressure of £12.6m

- 4.2.1 Leeds has the most diverse economy of all the UK's main employment centres and has seen the fastest rate of private sector jobs growth of any UK city in recent years. Yet this apparent growth in the economy is not being translated into business rates growth; in fact the Council's business rates income has declined month by month since the start of the 2015/16 financial year and other authorities are reporting similar problems.
- 4.2.2 Under the Business Rates Retention (BRR) scheme which was introduced in 2013/14, business rates income is shared equally between local and central government. Local authorities that experience growth in business rates are able to retain 50% of that growth locally. The downside is that local authorities also bear 50% of the risk if their business rates fall or fail to keep pace with inflation, although a safety-net mechanism is in place to limit losses from year to year to 7.5% of their business rates baseline. Although BRR allows local authorities to benefit from business rates growth, it also exposes them to risk from reductions in rateable values. The system allows ratepayers and their agents to appeal to the Valuation Office against their rateable values if they think they have been wrongly assessed or that local circumstances have changed. When agreement cannot be reached, appeals may be pursued through the Valuation Tribunal and then through the courts. One major issue with the system is that successful appeals are usually backdated to the start of the current Valuation List, i.e. 1st April 2010, and this greatly increases the losses in cash terms – by nearly six times in the current financial year. At end of September 2015 there were approximately 6,500 appeals outstanding in Leeds and the total rateable value of the assessments with at least one appeal outstanding totals some £485m, which equates to more than half of the total rateable value of the city. It is worth noting that the Council does not set rateable values and nor does it have any role in the appeals process, but has to deal with the financial impact of appeals.
- 4.2.3 The budget proposals include a net general fund cost of £12.6m in 2016/17 which recognises the worsening position on business rates and the contribution required from the general fund to the collection fund. This £12.6m net pressure includes a £22.2m estimated contribution from the General Fund to the Collection Fund which in the main recognises the on-going impact of the

backdating of appeals. It should be noted that this £22.2m contribution in 2016/17 is in addition to the £6.4m contribution to the Collection Fund in 2015/16. This contribution assumes £13.4m of business rates growth which recognises the continuing improvement of the economic climate across the city.

Table 7 – Business Rates Retention scheme

	2015/16 £m	2016/17 £m
Business Rates Baseline	143.8	145.0
Projected growth above the baseline to March 2016		5.1
Estimated growth in 2016/17		4.8
Additional income from ending of Retail Relief		2.1
Growth due to increase in multiplier		1.4
Total estimated growth	10.2	13.4
Estimated provision for appeals		(20.1)
Additional estimated cost of transitional arrangements and provision for bad debts		(2.1)
Estimated year-end Collection Fund deficit (Leeds Share)	(6.4)	(22.2)
Estimated Business Rates Funding	147.6	136.2
Increase/(reduction) against the Business Rates baseline	3.8	(8.8)
Business Rates Retention - Net General Fund Pressure		(12.6)

4.2.4 The Spending Review and Autumn Statement further supports small businesses by extending the doubling of small business rate relief (SBRR) in England for 12 months to April 2017. However, the Retail Relief Scheme, which was a two-year local discount awarded at the Council's discretion which was fully funded by section 31 grant, has not been extended and will end at the end of March 2016 as previously announced. The impact will be to increase the income from business rates by £2.1m which is directly offset by a £2.1m reduction in the section 31 grant.

4.2.5 The new Enterprise Bill was introduced to the House of Lords on 16th September 2015. It contains provisions dealing with two aspects in respect of the non-domestic rating system: a) disclosure of information by HMRC and b) regulations covering appeals against rateable value that could affect local authorities. Whilst these proposals will help a little, they are unlikely to resolve the central problems for local authorities with the system of Business Rates Retention and specifically the risks associated with the appeals process.

4.3 Council Tax

4.3.1 The 2015/16 budget was supported by a 1.99% increase in the level of Council Tax which remains the 2nd lowest of the Core Cities and mid-point of the West Yorkshire districts.

Table 8 – 2015/16 Council Tax levels (Figures exclude Police and Fire precepts)

Core Cities	Band D	West Yorkshire Districts	
			Band D
	£		£
Nottingham	1,459.67	Kirklees	1,267.15
Bristol	1,419.01	Calderdale	1,251.43
Liverpool	1,384.53	Leeds	1,168.80
Newcastle	1,380.82	Wakefield	1,161.43
Sheffield	1,308.28	Bradford	1,152.11
Manchester	1,172.27		
Leeds	1,168.80		
Birmingham	1,158.43		

- 4.3.2 Government previously provided funding for the on-going effect of previous Council Tax freezes up to 2015/16. The Council accepted the Council Tax freeze grant for the years 2011/12 to 2013/14, and government funding of £9.4m was built into the Council's 2015/16 settlement (the grant for freezing Council Tax in 2012/13 was for one year only).
- 4.3.3 The 2016/17 Initial Budget Proposals recognise an additional £4.7m of income from increases to the Council Tax base (4,015 band D equivalent properties) together with a reduction in the contribution from the Collection Fund of £0.8m (a budgeted £2.03m surplus on the Collection Fund in 2015/16 reducing to an estimated surplus on the Collection Fund of £1.2m in 2016/17).
- 4.3.4 In previous years the Government has set a limit of up to 2% for Council Tax increases above which a Local Authority must seek approval through a local referendum. The referendum ceiling for 2016/17 has yet to be announced; when this information is known the Council will need to make a decision about the proposed Council Tax increase. However, subject to an announcement as to a referendum ceiling it is proposed that the standard Council tax is increased by 1.99%. In addition it is proposed that the Leeds element of Council tax is also increased by the 2% Adult Social Care precept.
- 4.3.5 Table 9 below sets out the estimated total income from Council Tax in 2016/17. This recognises the estimated increase in the Council Tax base, a £1.2m surplus on the Collection Fund together with £10.2m of additional income generated from the Adult Social Care precept and the general increase in the Council Tax rate.

Table 9 – Estimated Council Tax income in 2016/17

	£m
2015/16 Council Tax Funding	251.9
Less: Change in Collection Fund - Increase /(reduction)	(0.8)
Add: Increase in tax base	4.7
Add: 1.99% increase in Council Tax level	5.1
Add: 2% Adult Social Care Precept	5.1
2016/17 Council Tax Funding	266.0

- 4.3.6 The settlement funding assessment includes an element to compensate parish and town councils for losses to their council tax bases from the Local Council Tax Support (LCTS). The amount is not separately identifiable and, as in previous years, it is proposed that the LCTS grant for parish and town councils should be reduced in-line with the assumptions for Leeds' overall reduction in the Settlement Funding Assessment which would be a reduction of 9% for 2016/17 from £92k to £84k.

4.4 The Net Revenue Budget 2016/17

- 4.4.1 After taking into account the anticipated changes to the Settlement Funding Assessment, Business Rates and Council Tax, the overall Net Revenue Budget for the Council is anticipated to reduce by £22.6m from £523.8m down to £501.2m, as detailed in table 10 below;

Table 10 – Estimated Net Revenue Budget 2016/17 compared to 2015/16 Net Revenue Budget

	2015/16 £m	2016/17 £m	Change £m
Revenue Support Grant	124.3	99.0	(25.3)
Business Rates Baseline	143.8	145.0	1.2
Settlement Funding Assessment	268.1	244.0	(24.1)
Business Rates Growth	10.2	13.4	3.2
Business Rates Deficit	(6.4)	(22.2)	(15.8)
Council Tax	249.9	264.8	14.9
Council Tax surplus/(deficit)	2.0	1.2	(0.8)
Net Revenue Budget	523.8	501.2	(22.6)

- 4.4.2 Table 11 below analyses the £22.6m estimated reduction in the net revenue budget between the Settlement Funding Assessment and locally determined funding sources.

Table 11 – Reduction in the funding envelope

Funding Envelope	2016/17 £m
Government Funding Settlement Funding Assessment	(24.1)
Sub-total Government Funding	(24.1)
Locally Determined Funding Council Tax	14.1
Business Rates	(12.6)
Sub-total Locally Determined Funding	1.5
Reduction in Net Revenue Budget	(22.6)

5. Developing the Council's Budget Proposals - consultation

- 5.1 The financial strategy and initial budget proposals have both been driven by the Council's ambitions and priorities which have been shaped through past consultations and stakeholder engagement. Public perception evidence that services and localities already hold about people's priorities has been brought together and a summary of the findings produced to support the preparation of the initial budget proposals for 2016/17.
- 5.2 As in previous years, residents and wider stakeholders will have the opportunity to comment on the initial budget proposals in a variety of ways, for example hard-copy feedback forms in public spaces, online and also through city-wide networks.

6. Initial Budget Proposals 2016/17

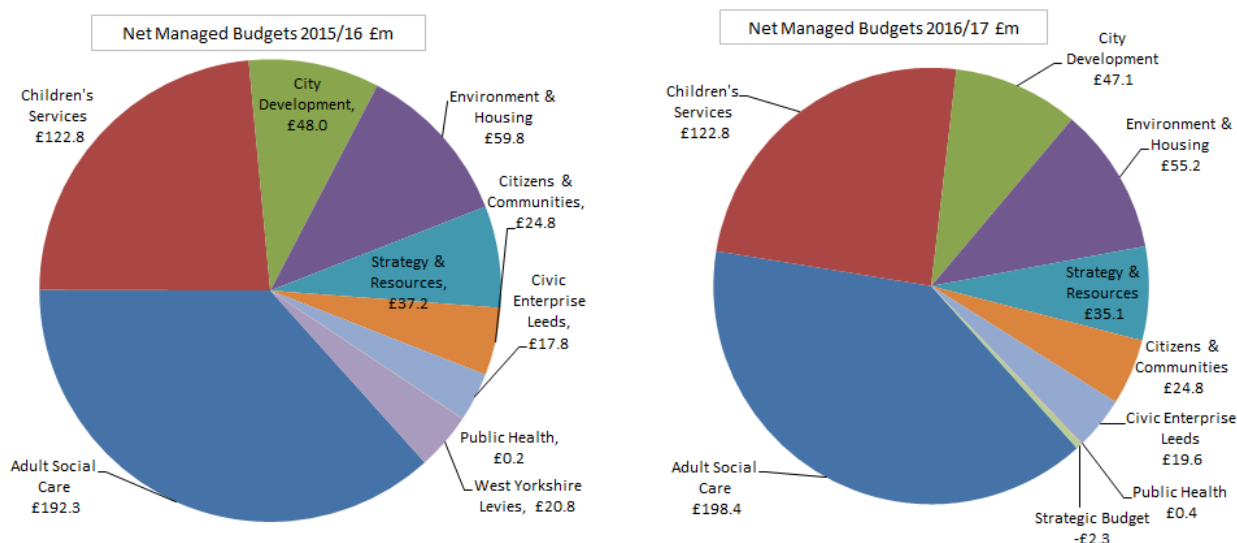
- 6.1 This section provides an overview of the spending pressures which the Council is facing in 2016/17 and the initial budget proposals to balance to the available resources. Table 12 below provides a summary of key cost pressures and savings areas:

Table 12 Initial Budget Proposals 2016/17

	£m
Reduction in Settlement Funding Assessment	24.1
Business Rates - potential growth offset by impact of backdated appeals	12.6
Inflation	8.4
National Insurance Changes	7.3
Real Living Wage	3.3
National Living Wage - Commissioned Services	5.2
Demand & Demography - Adult Social Care and Children's Services	6.5
Fall-out of Capitalised Pension costs	(2.3)
Debt and review of future capital funding	(1.3)
Tour de Yorkshire & World Triathlon	0.6
Council Tax Invest to Save - Customer Services Officers & review of Single Person Discounts	0.4
Income Generation & Inward Investment	0.3
Elections - reinstate budget	0.2
West Yorkshire Transport Fund	0.2
Business Rates - Retail rate relief - fall out of section 31 grant	2.1
Reduction in ring-fenced Public Health Grant	3.9
Other Corporate and Directorate Budget Pressures	15.8
Cost & Funding Changes	87.2
Waste Strategy - full year effect of RERF	(4.0)
New Homes Bonus	(0.6)
Asset Management savings	(1.1)
Changes to Minimum Revenue Provision	(21.0)
Reserves/One-off income	(2.3)
Directorate Savings - see appendix 2	(44.1)
Total Savings and Efficiencies	(73.1)
Potential increase in Council Tax base, rate and Social Care precept	(14.1)
Total - Savings, Efficiencies and Council Tax	(87.2)

- 6.1.1 The pie charts below show the share of the Council's net managed expenditure between directorates for 2015/16 and the proposed allocations for 2016/17 based on the Initial Budget Proposals. It should be noted that these resource allocations may be subject to amendments as we move through the budget setting process. Net managed expenditure represents the budgets under the control of individual directorates and excludes items such as capital charges and pensions adjustments.
- 6.1.2 It can be seen that the proportion of the Council's spend on Children's Services and Adult Social Care has increased from 60.2% in 2015/16 to 64.1% in 2016/17 which reflects the Council's priorities around supporting the most vulnerable across the city and to prioritise spending in these areas.

Chart 2 – Net Managed budgets 2015/16 and 2016/17



6.2 Changes in Costs

- 6.2.1 **Inflation** - the budget proposals include allowance for £8.4m of net inflation in 2016/17. This includes provision of £4.1m for a 1% pay award over and above the cost of implementing the real living wage. The budget proposals allow for inflation where there is a contractual commitment, but anticipates that the majority of other spending budgets are cash-limited. An anticipated 3% general rise in fees and charges has also been built into the budget proposals.
- 6.2.2 **Employer's National Insurance** - employer's national insurance costs are due to increase in 2016/17 as announced in the Chancellor's Autumn Statement in 2013. The estimated cost of this in 2016/17 is £7.6m of which £7.3m relates to general fund services and £0.3m to the Housing Revenue Account. In addition, the impact on schools will be in the region of £4.9m in 2016/17.
- 6.2.3 **National Living Wage** – as part of the budget in July 2015, Government announced the introduction of a new National Living Wage of £7.20 per hour, rising to an estimated £9 per hour by 2020. Implemented from April 2016, this National Living Wage would be paid to all employees aged over 25. In addition to the additional cost of implementing the Real Living Wage for all directly-employed staff, the budget proposals also make allowance for implementing the cost of the National Living Wage for commissioned services, primarily those within Adult Social Care. The immediate impact in 2016/17 is estimated at an additional cost of £5.2m.
- 6.2.4 **Real Living Wage** – at its September 2015 meeting, the Executive Board agreed that Council would move towards becoming a real Living Wage employer.

In November 2015, the Campaign for Living Wage Foundation announced a living wage of £8.25 per hour (outside London). It is proposed to move to

becoming a real living wage employer during 2016/17 by implementing a minimum rate of £8.01 per hour from April 2016 and consider the impact of a further increase with a view to implementing during the year. A provision of £3.3m for 2016/17 has been included in the general fund with a further cost to the Housing Revenue Account of £0.1m and an impact for schools-based staff of £2.7m.

6.2.5 Demand and Demography

6.2.5.1 In Adult Social Care, the budget proposals recognise the increasing demographic pressures with provision of £5.8m in 2016/17. The population growth forecast assumes a steady increase from 2015 in the number of people aged 85 - 89 during 2016 and 2017 (2.9% and 2.8% respectively) followed by further increases but at a lower rate of 1.8% for the later years of the strategy, resulting in additional costs for domiciliary care and care home placements. In addition, the budget proposals reflect the anticipated increase in the number of customers opting for cash personal budgets. The Learning Disability demography is expected to grow by £3.7m per annum, which includes an anticipated growth in numbers of 3.5% (based on ONS data) through to 2020; but noting that the high cost increase is primarily a combination of increasingly complex (and costly) packages for those entering adult care, as well as meeting the costs of the increasing need for existing clients whose packages may last a lifetime.

6.2.5.2 In addition, there are increasing demographic and demand pressures in Children's Services. Across the city, the birth rate is increasing with a projected 3.3% increase in the number of children and young people rising from 183,000 in 2012 to 189,000 by 2017. This rising birth rate is further compounded by the impact of net migration into the city and typically, an increase of 6,000 children and young people would generate pressure of £2m across the Children's Services budget, particularly the budget supporting children in care.

This increasing demographic also brings with it an increasing number of children with special & very complex needs. In budgetary terms, this impacts in particular on the externally provided residential placement budget and also in the budgets that support children and young people with special educational needs, specifically the educational placement budget (funded through the dedicated schools grant), and the home to school/college transport budget which is funded through the general fund. In respect of the latter, the 2016/17 budget proposals include additional funding of £0.7m reflecting this increasing demand.

Additionally, it is worth noting that changes in government legislation have also increased the costs to local authorities, an example of this being the 'Staying Put' arrangements, which enables young people to remain with their carers up to the age of 21. These arrangements are resulting in additional costs of approximately £1m over and above the £0.2m grant allocation.

6.2.6 **Debt** – the proposed budget recognises a reduction in the cost of debt and capital financing costs of £1.3m in 2016/17 which reflects the on-going capital

programme commitments together with anticipated changes in interest rates. The gross total capital programme is £1.1bn and seeks to deliver investment in line with the Council's plans and objectives. The level of the capital programme will continue to be reviewed to ensure that it is deliverable and that it continues to be supportive of the Council's priorities. The forecast debt budget reflects the costs of financing both present and future borrowing in line with assumed borrowing costs. These assumed borrowing costs will be kept under review and adjusted for the latest market estimates.

6.2.7 **Council Tax Support Scheme & Single Person Discount** – the initial budget proposals recognise that the Council Tax Support Scheme will continue unchanged. An additional investment of £0.32m has been included in the budget proposals to fund additional customer services officers who will support implementation of the Personal Work Packages as part of the Council Tax Support Scheme which commenced in October 2015. This additional cost will be funded through additional income from estimated increases to the Council tax base. In addition, the proposed budget includes funding to extend the invest to save work on single person discount where again the commensurate savings are recognised in the council tax base

6.2.8 **Public Health** - on the 4th November, Government announced the outcome of the consultation on the implementation of a £200m national in-year cut to the 2015/16 ring-fenced Public Health grant allocation. This confirmed the Department of Health's preferred option of reducing each local authority's allocation by 6.2%, which resulted in a reduction of £2.82m for Leeds in 2015/16.

In the Spending Review and Autumn Statement, Government indicated it will make savings in local authority public health spending with average annual real-terms savings of 3.9% over the next 5 years which will manifest in reductions to the public health grant to local authorities. It has become apparent that these further reductions are in addition to the 6.2% 2015/16 reductions which will now recur in 2016/17 and beyond. This will mean an estimated reduction to the Council's public health grant of £3.9m in 2016/17 with a total estimated reduction to the Council's grant allocation of £7.3m by 2019/20. This will effectively mean that the Council will have £25m less to spend on public health priorities between 2015/16 and 2019/20. The Department of Health will announce the specific allocation for Leeds only in January 2016.

In addition, the fall-out of £1.4m of non-recurrent funding from 2015/16 will mean the total savings needed from the public health budget in 2016/17 is £5.3m

Table 13 – Public Health – estimated grant allocation and reduction.

	National £'000	Leeds £'000
Original 2015/16 grant	2,801,471	40,540
Add: 0-5 transfer from health	859,526	9,986
	3,660,997	50,526
Less: 2015/16 recurring grant reduction (6.2%)	(200,000)	(2,823)
Less: estimated 2016/17 grant reduction (2.2%)	(76,142)	(1,049)
Estimated 2016/17 grant	3,384,855	46,654
Total estimated grant reduction in 2016/17	(276,142)	(3,872)
Percentage reduction in cash-terms	7.54%	7.66%

- 6.2.9 **Tour de Yorkshire & World Triathlon** – in 2016 Leeds is scheduled to host the World Triathlon and again host a stage of the Tour de Yorkshire. The budget proposals include £0.6m of invest to save funding which recognises the significant economic boost that these events will bring to the City and wider region.
- 6.2.10 **Income Generation and Inward Investment** – in support of the continuing drive to become a more enterprising and efficient organisation, the budget proposals include proposals to invest in additional capacity to support the Council’s income generation strategy including how we capitalise on the opportunities from trading services. In addition, the proposals include additional investment to support inward investment including working with partners to market our city.
- 6.2.11 **West Yorkshire Transport Fund** – the budget proposals recognise a potential increase in the contribution to the West Yorkshire Transport Fund from £5.4m in 2014/15 to £11.4m over 10 years, an increase of £0.6m each year. The Leeds share based on population figures is around £0.2m and provision has been built into the proposed budget to reflect this which would be a decision by the West Yorkshire Combined Authority as part of their levy proposals.
- 6.2.12 Other Pressures - £15.8m**
- 6.2.12.1 **Waste Management and Disposal Costs** – a pressure of £0.96m is reflected in the 2016/17 budget proposals which reflects changes to the costs of waste disposal/recycling income, maintenance costs and household waste.
- 6.2.12.2 **Grant & other funding** – the 2016/17 budget proposals also take into account anticipated grant reductions across a number of services. These include;
- the fall-out of the Children’s Social Care Innovations funding of £1.6m.
 - non-recurrent funding of £1m for capacity building for free early education entitlement.
 - a £0.3m pressure from the fall-out of the SEND reform grant.
 - a reduction to the Housing Benefit Administration grant of £0.3m.

- an anticipated continuation of the in-year cut in the Youth Offending Service grant of £0.3m
- an estimated reduction of £0.3m to the Education Services Grant recognising schools becoming academies.
- Non-recurrent health income of £1m for Community Intermediate Care beds.
- Non-recurrent funding of £1.9m from health around Health & Social Care initiatives.
- One-off income in 2015/16 in City Development which was supporting economic regeneration activities.

6.2.12.3 **Demand** – the budget proposals also recognise continuation of the 2015/16 demand pressures in Adult Social Care with a provision of £1.9m included in the budget proposals. In addition, there is a pressure of £0.2m reflecting additional commissioning costs for South Leeds Independence Centre.

6.2.12.4 **Income trends** – a £0.4m pressure in City Development reflecting income trends in respect of advertising, venues income and fee recovery in asset management.

6.2.12.5 **Police and Community Support Officers (PCSOs)** – from April 2016 the Police and Crime Commissioner is seeking to change the funding formula PCSOs so that local authorities will be required to make a contribution of 50% to their cost. Currently Leeds City Council spends £1.06m per annum on PCSOs which represents a 20% contribution to the cost of providing 165 PCSOs city wide. Therefore unless the Council increases its contribution, implementation of this revised funding agreement will have implications for the total number of PCSOs that the Council can support.

6.3 The Budget Gap – Savings Options – £73.1m

6.3.1 After taking into account the impact of the anticipated changes in funding and spend, it is forecast that the Council will need to generate savings, efficiencies and additional income to the order of £73.1m in 2016/17, in addition to an estimated £14.1m additional Council Tax income. The total budget savings options are shown at table 12 and detailed by directorate at appendix 2. This estimated budget gap and therefore the required savings are very much dependent on the range of assumptions highlighted previously in this report, particularly around the level of future core funding from Government, which for individual local authorities will not be confirmed until the provisional local government finance settlement is announced in mid-December 2015.

6.3.2 New Homes Bonus – savings of £0.6m

6.3.2.1 The government introduced an incentive scheme in 2011 to encourage housing growth across the country; Councils receive additional grant equivalent to the average national Council Tax for each net additional property each year and is received annually for six years. An additional 2,800 band D equivalent properties per annum has been assumed for 2016/17 which includes both new builds and properties brought back into use. The Council not only benefits from

the additional Council Tax raised from these properties, estimated to be £3.3m in 2016/17, but also through the through New Homes Bonus which is estimated at an additional £4.1m per annum. However, taking account of the shortfall in the net increase in properties in 2015/16 together with the fall-out of the £2.7m income from 2010/11 means that the cash increase is reduced to £0.6m.

6.3.2.2 It should be noted that whilst the New Homes Bonus is intended as an incentive for housing growth, the funding for this initiative comes from a top-slice of the Local Government funding settlement and the distribution of this funding benefits those parts of the country with the highest level of housing growth and is weighted in favour of properties in higher Council Tax bands.

6.3.3 Efficiencies – savings of £14m

6.3.3.1 Appendix 2 provides the detail of a range of proposed efficiency savings across all directorates which total some £14m in 2016/17. These savings are across a number of initiatives around;

- Organisational design.
- Continuing demand management through investment in prevention and early intervention, particularly in Adult Social Care and Children's Services.
- Savings across the range support service functions.
- Ongoing recruitment and retention management.
- Reviewing leadership and management.
- Realising savings by cash-limiting and reducing non-essential budgets.
- Estimated savings on energy and fuel through price and volume.
- Ongoing procurement and purchasing savings.

6.3.4 Fees & Charges – additional income of £2.8m

6.3.4.1 The initial budget proposals assume a general increase in fees and charges of 3%. In addition, appendix 2 sets out detailed proposals around a number of fees and charges where further increases are proposed which in total would generate an additional £2.8m of income by March 2017.

6.3.5 Traded Services, partner income & other income – additional income of £12.5m

6.3.5.1 Appendix 2 provides detail across directorates of a range of proposals that together would generate additional income of £12.5m. This includes;

- Adult Social Care – further health funding, including the Better Care Fund and transformation funding.
- Improvement partner income in Children's Services.
- Continued funding from schools and health to support the Children's Services strategy recognising the range of mutual benefits of the investment in preventative and early intervention.
- A range of additional trading with schools, academies and other external organisations.

6.3.6 Service Changes – savings of £14.9m

- 6.3.6.1 By necessity, managing a reduction of £24.1m in government funding in addition to a range of cost pressures means that the Council will have to make some difficult decisions around the level and quality of services that it provides and whether these services should be increasingly targeted toward need.
- 6.3.6.2 Appendix 2 sets out these detailed service change proposals which together total savings of £14.9m by March 2017.

6.3.7 Minimum Revenue Provision – savings of £21m

- 6.3.7.1 When capital investment is funded from borrowing, there is a cost to the revenue budget both in terms of interest and minimum revenue provision. The annual minimum revenue provision is effectively the means by which capital expenditure which has been funded by borrowing is paid for by the council tax payer.
- 6.3.7.2 By statute, local authorities need to make a prudent level of provision for the repayment of debt, and the government has issued statutory guidance, which local authorities are required to ‘have regard to’ when setting a prudent level of MRP. The guidance sets out the broad aims of a prudent MRP policy, which should be to ensure that borrowing is repaid either over the life of the asset which the capital expenditure related to or, for supported borrowing, the period assumed in the original grant determination. The guidance identifies four options for calculating MRP which would result in a prudent provision, but states that other approaches are not ruled out. Local authorities therefore have a considerable level of freedom in determining their MRP policies, provided that they are in line with the broad aims set out in the statutory guidance.
- 6.3.7.3 The Capital Finance and Audit Regulations require councils to produce an annual statement of policy on making MRP which the Council last did as part of the 2015/16 Capital Programme report to full Council in February 2015.
- 6.3.7.4 The Council has undertaken a review of the application of its existing MRP policies and identified opportunities for additional savings which will reduce the pressure on its revenue budget but still ensure that a prudent level of provision is set aside.
- 6.3.7.5 The main features of the Council’s 2015/16 MRP policy include;
- If capital receipts have been used to repay borrowing for the year then the value of the MRP which would otherwise have been set aside to repay borrowing will be reduced by the amounts which have instead been repaid from capital receipts.
 - MRP for borrowing for 2014/15’s capital expenditure will be calculated on an annuity basis over the expected useful life of the assets. For expenditure capitalised under statute where there is no identifiable asset, the lifetimes used for calculating the MRP will be as recommended in the statutory guidance.

- MRP for borrowing on capital expenditure incurred between 2007/08 and 2013/14 for which an annuity asset life basis is already being used will continue on the same basis.
- For borrowing arising from earlier years, MRP will be charged on an asset life annuity basis. As data is not available to identify the individual assets which this borrowing relates to, an average asset life for categories of assets in the authority's current asset register will be used.
- For PFI and finance lease liabilities, a MRP charge will be made to match the value of any liabilities written down during the year which have not been otherwise funded by capital receipts.

The proposed MRP policy for 2016/17 will state that borrowing for 2015/16 capital expenditure will be calculated on an annuity basis over the expected life of the assets. It will also propose that the MRP liability on PFI schemes (to be met from capital receipts) is calculated over the life of the assets rather than the duration of the contract.

These changes have enabled the revenue budget strategy to include £21m of savings for 2016/17.

- 6.3.8 Fall-out of Capitalised Pension Costs** – savings of £2.3m are included in the budget proposals which result from the fall-out of the pension costs from 2011/12 which were capitalised and spread across the 5-year period.
- 6.3.9 Assets** – to date, the Council has successfully implemented a strategy which has seen a reduction in its asset portfolio and specifically a reduction in Council office accommodation by 250,000 square feet. The 2016/17 budget proposals include estimated revenue budget savings of £1.1m from the implementation of the asset management strategy and the reduction of the Council's asset portfolio.
- 6.3.10 Recovery and Energy from Waste Facility** – the management of the long-term contract with Veolia for the construction and operation of the residual waste treatment facility in Leeds is estimated to realise savings of £4m in 2016/17.

6.4 Impact of proposals on employees

- 6.4.1 The Council has operated a voluntary retirement and severance scheme since 2010/11 which has contributed to a forecast reduction in the workforce of 2,500 ftes to March 2016, generating savings of £55m per year.
- 6.4.2 The initial budget proposals provide for an estimated net reduction in anticipated staff numbers of 259 ftes by 31st March 2017, as shown in table 14 below:

Table 14 – Estimated staffing implications

Full-time Equivalents	Increases	Decreases	Net Movement
Adult Social Care	5	(161)	(156)
Children's Services	21	(59)	(38)
City Development	0	(27)	(27)
Environment & Housing	1	(35)	(34)
Strategy & Resources	0	(62)	(62)
Civic Enterprise Leeds	0	(5)	(5)
Citizens & Communities	10	(14)	(4)
Public Health	0	(5)	(5)
Total - General Fund	37	(368)	(331)
Housing Revenue Account	83	(11)	72
Total - General Fund & HRA	120	(379)	(259)

6.5 Staffing Impact

6.5.1 The proposals outlined above are reflected in table 15 below which gives a subjective breakdown of the Council's initial budget in 2016/17, compared to 2015/16.

Table 15 Subjective Analysis- General Fund

	Budget 2015/16 £m	Budget 2016/17 £m	Variation £m
Employees	437.1	438.9	1.9
Other running expenses	142.1	140.0	(2.1)
Capital Charges	47.1	24.8	(22.3)
Payments to external service providers	341.5	349.7	8.3
Fees & Charges/Other Income	(223.2)	(234.5)	(11.3)
Specific Grants	(219.2)	(215.3)	3.9
Use of General Fund reserves	(1.5)	(2.5)	(1.0)
Net Revenue Budget	523.8	501.2	(22.6)
Funded by:			
SFA/Business Rates	278.3	257.4	(20.9)
Collection Fund surplus/(deficit) - Business Rates	(6.4)	(22.2)	(15.8)
Council Tax	249.9	264.8	14.9
Collection fund surplus/(deficit) - Council Tax	2.0	1.2	(0.8)
Total Funding	523.8	501.2	(22.6)

7. General Reserve

- 7.1 General and useable reserves are a key measure of the financial resilience of the Council, allowing the authority to address unexpected financial pressures. Since 2010/11, the Council's general reserve level has reduced from £29.56m down to £22.3m at April 2015 with further budgeted use of £1.5m in 2015/16.
- 7.2 The assumed general reserve balance of £20.9m at March 2016 is predicated on the delivery of a balanced budget in 2015/16. Executive Board will be aware of the pressures in the 2015/16 financial year and the Financial Health report (month 7) indicates a potential pressure of £4m, primarily due to continuing demand pressures in Children's Social Care. The expectation is that measures will be put in place to bring the budget into balance by March 2016.
- 7.3 The 2016/17 budget proposals assume a £1m increase in the use of general reserves in 2016/17 up to £2.45m. This will reduce the estimated level of the general reserves to £18.4m by March 2017 as set out in the table below;

Table 16 – General reserve level

General Reserves	2015/16 £m	2016/17 £m
Opening Balance 1st April	22.3	20.9
Budgeted usage	(1.5)	(2.5)
Closing Balance 31st March	20.9	18.4

- 7.4 Given the uncertainty about the future government funding, the financial challenges ahead and the inherent risks in future budgets, there is a strong argument that the level of general reserves should be increased over the next few years in order to increase the Council's resilience. To this end, and as envisaged in the medium-term financial strategy report, proposals will be brought to the February Executive Board around the potential to ring-fence specific capital receipts from asset sales to reduce the Council's minimum revenue provision requirement and to then use these savings to increase the level of General Reserves.

8. The Schools Budget

- 8.1 The Dedicated Schools Grant (DSG) for 2016/17 will continue to be funded as three separate blocks for early years, high needs and schools.
- 8.2 The early years block will fund free early education for 3 and 4 year olds and the early education of eligible vulnerable 2 year olds. The per pupil units of funding will be confirmed in December 2015 and will continue to be based on participation. From September 2017, Government will double the amount of free childcare to 30 hours/week for working families of 3 and 4 year old children.

- 8.3 The high needs block will support places and top-up funding in special schools, resourced provision in mainstream schools and alternative provision; top-up funding for early years, primary, secondary, post-16 and out of authority provision; central SEN support and hospital & home education. Published place numbers for the 2015/16 academic year will be rolled forward as the base for 2016/17 allocations and adjusted in accordance with the Education Funding Agency's (EFA) place change request process. The overall high needs block allocation will not be known until December 2015.
- 8.4 The schools block funds the delegated budgets of primary and secondary schools for pupils in reception to year 11, and a number of prescribed services and costs in support of education in schools. The grant for 2016-17 will be based on pupil numbers in Leeds (including those in academies and free schools) as at October 2015, multiplied by the schools block unit of funding which for 2016/17 is £4,545.94. This rate incorporates the former non-recoupment academies. It is estimated that pupil numbers will increase by over 2,000 year on year, mainly in primary.
- 8.5 Following agreement with Leeds Schools Forum, the Council applied to continue to retain £5.2m of the schools block centrally in 2016/17 in order to support Clusters and this application has been approved by the Secretary of State. The EFA has stipulated that from April 2017, the local authority will have to put a plan in place so that schools may opt to purchase the service through individual agreement.
- 8.6 Funding for post-16 provision is allocated by the EFA through a national formula. No changes to the formula are expected for 2016/17. From 2017/18, sixth-form colleges will be able to become academies. The current national base rate per student for 16-19 year olds will be protected in cash terms over the parliament.
- 8.7 Pupil Premium grant is paid to schools and academies based on the number of eligible Reception – year 11 pupils on roll in January each year. The rates for 2015/16 are: primary £1,320, secondary £935, looked after/adopted £1,900, service £300. The early years pupil premium is payable to providers for eligible 3 and 4 year olds at the rate of £0.53 per child per hour. The pupil premium grant will continue and the rates will be protected.
- 8.8 The Primary PE grant will be paid in the 2015/16 academic year to all primary schools at a rate of £8,000 plus £5 per pupil. The Year 7 catch-up grant will be paid in the 2015-16 financial year at a rate of £500 for each pupil in year 7 who did not achieve at least level 4 in reading and/or mathematics (maximum £500 per pupil) at key stage 2. The rates for 2016-17 have yet to be announced.
- 8.9 A grant for the universal provision of free school meals for all pupils in Reception, Year 1 and Year 2 was introduced in September 2014. Funding is based on a rate of £2.30 per meal taken by eligible pupils. Data from the October and January censuses will be used to calculate the allocations for the

academic year. The government has given a commitment to maintain this funding.

- 8.10 From 2017/18, the government has announced that funding for schools, early years and high needs will be delivered through a national funding formula and there will be a transitional phase to smooth its introduction. Funding for the pupil premium and universal infant free school meals grants will continue. There will be a reduction in the education support grant (ESG) paid to local authorities as part of Government's commitment to reduce the local authority role in running schools as well as the removal of a number of statutory duties. Government will launch a detailed consultation on policy and funding proposals in 2016.

8.11 Schools funding summary

Estimated figures for the 2015/16 and 2016/17 financial years are shown below:

	2015/16 £m	2016/17 £m	Change £m
DSG - schools block	456.98	466.24	9.26
DSG - early years block	39.20	41.24	2.04
DSG - high needs block	58.35	58.35	-
EFA Post 16 funding	33.23	33.23	-
Pupil premium grant	41.36	42.26	0.90
Early years pupil premium grant	0.60	0.60	-
PE & sport grant	2.07	2.09	0.02
Summer schools grant	0.75	0.75	-
Yr 7 catch-up grant	0.84	0.87	0.03
Universal infant free school meals grant	9.23	9.43	0.20
Total Schools Budget	642.61	655.06	12.45

(Note: figures include estimated allocations for academies and free schools)

9. Housing Revenue Account

- 9.1 The Housing Revenue Account (HRA) includes all expenditure and income incurred in managing the Council's housing stock and, in accordance with Government legislation, operates as a ring fenced account.
- 9.2 In July 2015 the Chancellor announced that for the 4 years 2016/17 to 2019/20 housing rents would need to reduce by 1% each year. The Council's current HRA Financial Plan is based on the assumption that dwelling rents would increase in line with CPI +1% each year for 10 years which is in line with previous Government policy introduced in April 2015. Based on the Government's CPI target of 2% the Council anticipated rent increases of 3% each year for the next 10 years.

- 9.3 The change in Government Policy announced in July 2015 is effectively a 4% pa reduction from that assumed within the Council's HRA Financial Plan for each of the next 4 years. In cash terms this is a reduction of £20.5m in rental income over the four year period, of which £5.9m falls within the next two years (£1.9m in 2016/17, £4m in 2017/18). When compared to the level of resources assumed in the Financial Plan (and assuming that from 2020/21 rent increases will revert back to the previous policy of CPI+1%) this equates to a loss of £283m of rental income over the 10 year period (2016/17 to 2024/25).
- 9.4 The reduction in rental income will need to be managed in addition to other pay, price and service pressures. A combination of staffing efficiencies, improved targeting of resources which are used to improve environmental aspects of estates along with the use of reserves will all contribute towards offsetting these pressures. In addition, consideration will be given each year to increasing service charges to reflect more closely the costs associated with providing services. This will generate additional income which will contribute towards offsetting the reduction in rental income receivable as a result of the change in Government's rent policy.
- 9.5 Tenants in multi storey flats (MSFs) and in low/medium rise flats receive additional services such as cleaning of communal areas, staircase lighting and lifts and only pay a notional charge towards the cost of these services meaning other tenants are in effect subsidising the additional services received. It is proposed to increase service charges by £1 per week in 2016/17.
- 9.6 Currently tenants in sheltered accommodation receiving a warden service are charged £12 per week for this service. This charge is eligible for Housing Benefit. Consideration will be given to increasing the charge to £13 per week to reflect the costs associated with the service. For those tenants who benefit from the service but do not currently pay it is proposed from 2016/17 to introduce a nominal charge of £2 per week.
- 9.7 An analysis of the impact on individual tenants of reducing rents by 1% and implementing the proposed charges as above has been undertaken. This analysis shows that should the proposals be agreed 71.1% of tenants will pay 79p per week less in overall terms in 2016/17 than in 2015/16. Of those paying more, 22% will pay up to 34p more per week, 5% will pay £1.30 more with 2% paying an additional £2.30 per week. These increases will be funded through Housing Benefit for eligible tenants. It should be noted that had rents been increased by 3% in line with previous Government Policy and in line with assumptions in the Council's HRA Financial Plan - based on the average rent for 2015/16 tenants would have received an average rent increase of £2.23 per week in 2016/17.
- 9.8 The rollout of Universal Credit in Leeds commences in 2016 and once fully implemented it will require the Council to collect rent directly from around 24,000 tenants who are in receipt of full or partial Housing Benefit. This will have implications for the level of rental income receivable.

- 9.9 A reduction in the qualifying period after which tenants are able to submit an application to purchase a council house through the Government's Right to Buy legislation continues to sustain an increase in the number of sales and the subsequent reduction in the amount of rent receivable.
- 9.10 Since all housing priorities are funded through the HRA any variations in the rental income stream will impact upon the level of resources that are available for the delivery of housing priorities.
- 9.11 Resources will be directed towards key priority areas which include fulfilling the plan to improve the homes people live in, expanding and improving older person's housing and improving estates to ensure that they are safe and clean places to live.
- 9.12 The Council remains committed to delivering the investment strategy agreed by Executive Board in March 2015 and to replacing homes lost through Right to Buy by the planned £99.4m investment in new homes and the buying up of empty homes.

10. Capital Programme

- 10.1 Over the period 2015/16 to 2018/19 the existing capital programme includes investment plans which total £1.1bn. The programme is funded by external sources in the form of grants and contributions and also by the Council through borrowing and reserves. Where borrowing is used to fund the programme, the revenue costs of the borrowing will be included within the revenue budget. Our asset portfolio is valued in the Council's published accounts at £3.96bn, and the Council's net debt, including PFI liabilities stands at £1.98bn.
- 10.2 The financial strategy assumes a £1.3m reduction in the cost of debt and capital financing. This assumes that all borrowing is taken short term at 0.5% interest for the remainder of 2015/16 and 0.75% for 2016/17.
- 10.3 The strategy allows for capital investment in key annual programmes, major schemes that contribute to the Councils best plan objectives and schemes that generate income or reduce costs. Capital investment will continue to be subject to robust business cases being reviewed and approved prior to schemes approval. Whilst the capital programme remains affordable, its continued affordability will be monitored as part of the treasury management and financial health reporting.
- 10.4 A separate Capital Programme update report will be presented to the Executive Board in February 2016.

11. Corporate Considerations

11.1 Consultation and Engagement

- 11.1.1 As explained at section 5 above the Initial Budget Proposals have been informed through the wealth of consultation evidence gathered in recent years on residents' budget priorities. Since 2012 there has been only minor changes to those priorities and, in addition, residents and service users have had

significant involvement in on-going service-led change projects. Subject to the approval of the board, this report will be submitted to Scrutiny for their consideration and review, with the outcome of their deliberations to be reported to the planned meeting of this Board on the 10th February 2016.

- 11.1.2 Consultation is an ongoing process and residents are consulted on many issues during the year. It is also proposed that this report is used for wider consultation with the public through the Leeds internet and with other stakeholders. Consultation is on-going with representatives from the Third Sector, and plans are in place to consult with the Business sector prior to finalisation of the budget.

11.2 Equality and Diversity / Cohesion and Integration

- 11.2.1 The council continues to have a clear approach to embedding equality in all aspects of its work and recognises the lead role we have in the city to promote equality and diversity. This includes putting equality into practice taking into account legislative requirements, the changing landscape in which we work and the current and future financial challenges that the city faces.
- 11.2.2 As an example of the commitment to equality, scrutiny will again play a strong role in challenging and ensuring equality is considered appropriately within the decision making processes.
- 11.2.3 The proposals within this report have been screened for relevance to equality, diversity, cohesion and integration and a full strategic analysis and assessment will be undertaken on the Revenue Budget and Council Tax 2016/17 which will be considered by Executive Board in February 2016. Specific equality impact assessments will also be undertaken on the implementation of all budget decisions as they are considered during the decision-making processes in 2016/17.

11.3 Council Policies and Best Council Plan

- 11.3.1 Work is underway to develop the 2016/17 Best Council Plan in line with the renewed 'Best City' ambition and draft outcomes agreed by the Executive Board in September and as detailed in the separate report on today's agenda, 'Emerging 2016/17 Best Council Plan priorities, tackling poverty and deprivation'. This ambition and draft set of outcomes underpin the Initial Budget Proposals and have been used to ensure that the Council's financial resources are directed towards its policies and priorities and, conversely, that these policies and priorities themselves are affordable.

11.4 Resources and Value for Money

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

11.5 Legal Implications, Access to Information and Call In

- 11.5.1 This report has been produced in compliance with the Council's Budget and Policy Framework. In accordance with this framework, the initial budget proposals, once approved by the board will be submitted to Scrutiny for their review and consideration. The outcome of their review will be reported to the February 2016 meeting of this Board at which proposals for the 2016/17 budget will be considered prior to submission to full Council on the 24th February 2016.
- 11.5.2 The initial budget proposals will, if implemented, have significant implications for Council policy and governance and these are explained within the report. The budget is a key element of the Council's Budget and Policy framework, but many of the proposals will also be subject to separate consultation and decision making processes, which will operate within their own defined timetables and managed by individual directorates.
- 11.5.3 In accordance with the Council's Budget and Policy Framework, decisions as to the Council's budget are reserved to Council. As such, the recommendation at 13.1 is not subject to call in, as the budget is a matter that will ultimately be determined by Council, and this report is in compliance with the Council's constitution as to the publication of initial budget proposals two months prior to adoption.

11.6 Risk Management

- 11.6.1 The Council's current and future financial position is subject to a number of risk management processes. Failure to address medium-term financial pressures in a sustainable way is identified as one of the Council's corporate risks, as is the Council's financial position going into significant deficit in the current year resulting in reserves (actual or projected) being less than the minimum specified by the Council's risk-based reserves policy. Both these risks are subject to regular review. In addition, financial management and monitoring continues to be undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget that are judged to be at risk, for example the implementation of budget action plans, those budgets which are subject to fluctuating demand, key income budgets, etc. This risk-based approach has been reinforced with specific project management based support and reporting around the achievement of the key budget actions plans.
- 11.6.2 It is recognised that the proposed strategy carries a number of significant risks. Delivery of the annual budget savings and efficiencies proposed will be difficult, but failure to do so will inevitably require the Council to start to consider even more difficult decisions which will have far greater impact upon the provision of front line services to the people of Leeds.
- 11.6.3 A full risk assessment will be undertaken of the Council's financial plans as part of the normal budget process, but it is clear that there are a number of risks that could impact upon these plans put forward in this report; some of the more significant ones are set out below.

- The reductions in government grants are greater than anticipated. Specific grant figures for the Council for 2016/17 will not be known until later in the budget planning period.
- Demographic and demand pressures, particularly in Adult Social care and Children's services could be greater than anticipated.
- The implementation of the transformation agenda and delivery of the consequential savings could be delayed or the savings less than those assumed in the budget.
- Delivery of savings proposals could be delayed and reductions in staffing numbers could be less than anticipated.
- Inflation and pay awards could be greater than anticipated
- Other sources of income and funding could continue to decline
- The increase in the Council Tax base could be less than anticipated.
- The position on Business Rates Retention, and specifically the impact of back-dated appeals, could deteriorate further.
- Changes in the level of debt and interest rates could impact upon capital financing charges
- The estimated asset sales and capital receipts could be delayed which would impact on the assumed reduction in the minimum revenue budget and which would also require the Council to borrow more to fund investment
- Failure to understand and respond to the equality impact assessment.

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

12. Conclusions

12.1 This report has shown that the current financial position continues to be very challenging. The Council is committed to providing the best service possible for the citizens of Leeds and to achieving the ambition for the city of being the best in the UK with a firm focus on tackling inequalities. In order to achieve both the strategic aims and financial constraints, the Council will need to work differently, helping people to look after themselves, others and the places they live and work by considering the respective responsibilities of the 'state' and the 'citizen' (the social contract). This approach underpins the medium-term financial strategy and the emerging 2016/17 Best Council Plan.

12.2 Based on the information available through the November 2015 Spending Review there will be a further reduction in the Settlement Funding Assessment for 2016/17 of £24.1m which means that core funding from government (SFA and other grants) will have reduced by around £204m by March 2017. The initial budget proposals for 2016/17 set out in this report, subject to the finalisation of the detailed proposals in February 2016, will, if delivered, generate savings and additional income of £87.2m to produce a balanced budget.

12.3 Clearly savings of this magnitude will require many difficult decisions to be taken and these will not be without risk. The level of reductions required for 2016/17 will impact on front line services which the Council has worked, and continues to work, extremely hard to protect. In this context, it is important that risks are fully understood and the final budget is robust.

13. Recommendations

13.1 Executive Board is asked to agree the Initial Budget Proposals and for them to be submitted to Scrutiny and also for the proposals to be used as a basis for wider consultation with stakeholders.

14. Background documents²

None

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

2016/17 Budget Strategy

	Adult Social Care £m	Children's Services £m	City Development £m	Environment & Housing £m	Strategy & Resources £m	Citizen's & Communities £m	Civic Enterprise Leeds £m	Public Health £m	Strategic Budget £m	Total £m
Net Managed Budget 2015/16 (adjusted)	192.3	122.8	48.0	59.8	37.2	24.8	17.8	0.2	20.8	523.8
Inflation	2.9	1.9	1.7	0.7	0.7	0.5	(0.1)	0.1		8.4
National Insurance Changes	1.1	1.7	1.0	1.1	0.9	0.5	0.8	0.1		7.3
National Living Wage	5.2									5.2
Campaign for a Real Living Wage	0.1	0.1	0.2	0.4	0.0	0.1	2.5			3.3
Demography	5.8	0.7								6.5
Debt & Capital Financing									(1.3)	(1.3)
Council Tax base & Support			0.6			0.4		3.9		0.4
Public Health grant reduction									0.3	0.6
Tour de Yorkshire & World Triathlon									0.2	0.3
Income Generation & Inward Investment									0.2	0.2
West Yorkshire Transport Fund										0.2
Elections - reinstate budget										0.2
Business Rates - Retail rate relief - fall out of s31 grant										0.2
Fall-out of Capitalised Pension costs	(0.6)	(0.6)	(0.3)	(0.3)	(0.2)	(0.1)	(0.2)			(2.3)
Sub-total - Strategy Increases - row to hide	14.5	3.8	3.2	1.9	1.4	1.4	3.0	4.1	1.3	34.7
Other Pressures	6.0	6.0	0.7	2.3	0.0	0.0	0.0	1.4	(0.5)	15.8
Total - Cost Changes	20.5	9.8	3.8	4.2	1.4	1.4	3.0	5.5	0.8	50.5
Budget Savings Options;										
Waste Strategy				(4.0)						(4.0)
New Homes Bonus									(0.6)	(0.6)
Asset Management	(0.3)	(0.1)	(0.1)	(0.03)	(0.5)					(1.1)
Review of Minimum Revenue Provision									(21.0)	(21.0)
Reserves/Other Income									(2.3)	(2.3)
Appendix 2:-										
Changes to Service	(6.0)	(1.6)	(1.7)			(0.3)		(5.3)		(14.9)
Efficiencies	(1.3)	(2.8)	(2.0)	(3.6)	(2.9)	(0.5)	(0.9)			(14.0)
Income - Fees & Charges	(1.0)		(0.7)	(1.1)						(2.8)
Income - Traded Services, Partner & Other Income	(5.7)	(5.3)	(0.2)	(0.1)	(0.2)	(0.6)	(0.4)			(12.5)
Total - Appendix 2	(14.0)	(9.7)	(4.6)	(4.8)	(3.1)	(1.5)	(1.2)	(5.3)	0.0	(44.1)
Total - Budget Savings	(14.3)	(9.8)	(4.7)	(8.8)	(3.6)	(1.5)	(1.2)	(5.3)	(23.9)	(73.1)
Target 2016/17 Net Revenue Budget	198.4	122.8	47.1	55.2	35.1	24.8	19.6	0.4	(2.3)	501.2

APPENDIX 1

City Development - Savings Options 2016/17

Appendix 2 – City Development Only

Savings Proposal	Customer Impact	Ease of Deliverability	Comments	Saving		Is this relevant to Equality & Diversity?
				2016/17	2017/18 fye	
	H/M/L	R/A/G		£m	£m	
A) Efficiencies						
Cash limit on most expenditure with only essential inflation provided for	L	G	Only provide for essential inflation on contracts e.g. PFI and areas of spend facing inflationary pressures.	(0.8)		N
Elland Road Park & Ride Scheme	L	G	Removal of the budgeted subsidy. The park and ride scheme is successfully operating and no longer requires a budgeted subsidy.	(0.1)		N
Highways Insurance	L	G	Saving on the highways insurance charge reflecting the reduction in claims.	(0.3)		N
Building Control	L	G	Reduce net cost to zero subsidy over 2 years - review staff and income	(0.1)	(0.1)	N
Energy Savings	L	G	Additional savings on energy costs in Sport, Highways and Culture reflecting the reduction in prices.	(0.1)	0.0	N
Highways Maintenance budget	L	G	Additional capitalisation of Highways Maintenance Budget	(0.5)		Y
Cultural Services	L	G	Maintain current vacancies in Libraries and other savings that have been achieved this financial year.	(0.1)	0.0	N
Sub-Total Efficiency				(2.0)	(0.1)	
B) Changes to Service						
Arts Grants budget	M	G	Reduction to the Arts Grants budget in 2016/17 previously approved by Executive Board.	(0.1)		Completed
City Development - Staffing	L	A	Staffing savings across Asset Management and Regeneration/Economic Development/Resources and Strategy/Highways and Transportation. Reduced staffing levels and cost across the services to be achieved through staff leaving through the Early Leaver Initiative in March 2016, not filling vacant posts and restructures. Reduction in staffing levels will lead to a reduction in some service levels.	(0.6)		N
Street Lighting - Energy savings	H	R	Potential to increase cost savings if a more extensive switch off is considered. This would entail changing the selection criteria regarding road layout features and the incidence of crime in the locality of the lighting column. Discussions are presently taking place on this matter although additional savings would be more likely in 17/18 due to lead in times for implementation.	0.0	tbd	Y

Reduction to the net cost of Planning Services, Planning Policy, Urban Design and Conservation	L	A	Over half of the savings will be achieved through staffing reductions with a number of staff leaving through ELI at the end of March 2016 together with a planned management restructure. A redesign of the service will be undertaken including a review of current services.	(0.4)		Y
Economic Development	L	A	Reduced expenditure on some aspects of the service. This will include reductions in supplies and service budgets.	(0.1)		Y
Cultural Services.	H	R	To be achieved through a combination of staffing reductions and expenditure savings. Whilst the service is considering some invest to save options if these are not forthcoming in 16/17 then the £300k of savings will need to be achieved through service reductions. These include £100k saving from the book fund with reduced spend on talking books and foreign language books although the option to capitalise additional book fund expenditure should reduce the impact of this. The service is also proposing a reduction in the overall budget for events of £170k. Savings will be achieved by consolidating event budgets across Sport and Culture, through reducing the net cost of some events and also by considering ending support for some events.	(0.3)	0.0	Y
Sport	L	G	A review of running costs and the potential for increased income as a result of the anticipated Marketing Partnership.	(0.1)	0.0	Y
Sport Development Unit	M	A	Further savings anticipated from the changes to the Sport Development Unit which have moved the service to a more community basis.	(0.1)	0.0	Y
Sub-Total Service Changes				(1.7)	0.0	

C) Additional Income - Fees and Charges

City Development - Fees & Charges	L	A	Consider opportunities to increase some prices above the assumptions in the budget strategy or proposals to increase income volumes across services e.g. Highways licences and permits, surveyor fees and other professional services.	(0.7)	0.0	Y
Sub-Total Additional Income (Fees & Charges)				(0.7)	0.0	

D) Additional Income - Traded Services, Partner and Other Income

Kirkgate Market	L	A	Once the re-development of Kirkgate Market is complete there will be an increase in income as more units are available to be let. This will be subject to a revision of the business plan and the success in letting the stalls.	0.0	(0.1)	N
-----------------	---	---	--	-----	-------	---

Culture	L	A	Opportunities to increase income from trading across Cultural Services. Includes increased income in venues and heritage services from bookings and shows.	(0.1)	0.0	N
---------	---	---	--	-------	-----	---

Highways & Transportation Service - Alternative Delivery Model	L	A	Potential to increase the trading of services including to the West Yorkshire combined services and other potential trading opportunities with other authorities in the Leeds City Region. There is a potential for this to increase but there will be a need for additional staff in order to generate the additional net income. Discussions currently being held could deliver the £100k with potential for this to be increased.	(0.1)	tbd	N
--	---	---	--	-------	-----	---

Sub-Total Additional Income (Traded Services, Partner and Other Income)				(0.2)	(0.1)	
--	--	--	--	--------------	--------------	--

Total Savings Options - City Development				(4.6)	(0.2)	
---	--	--	--	--------------	--------------	--

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: Strategy and Resources	Service area: Corporate Financial Management
Lead person: Doug Meeson	Contact number: 74250

1. Title: Initial Budget Proposals 2016/17

Is this a:

Strategy / Policy

 Service / Function

 Other

If other, please specify

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

The Council is required to publish its initial budget proposals two months prior to approval of the budget by full council in February 2016. The Initial Budget Proposals report for 2016/17 sets out the Executive's plans to deliver a balanced budget within the overall funding envelope. It should be noted that the budget represents a financial plan for the forthcoming year and individual decisions to implement these plans will be subject to equality impact assessments where appropriate.

3. Relevance to equality, diversity, cohesion and integration

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

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

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

Questions	Yes	No
Is there an existing or likely differential impact for the different equality characteristics?	X	
Have there been or likely to be any public concerns about the policy or proposal?	X	
Could the proposal affect how our services, commissioning or procurement activities are organised, provided, located and by whom?	X	
Could the proposal affect our workforce or employment practices?	X	
Does the proposal involve or will it have an impact on <ul style="list-style-type: none"> • Eliminating unlawful discrimination, victimisation and harassment • Advancing equality of opportunity • Fostering good relations 	X X X	

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

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

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

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

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

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

- **How have you considered equality, diversity, cohesion and integration?**
(think about the scope of the proposal, who is likely to be affected, equality related information, gaps in information and plans to address, consultation and engagement activities (taken place or planned) with those likely to be affected)

The Initial Budget Proposals identify a funding gap of £87m due to a reduction in Government funding and unavoidable pressures such as inflation and demand/demography. Savings proposals to bridge this gap will affect all citizens of Leeds to some extent. The Council has consulted on its priorities in recent years and has sought to protect the most vulnerable groups. However, the cumulative effect of successive annual government funding reductions, means that protecting vulnerable groups is becoming increasingly difficult. Further consultation regarding the specific proposals contained in this report will be carried out before the final budget for 2016/17 is agreed.

- **Key findings**

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

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

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

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

- **Actions**

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

A strategic equality impact assessment of the budget will be undertaken prior to its approval in February 2016.

There will also be further equality impact assessments on all key decisions as they go through the decision making process in 2016/17.

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
Doug Meeson	Chief Officer Financial Services	26/11/15
Date screening completed		26/11/15

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: 7/12/15
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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Pressures/Savings	2016/17 £m	FTEs	Is this relevant to Equality & Diversity Y/N
Budget Pressures:			
Inflation			
Pay	0.60		
Price	1.40		
Income	-0.30		
National insurance increase	1.00		
Living wage	0.20		
Full Year Effects of previous decisions			
Fall out of capitalised pension costs	-0.30		
Demographic pressures			
Demand			
Grant Fallout			
Other			
Fall out of budgeted one off income from Leeds and Partners reserves	0.25		
Advertising Income - shortfall against the current budget	0.20		
Venues income	0.10		
Asset Management Project team fee recovery	0.10		
Tour de Yorkshire	0.30		
World Triathlon Event	0.30		
Total Pressures	3.85	0	
Savings Proposals:			
Assets Management	-0.10		
Efficiencies			
Elland Road Park and Ride reduction in the subsidy	-0.10		N
Highways insurance charges savings	-0.30		N
Cash limit on most expenditure except for contract price increases	-0.80		N
Reduction to Building Control subsidy	-0.10	-1	N
Energy savings - lower energy costs in Sport and Highways	-0.10		N
Highway Maintenance Budget - increase in capitalisation	-0.50		N
Cultural Services - maintain current vacancies and savings achieved in year	-0.10	-3	N
Service Changes			
Staff savings (Economic Development, Highways, Asset Management)	-0.60	-15	Y
Arts grant reduction	-0.10		completed
Reduction to net cost of Planning and Sustainable Development	-0.40	-6	Y
Reduction to net cost of Economic Development	-0.10		Y
Reduction to net cost of Cultural services	-0.30	-1	Y
Reduction to the net cost of Sport	-0.10		Y
Sport Development Unit reduction in costs	-0.10	-1	Y
Income - Fees & Charges			
Above inflation increases in fees and charges and increase in income volumes	-0.70		Y
Income - Traded Services, Partner and Other Income			
Culture - opportunities to increase income from trading across Cultural Services	-0.10		N
Highways trading with WY authorities	-0.10		N
Total Savings	-4.70	-27	
Overall net Saving	-0.85	-27	

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Report of Director of City Development

Report to City Development Scrutiny Board

Date: 27th January 2016

Subject: Quarter 2 2015/16 Best Council Plan Performance Report

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

- This report provides a summary of performance against the strategic objectives for the council within the Best Council Plan 2015-20, in line with the process agreed at the Board's meeting on 17th June 2015.

Recommendations

- Members are recommended to
 - Note the Quarter 2 2015/16 performance information and to consider if they wish to undertake further scrutiny work to support improvement over the coming year in any of these areas.

1.0 Purpose of this report

1.1 This report presents a summary of the performance data for Quarter 2 2015/16 in relation to progress in delivering the relevant objectives in the Best Council Plan 2015-20.

2.0 Background information

2.1.1 This report has one appendix:

- Appendix 1: City Development Best Council Plan Performance Summary, Quarter 2, 2015/16

2.1.2 Members will be aware that the Best Council Plan has been reviewed for 2015/16, and progress updates reflect an amended set of priorities and success measures as discussed at the Board's meeting on the 17th June 2015.

3.0 Main issues

3.1 Quarter 2, 2015/16 Best Council Plan 2015-20 Performance Summary

3.1.1 The attached Performance Summary (Appendix 1) shows progress against the objectives relevant to the City Development Scrutiny Board within the Best Council Plan 2015-20.

3.1.2 A number of the Best Council Plan Key Performance Indicators are reported annually, as shown on the Performance Summary. For these annual measures, within-service proxy data/indicators or information has been used to provide a red/amber/green (RAG) rating as well as a direction of travel. The end column, labelled "Comments", in the Performance Summary table refers to the proxy data/information used to determine the RAG as well as the specific direction of travel arrow used.

3.1.3 The Board's attention is drawn to the Key Performance Indicators for which a result can be reported at quarter 2 relating to:

- Reduce number of people Killed or Seriously Injured (KSI) in road traffic accidents
- Increase percentage of adult population active for 30 minutes once per week
- Increase number of new jobs created by Leeds City Council / LEP programmes
- Achieve housing growth target
- Reduce number of CYP killed and seriously injured (KSI) on the city's roads

Reduce number of people Killed or Seriously Injured (KSI) in road traffic accidents

3.1.4 The number of people Killed or Seriously Injured (KSI) as at quarter 2 2015 is 161. Using this figure, the current forecast for 2015/16 is over 300, in excess of the 263 target for 2015/16. This increasing KSI picture mirrors both national and West Yorkshire trends. Fatalities do continue to be consistently low with 5 at quarter 2 compared with 4 at quarter 2 2014. However, in terms of the yearly trend this will become clearer after quarter 3, as the quarterly fluctuations and seasonal factors work through.

3.1.5 Numbers of KSIs could be partly linked to growth in traffic levels, the highest since 2007. There are a number of groups which are now unlikely to meet their annual targets: cyclists at quarter 2 stands at 22 against an annual target of 27; pedestrians which is 48 at quarter 2 against an annual target of 85; and powered 2 wheelers which at quarter 2 is 27 against an annual target of 48. While the targets are unlikely to be met across these categories, the cyclist, pedestrian and powered 2 wheelers KSIs are actually lower than the corresponding

first 2 quarters of 2014. However, there has been an increase in car occupant KSIs (51) in comparison to the first 6 months of 2014 (36).

- 3.1.6 KSI analysis work highlights sites and lengths of concern and road safety initiatives and interventions continue to be centred around these locations and with particular reference to the groups identified above.
- 3.1.7 The Road Safety Action Plan continues to be delivered to reduce casualties of all types although the service does focus on vulnerable road users i.e. cyclists, older people and the young. A number of city centre actions are also being delivered including a Traffic Regulation Order to limit access to Call Lane by private vehicles during weekend evenings, when people leaving pubs and clubs could potentially come into conflict with vehicles, and further measures at crossings on Vicar Lane. Also, since 25% of pedestrian KSIs occur in town and district centres, new interventions are being developed for Harehills Road, Pudsey and Dewsbury Road.
- 3.1.8 Other key initiatives included in the 2015/16 Capital Programme are: junction amendments on busy cycle corridors; motorcycle specific schemes; continuing the 20mph speed limit programme across the district; and consideration of a 20mph limit in the city centre. Child pedestrian training, cycle training (Bikeability) and school road safety education schemes are also ongoing along with local road safety campaigns.

Increase percentage of adult population active for 30 minutes once per week

- 3.1.9 Although this is an annual indicator (from October to October), Sport England also conducts an interim mid-year Active People Survey covering the period April 2014 to March 2015. The result of 42.7% in 2015, as in previous years, is higher than the anticipated final annual survey result. The annual result will be available in early 2016 and is expected to be closer to the 2015/16 target of 39.5%. However, it should be noted that Leeds Let's Get Active funding has contributed to the achievement of the indicator. This is due to end in March 2016, although alternative funding sources are continuing to be explored.
- 3.1.10 Work is underway by Sport England to review the current indicator which is based on a small sample size relative to Leeds' population, and other improvements being considered include a more inclusive approach to activity as currently, for example, walking, dancing and commuting by bicycle are excluded.

Increase number of new jobs created by Leeds City Council / LEP programmes

- 3.1.11 Although this is an annual indicator, indications show that the overall Business Growth Programme grant commitment for Leeds is £3.2m i.e. 38% of the Leeds City Region (LCR) commitment of £8.47m (to the end of October 2015). The number of contracted jobs for LCR is 2,517, of which 431 are in Leeds, i.e. 17%. The Programme is currently committed above its annual spend target (£8m in 2015/16) as actual spend always lags commitment. The total LCR spend target over the 3 years between 2015-18 is £18m.

Achieve housing growth target

- 3.1.12 The amber rating reflects the position at quarter 2. In quarter 1, there were 663 units built/converted and in quarter 2, 623 units. Although this represents a slight decrease on the previous quarter, it is still well above average performance since January 2014. Analysis of projected performance at quarter 2 is underway, but quarter 1 performance suggests built/converted completions of 2,867 homes by the end of 2015/16.
- 3.1.13 The Core Strategy target combines both the net reduction in empty homes and built/converted homes as a total. The target for empty homes for 2015/16 is 400; however,

the current performance of net reduction in empty properties suggests that this may be nearer the 700 mark. If this is the case, the final result would be 3,567, a shortfall of only 93 units against the Core Strategy target of 3,660 for 2015/16.

3.1.14 There are now 2,232 homes under construction on 117 sites, the highest number since 2009, with a further 2,500 homes which have yet to start on these sites. Since 1st April 2015, almost 8,500 new homes have been approved across 124 sites. There remains an outstanding stock of almost 11,500 homes with detailed planning permission that could start quickly and over 5,500 homes with outline permission. In order to accelerate growth, landowners and developers of the top 50 stalled sites have been contacted to establish constraints to potential development and to help identify possible actions or interventions to progress site delivery, including accessing funding streams and linking developers with landowners.

Reduce number of Children and Young People (CYP) killed and seriously injured (KSI) on the city's roads

3.1.15 No CYP were killed but 9 were seriously injured in quarter 2, 2015. The total of 15 KSIs so far this year is significantly lower than at the same point in 2014 of 19, although it is acknowledged that any accident involving a child is one too many. From the information available, 7 of the 9 children and young people KSIs in quarter 2 have not been on their way to or from school, however, the accidents were logged as pedestrians failing to look properly. Hence, the continued delivery of Child Pedestrian training within schools, especially in the light of an increase in the number of children walking to school.

4 Corporate Considerations

4.1 Consultation and Engagement

This is an information report and as such does not need to be consulted on with the public. However all performance information is published on the council website and is available to the public.

4.2 Equality and Diversity / Cohesion and Integration

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

4.3 Council policies and City Priorities

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

4.4 Resources and value for money

4.4.1 There are no specific resource implications from this report.

4.5 Legal Implications, Access to Information and Call In

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

4.6 Risk Management

4.6.1 There is a comprehensive risk management process in the Council to monitor and manage key risks. This links closely with performance management.

5 Conclusions

5.1 This report provides a summary of performance against the objectives for the council related to the City Development Scrutiny Board.

6 Recommendations

6.1 Members are recommended to:

- Note the Quarter 2 performance information and the issues which have been highlighted and consider if they wish to undertake further scrutiny work to support improvement over the coming year in any of these areas.

7.0 Background documents¹

7.1 Best Council Plan 2015 – 20

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

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Appendix 1: City Development Best Council Plan Performance Summary, Quarter 2, 2015/16

No.	Best Council Plan Objective	Outcome	Priority	Key Performance Indicators (* = cumulative)	2015/16 Target	Q1 2015/16 Result	Q2 2015/16 Result	Direction of Travel	Comments	
1	Supporting Communities and Tackling Poverty (Objective 1)	Are safe and feel safe in their homes, in the streets and the places they go	Strengthening local accountability and being more responsive to the needs of local communities	Reduce number of people Killed or Seriously Injured (KSI) in road traffic accidents* (Reported quarterly using calendar year quarters, 3 months in arrears)	<=263*	74 	161* 	↓	The current year end projection is 300+ KSIs, which would fail to meet the annual target. More about the current position and relevant remedial action is detailed in the covering report.	
2		Live longer and have healthier, active lives	Encouraging healthy lifestyles and reducing health inequalities	Annual Indicator: Increase percentage of adult population active for 30 minutes once per week (Active People Survey)	>39.5% (2014/15 result)		42.7% (Mid-Year) 	↑	As expected, the mid-year result is far higher than the target, although the year end result is likely to be close to the annual target.	
3	Promoting Sustainable and Inclusive Economic Growth (Objective 2)	A thriving economy, with more and better jobs	Creating jobs through strong leadership and co-ordinated investment	Annual Indicator: Year on year private sector job growth (BRES – Business Register and Employment Survey)	>336,300 (2013 prov result)	P r o x y 		↑	Proxy indicator used - Leeds Chamber of Commerce Quarterly Economic Survey (QES). Although the QES indicates a slowing growth rate, it identifies there is continued growth in employment.	
4			Supporting businesses to secure and retain business investment and grow to their full potential	Annual Indicator: Optimise Enterprise Zone receipts	>2.76% growth (2014/15 result)					
5		Increased engagement in decision making through greater freedom and devolution	Securing more devolved powers and freedoms	Annual Indicator: Increase number of new jobs created by Leeds City Council / LEP programmes*	Not Set	Not reported		↑	431 jobs have been contracted, to the end of October 2015.	
6		Housing growth and transport that meets their needs	Facilitating key infrastructure projects to deliver economic and housing growth	Achieve housing growth target* (Core Strategy target = 3,660 homes)	New homes built /converted	3,260* homes		1,286* 	↔	The projected shortfall is 93 homes against the Core Strategy target if Net Reduction in Empty Homes achieves the anticipated 700. The 2015/16 budget assumed £18.5m for New Homes Bonus, as at the end of Oct the confirmed shortfall was £0.85m.
				FYI Only: Net Reduction in Empty Homes	400* homes	706	966*			Delivered by Environments and Housing directorate, and shown here due to its contribution to meeting the overall Core Strategy target.
7			Improving transport connectivity to connect people to jobs and services and expand travel choice	Annual Indicator: Reduce percentage of A roads where structural maintenance should be considered	<=3% (2014/15 result)			↑	Proxy indicator used: Change in Number of Damage Claims There has been a 11.4% reduction in the number of claims submitted for damage to vehicles caused by A roads when compared to the same period in 2014/15.	
8		A rich cultural offer that surpasses the aspirations of Leeds' residents and visitors	Increasing involvement and participation in cultural activities across the city	Annual Indicator: Increase overall visitor numbers for Leeds City Council events and cultural activities*	TBC	P r o x y 		↔	Proxy indicators used: Unique visitors to cultural webpages & Attendance at Annual Events There has been an 12.81% increase in unique visitors to LCC's cultural webpages when compared to the same period last year, but when comparing attendance at annual events, there were no comparable (repeated) annual events in Q2.	
9			Enhancing the confidence and profile of the city by hosting world class events	Annual Indicator: Maintain overall satisfaction with cultural provision in Leeds	>=84.4% (2014/15 result)					
10		Increased income to the council through a growing economy and tax base	Maximising the potential of the city's collective land and property assets	Annual Indicator: Maximise business rates growth* (National Non-Domestic Rates) (Reported as cumulative growth between 2013/14 and 2019/20)	Increasing Growth			↔	The projected NNDR has increased by 0.58% against the 2012/13 baseline however, when compared with 2014/15, there was a decrease of 0.6%. Whilst there is growth in the NNDR base reflecting the continuing improvement of the economic climate in the city, there has been a significant negative impact from the large volume of appeals that have been upheld and this has caused a budget pressure in future years which the financial strategy has had to fund.	
11		Building a child-friendly city (Objective 3)	All children and young people (CYP): Are safe from harm	Ensuring the most vulnerable are protected	Reduce number of CYP killed and seriously injured (KSI) on the city's roads*	<=33*	6 	15* 	↑	Anticipated to meet the target.

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Report author: S Pentelow

Tel: 24 74792

Report of the Head of Scrutiny and Member Development

Report to Scrutiny Board (City Development)

Date: 27 January 2016

Subject: Work Schedule

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

1 Purpose of this report

1.1 The purpose of this report is to consider the Scrutiny Board's work schedule for the forthcoming municipal year.

2 Main Issues

2.1 A draft work schedule is attached as appendix 1. The work programme has been provisionally completed pending on going discussions with the Board. The work schedule will be subject to change throughout the municipal year.

2.2 When considering the draft work programme effort should be undertaken to:

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

2.3 Also attached as appendix 2 is the minutes of Executive Board for 16 December 2015

3. Recommendations

3.1 Members are asked to:

- a) Consider the draft work schedule and make amendments as appropriate.
- b) Note the Executive Board minutes

4. **Background papers**¹ - None used

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.

Draft Scrutiny Board (City Development) Work Schedule for 2015/2016 Municipal Year

Schedule of meetings/visits during 2015/16			
Area of review	17 June	22 July	August
Inquiries		Housing Mix – Terms of Reference	
Annual work programme setting - Board initiated pieces of Scrutiny work (if applicable)	Consider potential areas of review	Work Programming	
Budget	Budget Update 2015/16 update		
Pre Decision Scrutiny			
Policy Review			
Recommendation Tracking			
Performance Monitoring	Performance Report	Housing on Brownfield Land – 5 year land supply East Leeds Extension and Orbital Road Progress	
Working Groups			

*Prepared by S Pentelow

Draft Scrutiny Board (City Development) Work Schedule for 2015/2016 Municipal Year

Schedule of meetings/visits during 2015/16			
Area of review	9 September	14 October	18 November
Inquiries	<p>Agree scope of review for **</p> <p>1) Digital Divide and High Speed Broadband Provision.</p> <p>2) Operation of Bus Services</p>	<p>Evidence Gathering</p> <p>Inquiry – Digital Inclusion</p>	<p>Evidence Gathering</p> <p>Inquiry – Digital Inclusion</p>
Pre Decision Scrutiny		<p>Sustainability of council leisure facilities and how accessible they are to residents to promote inclusivity</p> <p>To Include:</p> <ul style="list-style-type: none"> • Leeds Let's Get Active evaluation – Scheduled for Ex B 21 October 	<p>Sustainability of council cultural facilities and how accessible they are to residents to promote inclusivity</p> <p>European Capital of Culture – The Culture Strategy – Developing approach and outline draft.</p>
Policy Review	Road Safety, death and serious injury reduction and 20mph zones. (to conclude 20mph work from 2013/14)		
Recommendation Tracking			
Performance Monitoring			
Working Groups	Inquiry - Housing Mix (with Scrutiny Environment and Housing)		

* Prepared by S Pentelow

Draft Scrutiny Board (City Development) Work Schedule for 2015/2016 Municipal Year

Schedule of meetings/visits during 2015/16

Area of review	16 December	27 January	17 February
Inquiries	<u>Evidence Gathering</u> Inquiry - Digital Inclusion	<u>Evidence Gathering</u> Inquiry – Bus Services	<u>Evidence Gathering</u> Inquiry – Bus Services
Budget and Policy Framework		Initial Budget Proposals 2016/17 and Budget Update	
Pre Decision Scrutiny			
Policy Review			
Recommendation Tracking			
Performance Monitoring		Performance Report - Quarter 2 Flooding Update	Tour de France Legacy Review (SEC Board 2014/15) Flooding Update
Working Groups		Inquiry – Working Group Digital Inclusion	Inquiry – Working Group Bus Services

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Draft Scrutiny Board (City Development) Work Schedule for 2015/2016 Municipal Year

Schedule of meetings/visits during 2015/16			
Area of review	30 March	27 April	May
Inquiries	<u>Evidence Gathering</u> Inquiry – Bus Services	<u>Evidence Gathering</u> Inquiry – Bus Services Agree Inquiry Reports	
Budget and Policy Framework	Local Flood Risk Management Strategy Annual scrutiny review		
Pre Decision Scrutiny	European Capital of Culture – The Culture Strategy – Consultation with the Scrutiny Board?		
Recommendation Tracking			
Performance Monitoring			
Working Groups			

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Unscheduled - required:

- ECOC and the new city cultural strategy – Scheduled for Executive Board approx August 2016. Pre-decision Scrutiny required in 2016 new municipal year before submission
- Housing on Brownfield Land – 5 year land supply (March or April 2016) – Discussed with A Brannen
- East Leeds Extension and Orbital Road Progress ((March or April 2016) – Discussed with A Brannen
- Vision for Leisure Centres
- SAP and Aire Valley Action Plan

Updated – January 2016

*Prepared by S Pentelow

Key: SB – Scrutiny Board (City Development) Meeting

WG – Working Group Meeting

EXECUTIVE BOARD

WEDNESDAY, 16TH DECEMBER, 2015

PRESENT: Councillor J Blake in the Chair

Councillors D Coupar, M Dobson, S Golton,
J Lewis, R Lewis, L Mulherin, M Rafique
and L Yeadon

SUBSTITUTE MEMBERS: Councillors J Bentley and J Procter

APOLOGIES: Councillor A Carter

99 Substitute Member

Under the provisions of Executive and Decision Making Procedure Rule 3.1.6, at the point at which Councillor Golton left the meeting (Minute No. 107 refers), Councillor J Bentley was invited to attend for the remainder of the meeting on behalf of Councillor Golton.

Under the same provisions, Councillor J Procter was invited to attend the meeting on behalf of Councillor A Carter, who had submitted his apologies for absence from the meeting.

100 Declaration of Disclosable Pecuniary Interests

There were no Disclosable Pecuniary Interests declared at the meeting, however, in relation to those relevant reports within the 'Health, Wellbeing and Adults' portfolio, Councillor Golton drew the Board's attention to his position as a Board Member of Aspire Community Benefit Society Limited.

101 Minutes

RESOLVED – That the minutes of the previous meeting held on 18th November 2015 be approved as a correct record.

HEALTH, WELLBEING AND ADULTS

102 Out of the Shadows - Time to Shine Project

The Director of Adult Social Services and the Director of Public Health submitted a joint report providing an update on the progress made in the development and delivery of the project. Also, the report described the outcomes following the commissioning of a number of activities, including the local evaluation and the wider impact that the project has had on raising the profile of social isolation across the city.

In considering the report, the Board welcomed the leading role played by the third sector in the initiative and also welcomed the external evaluation process which was to be undertaken. With regard to the evaluation, it was noted that the outcomes would be submitted to the Board in due course, and it was suggested that delivery partners were involved in that process.

Draft minutes to be approved at the meeting
to be held on Wednesday, 20th January, 2016

Responding to a Member's enquiry regarding the projects which had been commissioned as part of the initiative to date, specifically in terms of the geographical spread and the groups which had been targeted, it was highlighted that any gaps which existed would be the focus of the next round of commissioning.

In conclusion, the overarching vision of the project, as outlined within the report, was welcomed, together with how the report had highlighted the significant issue of loneliness and isolation amongst older people in the city.

RESOLVED -

- (a) That the progress made in the development and delivery of the 'Time to Shine' project be welcomed;
- (b) That the positive impact that the work on tackling loneliness and social isolation will have, together with the contribution it will make towards the breakthrough project 'Making Leeds the Best City to Grow Old In', be recognised;
- (c) That the excellent work of Leeds Older People's Forum in leading on the project be commended;
- (d) That Executive Board receive an annual report which provides an update on the progress of the project;
- (e) That it be noted that the lead officers responsible for ensuring updates are brought are the Consultant in Public Health (Older People) and the Head of Commissioning, Adult Social Care.

103 Telecare equipment for the Leeds Telecare Service 2015/16

The Director of Adult Social Services submitted a report which sought authority to incur capital expenditure of the final £1,000,000 on telecare equipment for the Leeds Tele Care Service from December 2015, in accordance with the Council's Financial Procedure Rules.

Responding to a Member's specific enquiry, the Board noted that any income received from receipt of fees and charges in respect of the telecare service would be invested back into the provision of the service.

RESOLVED –

- (a) That authority to spend the further £1,000,000 capital expenditure for the Leeds Tele Care Service from December 2015, be approved;
- (b) That it be noted that the Service Delivery Manager Assisted Living Leeds is the lead officer responsible for the implementation of such matters.

104 Delivering the Better Lives Strategy Adult Social Care - BME Day Services

Further to Minute No. 53, 23rd September 2015, the Director of Adult Social Services submitted a report providing an update on proposals for the future delivery of day support for older people from Black and Minority Ethnic (BME) communities at Apna (Hyde Park and Woodhouse) and Frederick Hurdle (Chapel Allerton) day centres. Specifically, the report provided details of the review of such services and on the proposed consultation to be undertaken with service users, carers, trade unions, staff, partner organisations and Elected Members. Furthermore, the report provided details of how the consultees' views would be taken forward as part of the proposed next steps for improving the range of services offered to older people from BME communities.

In receiving the submitted report, the Board discussed the role which would be played by trade unions in the development of a new service model and also in any associated consultation exercise.

RESOLVED –

- (a) That the proposed change of approach towards determining the future model for delivering of services at Apna and Frederick Hurdle day centres from that outlined in the report approved by Executive Board in September 2015 be noted.
- (b) That approval be given for a revised two stage approach to a proposed service change:-
 - In Phase One, currently anticipated to be between January 2016 and December 2016, a new service model would be developed, including producing a service specification in co-production with service users, carers, unions, staff, partner organisations, community groups and Elected Members, working with Adult Social Care Commissioning;
 - Work on the new service model would include consideration of whether the service can continue to be provided directly by the Local Authority to meet the needs of the BME community or whether commissioning externally provides the best option;
 - The proposals arising from the development of the service model would then be subject to a formal consultation process;
 - The outcome of the consultation and recommendations would be reported back to Executive Board for a decision;
 - Contingent on the approval of the recommendation, Phase Two would involve the implementation of the Executive Board decision and a move to a new model of delivery.
- (c) That it be noted that the lead officer responsible for the implementation of such matters is the Director of Adult Social Services.

ECONOMY AND CULTURE

105 Initial Budget Proposals for 2016/2017

The Deputy Chief Executive submitted a report which sought the Board's agreement to the Council's initial budget proposals for 2016/2017, as detailed within the submitted paper. The report sought approval for those proposals to be submitted to Scrutiny and also used as a basis for wider consultation with stakeholders.

It was highlighted to the Board that whilst the initial budget proposals were presented within the submitted report, confirmation of the 2016/17 Local Government finance settlement was still to be received.

Responding to an enquiry regarding proposals to change the funding formula for the provision of Police Community Support Officers (PCSOs), it was highlighted that discussions between relevant parties on such matters continued, and that once further information had been received, the views of the relevant Scrutiny Board would be sought prior to the final budget proposals being submitted to the Executive in February 2016. Also in relation to this matter, it was requested that Parish and Town Councils be included in any related consultation exercise, as appropriate. Furthermore, it was suggested that as and when appropriate, consideration be given to cross-party correspondence being submitted to the Police Crime Commissioner which highlighted the Council's commitment to the valuable role played by PCSOs across the city.

The Board considered the cumulative impact upon the Council arising from the challenging funding reductions it had faced to date, with tribute being paid to the key role played by Council employees for their continued efforts throughout this period, and with thanks also being given to those officers responsible for managing the budget setting process.

RESOLVED – That the Initial Budget Proposals, as set out within the submitted report, be agreed, and that approval be given for the proposals to be submitted to Scrutiny and also used as a basis for wider consultation with stakeholders.

(In accordance with the Council's Budget and Policy Framework Procedure Rules, decisions as to the Council's budget are reserved to full Council. As such, the resolution above is not subject to call in, as the budget is a matter that will ultimately be determined by full Council, and the submitted report is in compliance with the relevant Procedure Rules as to the publication of initial budget proposals two months prior to adoption).

(Under the provisions of Council Procedure Rule 16.5, Councillor Golton required it to be recorded that he abstained from voting on the decisions referred to within this minute. Also, in relation to such matters, as Councillor J Procter was in attendance as a non-voting Member, he drew the Board's attention to the fact that if he were able to, he would abstain from voting on the decisions referred to within this minute)

(Councillor Mulherin left the meeting at 1.30pm, at the conclusion of this item)

106 European Capital of Culture 2023 - Progress Report

Further to Minute No. 178, 18th March 2015, the Director of City Development submitted a report which provided an update on the work being undertaken towards the preparation of a Leeds Bid for the 'European Capital of Culture' title in 2023. Specifically, the report presented details of the progress made over the past eight months with establishing governance structures, and also in respect of preparing the human and financial resources for making a bid.

In considering the report, Members highlighted the need to ensure that the bid was truly representative of the city as a whole. In addition, emphasis was also placed upon effectively conveying the key linkages between the city's cultural diversity and heritage and the continued growth of the Leeds economy.

Responding to a Member's enquiry, the Board received further information on the potential options available with regard to the funding of the Leeds bid.

RESOLVED –

- (a) That the progress made over the past eight months, as set out within the submitted report, be approved;
- (b) That the 'Leeds 2023 Champions' scheme be promoted to communities in local Wards;
- (c) That the Director of City Development be requested to return with a further progress report in 2016 before submitting the city's formal expression of interest;
- (d) That the Director of City Development be requested to return in 2016 with a report into a strategic approach towards capital investment in cultural infrastructure for the medium to long term;
- (e) That the competitive nature of the bidding process, together with the implications for transparency and openness, be noted.

EMPLOYMENT, ENTERPRISE AND OPPORTUNITY

107 State of the City 2015: Driving Skills for the Manufacturing Sector

This Director of City Development and the Director of Children's Services submitted a joint report presenting the outcomes arising from the recent 'State of the City' event, with particular reference being made to the actions being taken to address the issue of skills shortages within the city, particularly with regard to the manufacturing sector.

Responding to a Member's enquiry, the Board was provided with further detail on the specific actions which were being or would be undertaken to address the issue of skills shortages in this area.

Emphasis was placed upon the need to effectively convey the importance of the manufacturing sector in the city and the actions that needed to be taken to promote the sector with young people.

In conclusion, it was requested that a further report be submitted to a future Board meeting which provided more information on the actions being taken in this area, and the outcomes arising from such actions.

RESOLVED –

(a) That the following actions be approved:-

- Telling and selling the story of Leeds manufacturing
The Council support measures to better tell the story of Leeds' manufacturing, including: facilitating better collaboration between employers and schools; encouraging greater engagement between Elected Members and manufacturing businesses in their Wards; and supporting further development of the Leeds Manufacturing Forum website, newsletter and other communications activity.
- Fostering innovation and collaboration
Facilitation of greater connections between manufacturers and universities, linking these with initiatives such as the Retail Institute at Leeds Beckett University, the National Facility for Innovative Robotic Systems and the Institute of Medical and Biological Engineering at the University of Leeds, and to national bodies and with programmes such as Innovate UK.
- Developing skills and increasing the diversity of the workforce
To explore possibilities for greater collaboration between schools and businesses in promoting opportunities offered by a career in manufacturing, including further embedding the awareness among young people and schools of apprenticeship pathways, and work to support all schools including the newly established Leeds University Technical College.

To look into further opportunities to support diversity in the manufacturing workforce, including: 1) considering how the manufacturing sector can be involved in work to increase BAME representation on apprenticeships; and 2) collaborate with Women in Science and Engineering (WiSE) in promoting opportunities for women in manufacturing.

Look at further means by which the voice of employers can be heard by education and training providers in creating and delivering courses that reflect the needs of local businesses.

- Supporting business growth
To explore what further support can be given to strengthen the Leeds Manufacturing Forum, working with the Chamber of Commerce and manufacturing businesses.

To review how a wider range of sites and premises can be brought forward through means available to Leeds City Council, including, but not limited to, the Enterprise Zone.

- (b) That it be noted that the Chief Officers for Economic Development and Employment and Skills will be responsible for overseeing the implementation of such matters, with a future update report being provided to Executive Board in due course, which provides more information on the actions being taken in this area, and the outcomes arising from such actions.

(Councillor Golton left the meeting at 1.50pm during the consideration of this item, with Councillor J Bentley attending in his place for the remainder of the meeting)

RESOURCES AND STRATEGY

108 Financial Health Monitoring 2015/16 - Month 7

The Deputy Chief Executive submitted a report which set out the Council's projected financial health position after seven months of the 2015/2016 financial year.

Responding to a Member's enquiry, the Board received an update on the current budgetary position of Civic Enterprise Leeds (CEL) and the actions to be taken in order to promote the catering service within CEL.

In response to an enquiry, the Board received further information on the currently projected saving within the Adult Social Care staffing budget. Further to this, officers undertook to provide the Member in question with a briefing on such matters, if required.

RESOLVED - That the projected financial position of the Council for 2015/16 be noted.

109 Safeguarding in Taxi & Private Hire Licensing - 12 Month Review of Progress

Further to Minute No. 132, 17th December 2014, the Assistant Chief Executive (Citizens and Communities), the Director of Children's Services and the Director of Adult Social Services submitted a joint report setting out the developments in regard to further improving safeguarding arrangements in Taxi and Private Hire Licensing. Furthermore, the report also recommended the approval of a new policy in respect of the 'fit and proper' person assessment for applicants born outside of the EU.

Members received further information on the key aspects of the submitted report and welcomed the ongoing work which was being undertaken with West Yorkshire Police in order to address concerns following the introduction of the Common Law Police Disclosure guidance.

In conclusion, the Chair thanked those officers and Elected Members involved for the considerable work which had been undertaken in this crucial area of safeguarding.

RESOLVED -

- (a) That the direction officers and Members of Licensing Committee are taking with regard to improvements for safeguarding in Taxi and Private Hire Licensing, be noted and endorsed;
- (b) That the new 'fit and proper' person character assessment policy, as recommended to Executive Board by Licensing Committee, and as outlined within the submitted appendix 3, be approved;
- (c) That it be noted that such matters will be implemented immediately (following the conclusion of any eligible 'Call In' timeframes) by the Section Head of Taxi and Private Hire Licensing.

COMMUNITIES

110 Emerging 2016/17 Best Council Plan priorities, tackling poverty and deprivation

Further to Minute No. 48, 23rd September 2015, the Deputy Chief Executive and the Assistant Chief Executive (Citizens and Communities) submitted a joint report presenting the emerging 2016/2017 Best Council Plan priorities for the Board's early consideration which would provide the framework for the Council's approach towards tackling poverty and deprivation in the city. In addition, the report also presented a summary of the latest analysis on poverty and deprivation in order to inform the priorities, together with an outline of key initiatives aimed at tackling economic disadvantage.

RESOLVED –

- (a) That the emerging 2016/2017 Best Council Plan priorities be noted alongside the Initial Budget Proposals, as detailed elsewhere on the Executive Board agenda, and that the priorities be submitted to Scrutiny for consideration. It also be noted that the annual budget proposals form part of the medium-financial strategy, which is the financial expression of the Council's Best City / Best Council ambition, policies and priorities;
- (b) That the latest analysis on poverty and deprivation be noted, and that approval be given to further work being undertaken in order to develop a more targeted geographic approach towards tackling inequalities, which will include engagement with the Community Committees in order to help inform this approach and the decisions that the

Community Committees make about services and priorities for their local areas.

ENVIRONMENTAL PROTECTION AND COMMUNITY SAFETY

111 Update on Cutting Carbon and Improving Air Quality Breakthrough Project

The Director of Environment and Housing submitted a report outlining the significant progress that the Council had made in respect of the 'Cutting Carbon and Improving Air Quality' breakthrough project, whilst also providing some insight into the progress made in this area by the city as a whole. In addition, the report also presented future priorities and highlighted the challenges faced. Finally, the report set out a proposed Council-wide energy policy, its associated benefits and the targets contained within it, whilst also providing background information to the European Covenant of Mayors movement and the associated Sustainable Energy Action Plan (SEAP).

The Board was provided with details of the Council's key achievements in this area, and how Leeds performed comparatively against other cities. In noting the ambitious nature of the Council's policy in this area, Members discussed a number of initiatives which had already been progressed, and others which could be potentially be progressed in the future.

RESOLVED –

- (a) That the progress the Council has made to date, together with its continued plans to reduce carbon emissions, be noted;
- (b) That the Sustainable Energy Action Plan be endorsed in support of the Council's participation in the European Covenant of Mayors;
- (c) That the adoption of a Council wide energy policy from 4th January 2016 be supported, together with the acknowledgement that a Council wide behaviour change to drive energy savings is required;
- (d) That the Council continue to demonstrate leadership in this area and also to continue to work closely with private, public and third-sector partners across the city.

REGENERATION, TRANSPORT AND PLANNING

112 Response to Sir David Higgins' decision about the HS2 station location

Further to Minute No. 170, 18th March 2015, the Director of City Development submitted a report providing an update on the work being undertaken with regard to HS2 in the Leeds City Region. This followed the approval of the Council's response to the HS2 Phase 2 proposed line of route formal consultation in December 2013, and its approval to work with Government to consider the best way of accommodating future rail in the city in December 2014. This report also set out the main principles for the continued development of the Council's policy in relation to Leeds station, and

considered how the Council could realise the regeneration and economic growth benefits of enhanced connectivity.

Members welcomed the contents of Sir David Higgins' report and the prospect of establishing a transport hub for the city region. Emphasis was placed upon the key role which the collaborative working of local government had played in getting to the current position, and the Board also welcomed the correspondence received from HS2, as appended to the submitted report, with regard to the line of route refinement and mitigation process.

In addition, Members discussed the range of benefits arising from the proposed solution for HS2 arriving into Leeds and received an update on the latest position regarding the redevelopment of the station including the opening of the southern entrance.

RESOLVED -

- (a) That the conclusions of the Sir David Higgins' report entitled, 'The Yorkshire Hub' (as appended to the submitted covering Executive Board report), which is an interim report on the redevelopment of Leeds Station that the location of the HS2 station in Leeds should be a 'T' shaped configured integrated station, be welcomed and supported;
- (b) That approval be given for the Council to continue to press HS2 Limited and the Government on the mitigation of the line of route and to review compensation arrangements for those adversely affected;
- (c) That in accordance with resolution (a) (above), the following principles be agreed as a basis by which the Council will support the development of the station:-
 - (i) The existing station and the HS2 station should share a common concourse for passengers to allow easy access between HS2 and other services, including improved city region services and Northern Powerhouse Rail. The concourse should have easy access to the city centre, the South Bank and the waterfront;
 - (ii) The new combined station should have good quality car and bus access enabling it to become a fully integrated transport hub for the region;
 - (iii) The new station and its approaches should have sufficient capacity and be future proofed to allow for the improvements needed to accommodate significant increases in rail services resulting from the Northern Powerhouse Rail network, and on city region rail routes. This should include four tracking to the east of the existing station;
 - (iv) The station and its approaches should allow for through trains to enhance local services to the rest of the city region. This should include a connection between HS2 and the existing network, to enable some classic

- compatible HS2 trains to run through the existing station to and from York and beyond;
- (v) The design of the combined station (including the existing concourse areas) should reflect the significance of its role and place not just for Leeds and Yorkshire, but as a major national landmark. It should be a world class iconic design, surrounded by outstanding public realm, in line with the masterplan for development and growth of Leeds South Bank, one of the most significant regeneration projects in Europe. The station needs to create an attractive environment for all users of the city centre, including pedestrians moving across the city centre who need to walk through and around the station but may not to rail users.
- (d) That approval be given for the Council to take a lead role in the work with HS2 Limited, Department for Transport, Network Rail, Transport for the North and West Yorkshire Combined Authority in order to develop a long term plan for the station, including the necessary short term improvements, its integration with the transport network and its seamless integration with the city itself;
 - (e) That approval be given for the Council to now progress detailed work on the HS2 Growth Strategy in order to maximise the growth associated with HS2 for the city, and the city region, with approval also be given for the Council to work closely with City Region districts and West Yorkshire Combined Authority and Central Government on its development;
 - (f) That approval be given for the Council to now finalise the masterplan for the Southbank area in order to help realise the potential regeneration and place making opportunities of the new station, whilst approval also be given to develop a policy approach that will maximise the social, physical and economic benefits from HS2 and to facilitate the design of a world class arrival space;
 - (g) That a more detailed report be submitted in 2016, which outlines the conclusions from the Masterplanning work prior to full public consultation commencing, and which also provides an update on the Leeds HS2 growth strategy;
 - (h) That it be noted that the Director of City Development will be responsible for the implementation of such actions.

113 Leeds Parking Supplementary Planning Document (SPD) - Adoption
 Further to Minute No. 36, 16th July 2014, the Director of City Development submitted a report which advised of the public consultation process, feedback and subsequent changes made to the Leeds Parking Supplementary Planning Document (SPD). Specifically, the report recommended the adoption of the

re-drafted Leeds Parking SPD, which would formally replace a number of parking policies contained within the Unitary Development Plan.

Members discussed the proposed SPD and highlighted the need to strike the correct balance between ensuring adequate parking provision and the sustainability of other modes of transport, alongside the promotion of economic growth and regeneration.

In response to an enquiry, Members received an update regarding the possibility of future park and ride provision in the city.

RESOLVED –

- (a) That the contents of the submitted report, together with the associated consultation statement, be noted;
- (b) That the Leeds Parking Supplementary Planning Document, in the form annexed to the submitted report be adopted, pursuant to section 23 of the Planning and Compulsory Purchase Act 2004 (as amended);
- (c) That it be noted that the Chief Planning Officer will publish the Leeds Parking SPD and associated documents in accordance with the Town and Country planning (Local Planning) (England) Regulations 2012.

(As Councillor J Procter was in attendance as a non-voting Member, he drew the Board's attention to the fact that if he were able to, he would vote against the decisions referred to within this minute)

CHILDREN AND FAMILIES

114 Children's Services Transport Policy: Consultation on Transport Assistance for Post-16 Students with Special Educational Needs and/or Disabilities (SEND)

Further to Minute No. 35, 16th July 2014, the Director of Children's Services and the Deputy Chief Executive submitted a joint report providing an update on the proposals for the future provision of transport assistance available to post-16 students with special educational needs and/or disabilities (SEND). The report sought permission for a new consultation exercise to take place, in order to assess the likely impact upon young people and families of the proposals. Furthermore, the report sought permission for the findings from the consultation to be used, if appropriate, in the preparation of a new post-16 SEND transport offer, for approval at a future Executive Board meeting. Finally, the report highlighted the success of the Independent Travel Training programme, and the opportunities for the further promotion of this scheme.

Following a discussion regarding the potential ways in which the Council's fleet could be utilised differently, it was emphasised that the key objectives of the proposed consultation exercise was not only to increase value for money where possible, but to also empower families and help make available to them a wider choice and flexibility of service which better suited their own bespoke needs.

Responding to a Member's enquiry, the Board was assured that the proposed consultation exercise would be comprehensive and inclusive, that the views of each affected individual family would be sought in a way that was correct for them, and that the Scrutiny Board Children's Services would be involved in the consultation process.

RESOLVED –

- (a) That the completion of the review of special needs passenger transport within the authority, which is deployed by Civic Enterprise Leeds on behalf of Children's Services and Adult Social Care, be noted;
- (b) That the opportunities for further promoting inclusion in travel options through Independent Travel Training, while reducing costs and dependency, be noted;
- (c) That the demographic pressures relating to the increase in the number of children with an Education, Health and Care (EHC) plan (which replaced the statement of Special Educational Needs), be noted;
- (d) That approval be given for a new consultation to take place during January-April 2016 in order to assess the likely impact on young people and families of new proposals. The consultation will centre upon a range of options, each of which may be subject to a final round of detailed analysis of the granular data prior to consultation commencing. The following options for consultation will involve ceasing the direct organisation and provision of transport for post-16 SEND students, and instead offer:-
 - A personal transport budget equivalent to the cost of one or two Metro passes, dependent on whether a student would need accompanying on their journey;
 - A personal transport budget comprising the offer of a mileage allowance to parents, typically in the range of 50p - £1 per mile;
 - A personal transport budget based on a rate-banding system that takes into account the differing levels of need of students and the opportunity this would give parents to make their own arrangements in a more cost effective way.
- (e) That the findings of the consultation be used, if appropriate, in the preparation of a new Post-16 SEND transport offer (which is currently planned to be presented to a future Executive Board for approval - anticipated to be in July 2016);
- (f) That it be noted that the officer responsible for implementation of such matters is the Head of Commissioning and Contracting.

115 Outcome of Consultation to increase Primary School Places in Pudsey/Swinnow

Further to Minute No. 96, 18th November 2015, the Director of Children's Services, the Deputy Chief Executive and the Director of City Development

Draft minutes to be approved at the meeting to be held on Wednesday, 20th January, 2016

submitted a joint report presenting details of proposals brought forward to meet the local authority's duty to ensure sufficiency of school places. Specifically, this report described the outcome of a statutory notice regarding proposals to expand primary school provision at Park Spring and which sought a final decision on such proposals.

Responding to a Member's enquiry, the Board received an update regarding the ongoing and collaborative work which was being undertaken in order to address the pressure on school places which existed across the city, with the Member in question being offered a further briefing on such matters, if required.

RESOLVED –

- (a) That the expansion of Park Spring Primary School from a capacity of 315 pupils to 420 pupils be approved, with the admission number increasing from 45 to 60, with effect from September 2017;
- (b) That it be noted that the officer responsible for the implementation of such matters is the Capacity Planning and Sufficiency Lead.

DATE OF PUBLICATION: FRIDAY, 18TH DECEMBER 2015

**LAST DATE FOR CALL IN
OF ELIGIBLE DECISIONS:** 5.00PM, MONDAY, 4TH JANUARY 2016

(Scrutiny Support will notify Directors of any items called in by 12.00noon on Tuesday, 5th January 2016)