



SCRUTINY BOARD (ENVIRONMENT AND HOUSING)

Meeting to be held in Civic Hall, Leeds, LS1 1UR on
Tuesday, 12th January, 2016 at 1.30 pm

(A pre-meeting will take place for ALL Members of the Board at 1.00 p.m.)

MEMBERSHIP

Councillors

J Bentley Weetwood;
D Collins Horsforth;
A Gabriel Beeston and Holbeck;
P Grahame Cross Gates and Whinmoor;
M Iqbal City and Hunslet;
A Khan Burmantofts and Richmond Hill;
M Lyons Temple Newsam;
J Procter (Chair) Wetherby;
J Pryor Headingley;
K Ritchie Bramley and Stanningley;
G Wilkinson Wetherby;

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 - 8 DECEMBER 2015</p> <p>To confirm as a correct record, the minutes of the meeting held on 8 December 2015.</p>	1 - 6
7			<p>EFFECTIVE LETTINGS AND TENANCY MANAGEMENT</p> <p>To receive a report from the Head of Scrutiny and Member Development presenting a further update in relation to effective lettings and tenancy management proposals.</p>	7 - 28
8			<p>2016/17 INITIAL BUDGET PROPOSALS</p> <p>To consider a report from the Head of Scrutiny and Member Development introducing the initial budget proposals for 2016/17.</p>	29 - 84

Item No	Ward/Equal Opportunities	Item Not Open		Page No
9			<p>COMMUNITY SAFETY RELATED MATTERS</p> <p>To receive a report from the Director of Environment and Housing presenting an update on a series of summaries of community safety issues that were presented to the Board in October 2015.</p>	85 - 90
10			<p>WORK SCHEDULE</p> <p>To consider the Board's work schedule for the forthcoming municipal year.</p>	91 - 110
11			<p>DATE AND TIME OF NEXT MEETING</p> <p>Tuesday, 2 February 2016 at 1.30 pm (pre-meeting for all Board Members at 1.00 pm)</p> <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. 	

SCRUTINY BOARD (ENVIRONMENT AND HOUSING)

TUESDAY, 8TH DECEMBER, 2015

PRESENT: Councillor J Procter in the Chair

Councillors J Bentley, D Collins, A Gabriel,
P Grahame, M Iqbal, A Khan, M Lyons,
J Pryor, K Ritchie and G Wilkinson

51 Late Items

There were no late items.

52 Declaration of Disclosable Pecuniary Interests

There were no disclosable pecuniary interests declared to the meeting.

53 Apologies for Absence and Notification of Substitutes

There were no apologies for absence.

54 Minutes - 17 November 2015

RESOLVED – That the minutes of the meeting held on 17 November 2015 be approved as a correct record.

55 Peckfield Landfill Site - Recommendation tracking

The Head of Scrutiny and Member Development submitted a report which set out the progress made in responding to the recommendations arising from the Scrutiny Inquiry regarding Peckfield Landfill Site.

The following information was appended to the report:

- Recommendation tracking flowchart and classifications
- Details of progress against each of the recommendations
- Public Health Report – Summary of Analysis of Local Health Data 2015
- Impact on Health of Emissions from Landfill Sites – Advice from the Health Protection Agency.

The following were in attendance:

- Councillor Mary Harland, Ward Member for Kippax and Methley
- Councillor James Lewis, Ward Member for Kippax and Methley
- Councillor Keith Wakefield, Ward Member for Kippax and Methley
- Neil Evans, Director of Environment and Housing
- Clive Saul, Minerals, Waste and Renewable Energy Planning Manager (Acting)

- Nicola Hoggart, Environment Management Team Leader – Waste (Leeds, Bradford & Craven), Environment Agency
- Roy Thompson, Regulatory Officer, Environment Agency
- Anna Frearson, Consultant in Public Health (Healthy Living and Health Improvement), The Office of the Director of Public Health, Technorth
- Dr Mike Gent, Consultant in Communicable Disease Control, Public Health England
- Ian Walker, Specialist Registrar, Public Health England
- Greg Hodgson, Head of Unit, Centre for Radiation Chemicals and the Environment, Public Health England
- Christine Boothroyd, Local resident and member of the Peckfield Liaison Committee
- Carolyn Walker, Local resident and originator of the Scrutiny request.

A brief overview was provided regarding the role of the Environment Agency and Public Health England in relation to Peckfield Landfill Site.

The key areas of discussion were:

- Clarification sought regarding the subsistence fee, which it was noted had not featured as part of the Scrutiny Inquiry into Peckfield Landfill Site. The Board was advised that the subsistence fee was contained within the Environment Agency's fees and charges public document.
- Clarification provided regarding assessment of the site and non-compliance arrangements.
- Confirmation that the site operator was unable to attend today's Board meeting.
- Confirmation that there had been no indication from the site operator regarding abandonment of the site. The operator continued to maintain and develop the infrastructure of the site.
- The Environment Agency suggested that if the site was abandoned then the permit would cease to exist and the site would be classified as contaminated land.
- Clarification of whether any contingency plans were in place in case the site was abandoned, particularly in terms of sufficient financial security for restoration and other contingencies.
- It was noted that financial security (in the form of a bond) would be used to ensure that the active phase of the site was capped so that it no longer posed an environmental risk. This would also be used as part of a 60 year aftercare and monitoring scheme, which involved capping the site, although it did not include full restoration of the site.
- A representative from the Environment Agency advised that the exact amount of financial security could not be disclosed as it was considered commercially sensitive information. However, it was confirmed that the Environment Agency had ownership of the bond and that this was subject to review every 6 years.
- The Board expressed concern that there was still a need to provide reassurance regarding aftercare and restoration of the site. Members also questioned whether a 60 year aftercare and monitoring

scheme was sufficient after learning that the site would still produce small levels of landfill gasses after 60 years.

- Clarification was sought about the types of waste disposed at the site and where the waste came from. The Board was advised that since 2006, the site only received non-hazardous waste. There were no restrictions in terms of where the waste came from.
- Confirmation that the operator was currently on target with completion of the site by 2020.
- An update on regular dialogue that existed between the Environment Agency and the Peckfield Liaison Committee.
- The Board acknowledged the Public Health report relating to the Peckfield Landfill Site and also the praise given by local residents for the work undertaken in this regard.

The status of recommendations were agreed as follows:

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

RESOLVED –

- (a) That the contents of the report and appendices be noted
- (b) That the above status of recommendations be approved
- (c) That the Board will determine the most effective means of proceeding with some of the issues that had been identified.

(Councillor A Khan joined the meeting at 2.50pm during the consideration of this item.)

(Councillor A Gabriel left the meeting at 3.40pm at the conclusion of this item.)

56 Housing Related Matters

The Director of Environment and Housing submitted a report which provided an update on a series of summaries of housing issues that were presented to the Board in September 2015. In addition, the report also included

information relating to the implications of the Housing and Planning Bill 2015 and the current position regarding responsive repairs and maintenance.

The following were in attendance:

- Councillor Debra Coupar, Executive Member (Communities)
- Neil Evans, Director of Environment and Housing
- Liz Cook, Chief Officer (Housing Management)
- Simon Costigan, Chief Officer (Property and Contracts).
- John Statham, Head of Housing Partnerships and Housing Growth

The key areas of discussion in relation to the various housing issues were as follows:

The Housing Revenue Account (HRA) growth programme with a focus on HRA council house programme and use of Right to Buy (RTB) receipts

- An update on the Council House Growth programme.

Progress with the Empty Homes Strategy

- Acknowledgement regarding the significant progress made in relation to the Empty Homes Strategy.

Standards within the Private Rented Sector

- Particular reference was made to the proposed measures set out in the Housing and Planning Bill 2015 in relation to tackling rogue landlords in the private sector.
- Clarification that the Directorate was awaiting clarification regarding arrangements for managing the properties of a banned person. Further details to be provided to the Board when available.
- The Executive Member (Communities) advised that a report on private sector housing in Leeds was being submitted to a future Executive Board meeting. Details to be provided to the Scrutiny Board in due course.

Estate Management arrangements

- Good progress made in relation to the Tenant Scrutiny Board Inquiry regarding the Environment of Estates. Some initial feedback had been received in relation to improvements needed to estate walkabouts, communications and garden maintenance. An update on progress with the Board's Inquiry would be reported back to the Board.
- Acknowledgement of the positive work undertaken as part of the High Rise Project.

Local Lettings Policy

- Members were reminded that following the Board's November meeting, it was agreed that more detailed policy proposals would be developed and presented to the Scrutiny Board at its January 2016 meeting.

Enforcement of tenancy agreements

- Members noted the update and no particular issues were raised.

Briefings on housing management forums

- Members noted the update and no particular issues were raised.

Temporary accommodation

- Implications of the Autumn Statement to be reviewed in relation to Housing Benefit.
- A request to be provided with a breakdown by Ward regarding the 92 households in emergency temporary accommodation.
- Confirmation that the timescale for temporary accommodation was approximately 12 months. Due to the demands on Council housing stock and to ensure a level of stability, families were generally allocated private sector housing on a 6 month let.

Housing and Planning Bill

- Concern regarding aspects of the Housing and Planning Bill, particularly in relation to the policy referred to as 'pay to stay', which required higher rents for high income social tenants. The Board requested to receive a specific update on the Housing and Planning Bill at a future Board meeting.

Update on Responsive Repairs and Maintenance

- An update on the work undertaken by Mears and Leeds Building Services. The Board asked for a breakdown regarding the additional income in 2013/14 arising from performance deductions that was invested in the central heating boiler replacement programme.
- Members noted an omission in the report in terms of referencing repairs and improvement work to Council properties in the North of the City.
- A recognised need for greater consistency across the different contractors in terms of performance indicators.
- A need for more robust checks to audit the end-to-end service when measuring overall contractor satisfaction with repairs services (in accordance with KPI: RR6)
- Acknowledgement regarding other areas of poor performance that required additional support.

- The Board requested that future reports provide a breakdown of repairs completed within timescale in terms of emergency repairs, priority repairs and general repairs.

RESOLVED –

- (a) That the contents of the report and appendices be noted
- (b) That the Board receives a specific update on the Housing and Planning Bill to a future Board meeting
- (c) That the requests for information/clarification be provided.

(Councillors P Grahame and K Ritchie left the meeting at 4.05pm, during the consideration of this item.)

57 Work Schedule

The Head of Scrutiny and Member Development submitted a report which invited Members to consider the Board's work schedule for the 2015/16 municipal year.

The key points of discussion were

- The Board noted the forthcoming working group meeting on PCSOs, scheduled for Wednesday 9th December at 10.00 am.
- The Board was advised that a bullet point had been omitted under the Community Safety theme for January in relation to LeedsWatch. The January Board meeting was also to include a briefing on initial budget proposals for 2016-17 and an update on Leeds Local Lettings Policy proposals.
- Following a discussion from today's Board meeting, it was suggested that the work schedule be updated to include the implications of the Housing and Planning Bill (to be considered at the March Board meeting).
- It was suggested that the Board receives an update on the Peckfield Landfill Site following further discussions with the Peckfield Liaison Committee. However, this was provisionally scheduled for the Board's April 2016 meeting.

RESOVLED – That the work schedule, as amended, be approved.

58 Date and Time of Next Meeting

Tuesday, 12 January 2016 at 1.30 pm (pre-meeting for all Board Members at 1.00 pm)

(The meeting concluded at 4.30 pm)



Report author: Angela Brogden
Tel: 247 4553

Report of Head of Scrutiny and Member Development

Report to Scrutiny Board (Environment and Housing)

Date: 12 January 2016

Subject: Effective lettings and tenancy management

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

Introduction

1. At its November meeting, the Environment and Housing Scrutiny Board received a detailed report on proposals to strengthen housing management and lettings policies and procedures in order to achieve sustainable tenancies and communities. A further copy of this report is appended for ease of reference.

2. In summary, the proposals included changes to the lettings policy - implementing a separate transfer list for current tenants and moving more towards a need based approach for assessing eligibility for sheltered housing. The proposals also included a review of local lettings policies, to introduce community lettings policies which sought to simplify age related policies and place greater focus on tenancy records. To support the lettings policies it is also proposed that tenancy management procedures are strengthened to support the effective management of tenancies, with some new practices being implemented, e.g. pre-tenancy training, case conferencing.

3. A brief overview of the key issues raised by the Scrutiny Board during its November meeting is set out below:
 - The Board discussed issues surrounding the behaviour of tenants and asked the department to provide clear guidance for all managers about taking past anti-social behaviour into account. The Board also requested some examples of cases to illustrate how this works in practice.
 - The Council's responsibility to support tenants with different and sometimes challenging needs, the need for early intervention and signposting tenants to the

right agencies. It was noted that a review of housing related support was due to be undertaken.

- A suggestion that issues arising from estate walkabouts are also factored into the tenancy management process.
- The Board welcomed the proposed delivery of pre-tenancy training and suggested that such training could also be extended to existing tenants where appropriate.
- The challenges in ensuring the right balance of housing provision across the city, particularly in terms of an increased demand for the younger population.

4. The Scrutiny Board requested to receive a further update on progress with developing detailed policy proposals at its January meeting, prior to being presented to Executive Board in February 2016. This update will be provided by the Chief Officer (Housing Management) in the form of a presentation during today's meeting and will cover the following areas:

- Outline proposals in development
- Update on progress with developing detailed policy proposals
- Outline proposed consultation plan
- Awareness of Political, Economic, Social and Technological factors – Housing and Planning Bill

5. Feedback from the Scrutiny Board will inform the report to Executive Board in February 2016.

Recommendation

6. Members are asked to consider and provide feedback on the information presented by the Chief Officer (Housing Management) during today's meeting.

Background documents¹

7. 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 Chief Officer, Housing Management

Report to Environment & Housing Scrutiny Board

Date: 17th November 2015

Subject: Effective Housing Management & Lettings Policies

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? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

Housing Leeds' ambition is to create great places people want to live in and where tenants take pride in their homes and communities. Council homes are let under the council's lettings policy, supported by local lettings policies which operate in specific areas and property types.

The council has a moral and legal duty to meet the requirements of those in housing need. It also has an obligation to ensure that existing tenant's lives are not disrupted by anti-social behaviour and a broader ambition to build sustainable communities. Balancing individual housing and support needs with community impacts is not straight forward as some of those in greatest need may also impact on the lives of neighbours and the functioning of the community. The development of Local Lettings Policies was an attempt to minimise the impacts of lifestyle clashes, and as they developed in a demand led manner it has led to inconsistent approaches across the City. An example, exacerbated by changes in housing demand, there are now nine age bands being used, as reductions in age criteria have been implemented to enable lettings.

The proposals set out in this report aim to build on the positive outcomes achieved through local lettings policies and build a coherent and easily understood approach for the City as a whole.

This paper aims to establish the key principles for consultation on which we will base the Local Lettings Policy's to create balanced communities and meet housing needs and a clear, transparent and understood approach on which to move forward. In putting forward the policies, however, it is recognised that there are no perfect answers from changes to the lettings policy. The Council will have to continue to meet the needs of those who present challenges to others through their lifestyle. Progress is therefore also required through the development of strong housing management and appropriate housing support.

In March 2014 Housing & Regeneration Scrutiny Board tasked Housing Leeds with improving consistency in the operation of local lettings policies across the city and developing alternatives to age related restrictions.

Executive Board agreed in June 2014 to prioritise council tenants with an excellent tenancy record to access new build homes delivered through the Council's Housing Growth Programme; establishing a principle for the new approach to developing 'community lettings policies'.

Reviewing the systems for letting council homes has identified the need for new approaches for housing management, tenancy policy proposals and development of new community based approaches to lettings.

Recommendations

Environment & Housing Scrutiny Board provide advice on the proposed approach to housing management and tenancy policy. The Board is also asked to comment on the key principles for developing community lettings policies which builds on the success of the new lettings criteria used for new build homes delivered through the Council's Housing Growth Programme.

The feedback will inform the report to Executive Board in December 2015.

1 Purpose of this report

- 1.1 The purpose of this report is to consult Environment & Housing Scrutiny Board on new approaches to housing management and the key principles for local lettings policies.

2 Background information

- 2.1 Allocation of council homes is governed by the Lettings Policy to ensure that available homes are let in accordance with the law and in an equitable, transparent and accountable way. The Lettings Policy contributes to the Council being able to fulfil its legal duties relating to meeting housing need, but needs to ensure the outcomes contribute to the delivery of sustainable communities and making Leeds the best city to live. Effective management of council housing in the City needs to balance meeting individual needs with the needs of the communities to ensure sustainable communities.
- 2.2 The **Housing Management** structure has been developed to ensure clear accountability and responsibility for Area Housing Management through local leadership and dedicated Housing Managers. A holistic customer approach to service delivery has been developed with Housing Officers accountable for the relationship with the tenant, and delivering services including assessment of prospective tenants, appropriate lettings and the delivery of comprehensive housing management services. Amendments to operational lettings and tenancy management practice, the proposed new initiatives including pre-tenancy training, development and delivery of new housing pathways and case conferencing for people who require support and a review of the local lettings policies all contribute to the aim of creating sustainable communities.
- 2.3 The **overall framework for letting council homes** is set out in the main lettings policy, supported by local lettings policies which reflect local issues and needs. The lettings policy is integral to the council's overall approach to delivering a customer-focussed, people-centred proactive housing management service.
- 2.4 The lettings framework is based on the council's legal duties set out under the Housing Act 1996 of meeting housing needs as well as meeting the aspirations of tenants and residents. In order to balance the needs of households in housing need with those local communities, the council lets 75% of properties based on housing need and 25% to households who have been on the waiting list the longest with a connection to the area.
- 2.5 Currently there are 24,118 (30/09/15) households on the housing register, approximately 24% (5,700) of customers have identified housing needs (Band A & B) and 76% are registered on waiting time, these households have no identified housing need, but have expressed a preference to be rehoused by the council. Of the 24,118 households on the housing register 5,972 (25%) are council tenants who have expressed a preference to move. Over 11,000 households (45%) on the housing register have not bid for a home in the last 12 months. In 2014/15 75% were let to people in housing need and 25% to people with no identified needs on the basis of waiting time.
- 2.6 Demand for council housing outstrips supply. The average waiting time for households who were rehoused in 2014/15 was 48 weeks across all areas of the city, property types and sizes. Approximately 4,500 -5,000 homes are allocated per year.
- 2.7 The proportion of lettings made to existing council tenants has decreased from 25% in 2013/14 to 19% in 2014/15. The number of mutual exchanges where social housing tenants can swap homes decreased to 390, a decrease of 195 from 2013/14. In order to achieve a holistic and

comprehensive offer to tenants, the principles of rewarding tenants and residents who abide by their tenancy agreement will be applied to future reviews of the council's tenancy agreement and overarching lettings policy.

- 2.8 Consideration needs to be given to the development of a separate transfer list as permitted under the Localism Act 2012 which rewards excellent tenancy records and a recognition in the lettings policy of the contribution made by tenants and residents for example through employment or volunteering.
- 2.9 Local lettings policies apply to approximately 1 in 5 properties across the city. The majority are based on age, but others relate to employment status, behaviour and local connection.
- 2.10 In March 2014 Housing & Regeneration Scrutiny Board made the following recommendations for the council in reviewing the current local lettings policies:
- Rationalisation of age restrictions to improve consistency across the city
 - Introducing pre-tenancy training for prospective tenants
 - Developing the use of evidence based LLPs to address behaviour issues such as antisocial behaviour
 - Reviewing the use of Introductory Tenancy extensions and Secure Tenancy demotions.
- 2.11 In reviewing housing management practices and the lettings policies we have the opportunity to develop a new approach to support the best council objectives and priorities and contribute to the breakthrough projects.

3 Main issues

- 3.1 Housing Management Practice A holistic approach to housing management and lettings is necessary to ensure effective housing solutions for people in sustainable communities. The Housing Management Service has developed a range of operational practices to improve the quality of housing management including, quality assessment of applicants including consideration of conduct in previous tenancies, accompanied viewings, a fundamental review of the sign up process, introduction of new tenancy visits, a review of the use and consistent approach of Introductory tenancies and annual home visits to ensure proactive and preventative approaches are employed with the aim of early intervention and improved sustainability of tenancies and communities.
- 3.2 Lettings and Tenancy Management Practice. It is critical that we strengthen the way in which we carry out lettings and tenancy management to ensure that tenants are housed successfully into communities, and ensure this practice is robust across all housing stock.

The council's lettings framework takes behaviour into account in a number of ways including:

- making checks on previous conduct when an applicant joins the housing waiting list
- removing people from the waiting list in serious cases of antisocial behaviour, or reducing their preference on the waiting list
- bypassing the top ranked customer for offers of accommodation on the basis of their previous behaviour, for example, a tenant would not be rehoused in the area where they had perpetrated antisocial behaviour
- making 'sensitive lets' of properties where the previous tenant was evicted for antisocial behaviour, to ensure the letting is made to a customer without a history of causing antisocial behaviour.

The appropriate response will depend on the individual circumstances taking into account whether the behaviour is still on-going and the impact rehousing will have on the locality. Applicants are offered introductory (probationary) tenancy unless they were already a secure tenant, in which case they would be offered another secure tenancy.

The council has powers to demote secure tenancies and extend the introductory tenancy period if the tenant breaches the tenancy agreement. In some cases where a household is facing eviction other interventions may be considered, for example, a Family Intervention Tenancy which requires them to agree to an intensive support package aimed at improving their behaviour. The application and consistent approach of these processes and procedures are being reviewed to ensure high challenge and support is delivered consistently

- 3.3 Good tenancy record Application of a process for assessing good tenancy records has been trialled within the Local Lettings Policy (LLP) for new build homes. The LLPs give preference for lettings to tenants who have demonstrated they have conducted their tenancy well in terms of having a clear rent account, no record of antisocial behaviour and maintaining their property inside and out to a high standard. Under the new build LLP, the council made a commitment to visit all potential tenants at home before an offer is made.

There are resource implications involved in undertaking the home visits and potential for increased relet times, however, this is balanced against ensuring new tenants have conducted their previous tenancy well. This approach gives a clear message that the council will reward applicants and existing tenants who conduct their tenancy well and promotes a preventative approach and saves resources by reducing void costs on released properties.

The aim is to expand this practice to all lettings and incorporate an assessment of current tenants' tenancy record and recommendation for transfer within the Annual Home Visit process.

- 3.4 Transfer Policy. In order to recognise and reward our existing tenants it is proposed that a specific transfer system be introduced into the lettings framework. Offering additional priority to existing tenants will not reduce the number of homes available to people in housing need; however it will increase costs as essentially for every transfer of an existing tenant you will have two empty homes (voids) . In developing an effective priority for existing customer you can incentivise and reward tenants with good tenancy records and you can create a housing ladder within the council housing stock. This approach needs to recognise that some council homes are more sought after and in higher demand. In addition it can ensure that new / existing tenants are not trapped in homes that don't meet their needs or expectations and enable a better use of stock to tackle issues of under-occupation / overcrowding.

- 3.5 It is recognised that not all applicants will have previous tenancies and that some households will have had failed tenancies, however the Council retains a duty to secure housing, in these cases it is proposed to deliver Pre-tenancy training.

Pre-tenancy training is widely provided by social housing services to help support and prepare applicants for living in rented accommodation before they are offered a property. This was initially intended in preparing young people to live independently for the first time covering such things as budgeting skills and what is meant by being a good neighbour. The outcomes have been successful in terms of sustaining tenancies and the model has been expanded to include other applicants who require support and guidance for running a home and conducting a good tenancy.

The programme would include sessions on how to maintain a tenancy successfully, why tenancies fail, rent payment and budgeting, community responsibilities, how to find a home and employment.

Giving preference to people who have completed Pre-tenancy training gives prospective tenants the opportunity to demonstrate their commitment to taking on the responsibility of becoming a council tenant.

The options for implementation of are:

- Implement good tenancy record or Pre tenancy training for all lettings
- Implement for lettings to people in high rise/other specified property types
- Implement on a phased approach running a pilot for specific blocks with a view to rolling out city-wide in the longer term.

3.6 Case Conferencing Over the last 12 months a partnership approach between Housing and Children's Services has had successes in accommodating young people leaving care, either with a stay put or a planned move approach. Historically, applicants have been placed in independent living in LCC and other properties which often resulted in tenancy failure and disruption within communities. The case conferencing approach introduced an approach of looking at the young person and their individual needs and putting the appropriate support in place at the earliest stage. This has proved very effective, although it is resource intensive. There is also an opportunity to look at the provision of trainer homes. The proposal is to expand the case conferencing approach for rehousing applicants and/or supporting tenancies.

Options for implementation of are:

- To expand the case conferencing approach for rehousing and/or supporting care leavers 16 – 25years old, to reflect recent changes within the Care Act.
- To expand the case conferencing approach for all applicants identified as requiring support and for vulnerable tenants where tenancies are found to be at risk.

3.7 Housing Pathways The success of the approach for the Housing and Children's Operational meeting has been used as a catalyst for the development of a housing pathways model which places individuals and their needs at the heart of the process and provides intervention and the provision of support, at the earliest possible stage. The Housing pathways model is a cross service development and initiatives to progress this further are included in service plans 2015/16 for Housing Leeds, C&YP services and Community Safety. Initial work has commenced with Adult Social Care to develop Housing Pathways for Vulnerable People to ensure housing, support and care lead support independent living.

3.8 Sheltered housing is designed to meet the needs of older people through the provision of sheltered housing support. The council currently operates a policy of letting sheltered homes to people aged 60 years and over, although housing associations let to people age 55 years and over. The provision of sheltered housing needs to be considered within the context of the whole housing market, availability of alternative housing offers and the aging population. Demand patterns for sheltered housing are very dependent on other housing available in local communities. The council manages some sheltered properties which have seen a fall in demand, mainly in upper floor flats which do not have lift access. A small number of flats in the east and south of the city have been reclassified as general needs accommodation and successfully let to people age 55 years old and over.

The option is to retain a clear age policy or move to a needs based approach to the allocation of sheltered housing where health and support needs in addition to the age profile are assessed to ensure effective housing and support services are delivered to older people. This approach could enable a tailored service design and direct the investment decisions to ensure the accommodation and the service are designed to meet tenant's needs and ensure the environment is adapted for

limiting illness and mobility. In developing options an overall consideration of housing for older people in general needs to be developed alongside a need based approach to sheltered housing.

3.9 Age designations. There are 56,832 LCC properties across the city, 19,508 of these are flats and bedsits. 7,469 of the flats and bedsits currently have an age related LLP which represents 38% of this stock type. There are 148 LLPs in Leeds (this excludes the new build) covering 10,049 properties the majority of which are age related with 9 different age band criteria across the city. 7,032 properties in high rise blocks are let under an LLP.

In the main, age-related LLPs operate in low and high rise flats which were historically introduced to overcome potential lifestyle clashes in property types with poor sound insulation and in response to tenant preferences.

Appendix 1 gives the ward profiles showing the total number of LCC stock in the area, the number of flats and bedsits and the number of those which have LLPs based on age. This provides a clear position where current age related policies are concentrated and where they prevent access to housing. 13 wards have above the city average of age related LLPs. However, the disparities are striking when we compare further, for example, of the 843 flats in Bramley and Stanningley 617 which is 73%, have an age related LLP whereas in Hyde Park there are no age restrictions on any of the 1,126 flats. The table highlights the inconsistencies across the city and shows the limitations of access to housing for younger people in some of the wards.

The majority of these LLPs have been in place for many years and whilst they have been periodically reviewed, there has been little or in some cases, no change. There are a number of issues in operating LLPs within communities:

- There is potential for legal challenge due to changes in equalities legislation
- They make the judgement that tenancy behaviour is linked to age
- They restrict housing opportunities to younger people in some communities and result in concentrations in other areas

The development of the nine different age bands has occurred in an iterative way to tackle issues of low demand for certain property types and this has often led to 5 year age reductions. It is essential to simplify to a clear and consistent approach of bands which are understood and can be implemented; the proposal is for a maximum of three age / lifestyle related bands.

The recent introduction of LLPs for the new build properties to date has not included any age related criteria. The LLPs give preference for lettings to tenants who have demonstrated they have conducted their tenancy well in terms of having a clear rent account, no record of antisocial behaviour and maintaining their property inside and out to a high standard.

It is accepted that it may be appropriate in some circumstances for some homes to be designated for particular needs and / or age ranges, where the management of the block is tailored to meet the particular needs e.g. flats adjoining sheltered schemes which could be promoted as older persons housing with links to the sheltered scheme.

The vision for Housing Leeds is to review all of the current age related LLPs in their current form and place a greater focus will be put on strengthening processes linked to lettings and tenancy management to achieve harmonious communities. The review process will support the retention successful designations to ensure the stability of existing communities.

The High Rise Project will explore options further for the designation of particular blocks and make recommendations on a block by block basis.

A process and programme of reviews will be published, this will include full local tenant and ward member consultation on each existing LLP.

3.10 Local connection based on residence, family associations and employment is used as a deciding factor. The ward profiles give data showing the lack of affordable properties in the area which supports the restriction of lettings beyond local connection.

The housing waiting list is open to all, regardless of residence and local connection. However, only customers who can establish a local connection to the city of Leeds can be awarded Band A or Band B priority on the waiting list. 75% council properties are advertised giving preference based on housing need band. A customer without a local connection to Leeds would only be offered housing if no other customers are eligible.

The remaining 25% properties are advertised based on waiting time on the housing waiting list, and customers must be able to establish a connection to the ward. The priority band of the customer is not taken into account when making allocations through the quota.

The waiting time quota was introduced in 2011 to address concerns that the lettings policy was unfair to customers who had been on the housing register for a long time who felt they had little hope of being rehoused ahead of customers in housing need. The waiting time quota aims to improve community cohesion by increasing opportunities for customers with a local connection and with a long standing housing application to be rehoused. The quota system offers another route into housing and will assist people before their housing situation becomes so urgent that they warrant a priority award. Under the policy a customer in high housing need would not receive preference to move to or remain in an area they had a connection to, without the use of a local connection LLP.

As well as the 25% quota of all lettings in every ward being allocated to households who demonstrate a local connection, additional criteria operate for lettings of houses in some outer areas of the city – Wetherby, Garforth, Kippax and Rothwell, where there is high demand and little affordable housing. However, they do not apply in other areas of high demand. The proposal is to develop formulae based on demand and turnover which would be applied across the City.

3.11 High Rise housing is a substantial part of Council Housing in Leeds, with over 7500 households in 116 blocks across the city. Housing Leeds faces a number of challenges linked to high rise flats, including high investment need, energy efficiency, community safety, under-occupation, communal and grounds maintenance, day to day management issues and refuse and recycling.

The Housing Management Service has commenced a complete review of the management of high rise flats in the City to address these challenges and ensure they are positive places to live. Tenant satisfaction rates in High rise flats varies significantly and management and lettings practices have led to a lack of consistency in approach including our approach to children at height.

High Rise blocks could be designated effectively for the following purposes:

- Sheltered Housing – there are a number of MSFs which house a high proportion of older tenants, and due to lack of sheltered housing supply within the local area and the layout, they lend themselves to conversion to sheltered housing.
- Child Friendly Blocks – where there is limited supply of housing in the local area, a block is identified as of a safe design and there is a high number of children already living in the block, it is proposed that the block may be designated as being child friendly and that enhancements are installed, e.g. additional window security, communal playground etc. A key principle for re-housing and existing families with children in high rise is to ensure they have the priority and opportunity to move.

- Blocks for Young People – with enhanced security, tenancy management and housing support offered to support young people to manage tenancies well and access training and employment, following some of the principles of the MSF DHP Project.
- Blocks which encourage employment – with consideration to having a different rent and management model.
- The use of flexible tenancies will be considered to deliver change and support sustainability of high rise communities to be approved with the individual block strategies. The profile and mix of people within blocks is essential to create mixed sustainable communities, this could include relocation for tenants where the type accommodation is inappropriate.

The main lettings policy gives preference for lettings of houses to people with primary care of dependent children ahead of households with part time access to children who are regularly housed in low and high rise flats. The high rise profiles have revealed that the number of children living in high rise flats is significant but varies depending on the blocks. Details of household composition are being recorded through the Annual Home Visits to improve our understanding.

The high rise project aims to deliver an overall vision and remit for each high rise block which will determine who lives in the blocks and the nature of the investment required.

It is proposed that a clear policy is developed for housing children at height, basing restrictions on rehousing households within flats on the following criteria:

- The construction type of the block meaning children should not be rehoused into a high rise block with open balconies or walkways, where there is a risk of falls
- Known issues with sound-proofing within blocks
- The number of children currently living in the block
- Availability of houses to let nearby.

It is proposed that there will be 2 main policies in place:

- Blocks which are identified as unsuitable for the rehousing of children under a specific age.
- Blocks which are identified as child friendly blocks - there is the opportunity for active development and investment by making external improvements to the blocks and surrounding areas, the provision of play areas for example.

3.12 New Build Homes delivered through the Council House Growth Programme including the homes delivered through the Little London, Beeston Hill and Holbeck Regeneration Programme have been subject to the development of LLP's. The LLPs balance priorities of meeting housing need and offering incentives to existing tenants who have conducted their tenancy well. None of the LLPs to date have included age as a criterion. The aim is to create stable and harmonious communities and evaluation to date demonstrates that the policy has been effective in identifying tenants who have conducted their tenancy well and that in the main they continue to do so in their new homes.

The proposal is to continue with community lettings policies for all new builds schemes and review annually following the first letting.

3.13 Other Criteria The council currently operates a 'Good Neighbour criteria' in four areas of the city where Housing and Community Safety have agreed the need to conduct checks on previous criminal and antisocial behaviour. The criteria seeks to address cases of family members being rehoused on the same estate where families have historical problems, for example, grown up

children being released from short term prison sentences being offered rehousing on the estate. Initial feedback suggests a number of positive outcomes including a reduction in reports of nuisance, but there is concern is that there may be displacement to other areas and further monitoring is required to confirm whether this is the case. Further monitoring of the impact of conducting checks on increased void times is also needed. It is proposed to review in light of the application of the new approach tenancy management annually.

Employment / Training At present 12 flats managed by the BITMO have a lettings policy giving preference to people in employment. This has been successful in assisting tenants in employment secure affordable housing. Employment preference received a very positive response in the consultation for the Beeston Hill and Holbeck properties, as did being in training for a keyworker profession. Providing affordable homes for low income households is a key element in supporting the council's objective of promoting sustainable and inclusive economic growth as well as reaching out to people priced out of the housing market. It is proposed that employment and training as a consideration is retained in developing approaches where an employment preference for lettings could benefit local employers, tenants and residents, including high rise flats located close to major employment centres. The use of employment as a preference group could help reduce the impact of changes to housing benefit rules which affect under occupying council tenants of working age.

The review gives an opportunity to develop other community lettings policies including:

- A protocol with Adult Social Care to let a small number of properties as joint tenancies to tenants nominated by ASC where onsite support is available.
- Giving preference to members of the Armed Forces. This preference has received a positive response in consultation for the new build properties and supports Housing Leeds' commitment to the Leeds Armed Forces Community Covenant

3.14 Key principles / recommendations for consultation.

- Incorporate an assessment of current tenant's tenancy record and recommendation for transfer within the Annual Home Visit process.
- Implement a transfer policy to ensure existing tenants are rewarded and that tenants are able to move to more suitable homes that meet their needs and aspirations
- Implement good tenancy record and pre tenancy training systems
- Expand the case conferencing approach for rehousing for all vulnerable applicants
- Sheltered Housing - move to a needs based approach to the allocation of sheltered housing where health and support needs in addition to the age profile are assessed to ensure effective housing and support services are delivered to older people.
- Review all of the current age related LLPs in their current form and move to simplified system with a maximum of 3 bands and place a greater focus on strengthening processes linked to lettings and tenancy management to achieve harmonious communities. The review will be linked to the High Rise Project and designation of nature of the blocks and target audiences.
- Develop a formula to apply a City wide approach to local connection requirements and establish criteria to assess areas where there is limited supply and affordability issues in outer areas on the basis of supply and affordability.

- A clear policy is developed for housing children at height, linking restrictions to construction type of the block, the number of children living in the block and availability of houses to let nearby.
- Continue with local lettings policies for all new builds schemes and review annually following the first letting.
- The use of employment as a preference group could help reduce the impact of changes to housing benefit rules which affect under occupying council tenants of working age.

3.15 Next Steps

Approve principles of standard and overall approach, full implementation plan at Executive Board in December 2015.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The council will consult on proposals with tenants and residents, customers on the housing waiting list, partners including Registered Providers, Supported Housing providers and local Ward members.
- 4.1.2 A detailed consultation programme will be drawn up in conjunction with the Tenant and Community Involvement Service and VITAL (Voice of Involved Tenants in Leeds). Key milestones will include formal consultation with Housing Advisory Board and the High Rise Group.
- 4.1.3 The consultation process will include a specific consultation process with Children's Services to assess the impact of children at height and the need to balance housing need and rehousing options optimal housing environments.
- 4.1.4 The consultation process will include a specific consultation process with Adult Social Care to ensure synergy between access to older people's housing, sheltered housing and extra care and ensure that this is linked to support & health needs
- 4.1.5 In order to ensure ongoing tenant involvement, the current officer led project group will invite a tenant representative from the High Rise Group to join the project team.
- 4.1.6 The council will seek feedback on the development of community lettings policies with external organisations including Age Concern and the Youth Council.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 The council will conduct a full equality and diversity impact assessment as part of the review of LLPs to identify potential positive and negative impacts, and will develop an action plan to address any negative impacts identified.

4.3 Council policies and City Priorities

- 4.3.1 The development of community lettings policies supports the council's ambition of being the best city in the UK, which is fair, open and welcoming to all. The links to the best council outcomes of:

- Improving the quality of life for residents, particularly those who are vulnerable or in poverty. LLPs are generally perceived by existing tenants as positive in establishing stable communities, but also restrict the choice of rehousing for other customer groups.
- Achieving the savings and efficiencies required to continue to deliver frontline services by rewarding tenants who abide by their tenancy agreement.

4.4 Resources and value for money

The development of community lettings policies will improve lettings outcomes and reward tenants who abide by their tenancy agreement and care for their property. This will provide value for money by improving tenancy sustainment, reducing void times and costs and improving outcomes for tenants and residents. This is balanced against the reallocation of resources to proactive tenancy sustainment through home visits and pre-tenancy training.

4.5 Legal Implications, Access to Information and Call In

Under the Equality Act 2010 age discrimination is unlawful unless it can be shown to be a proportionate means of achieving a legitimate aim. A legal challenge could be made to an age related lettings policies on the basis of discrimination. If the policy is found to be unlawful discrimination, the claimant could be entitled to damages.

4.6 Risk Management

Currently the main risk is for a challenge under the Equality Act relating to the use of age LLPs. The move away from age related preferences reduces the likelihood of a successful legal challenge on the ground of unlawful discrimination based on age. Other risks of continuing to operate LLPs in their current format include reduced demand for properties and the potential for under occupation in 2 and 3 bedroom high rise properties resulting from changes to Housing Benefit paid to under occupying tenants of working age.

There are also some risks associated with some of the proposals and options. Whilst there is evidence to suggest an appetite for change, there is a risk attached to the speed of implementation to removing age related LLPs. This is particularly relevant to popular and well established high rise blocks where the resident profile and demand still meet the current age related LLP. It is likely there will be resistance to change so a phased approach over 3 years with an annual review of the LLP is recommended for such blocks.

The proposals for reducing the number of LLPs and strengthening the way in which we carry out lettings and tenancy management will require changes to the way we work and a redirection of resources. The service needs to have the capacity to deliver such things as additional home visits and new initiatives such as Pre-tenancy training, without this impacting on core business and performance.

However, the development of LLPs under the new proposals will improve lettings outcomes and reward tenants who abide by their tenancy agreement and care for their property. This will provide value for money by improving tenancy sustainment, reducing void times and costs and improving outcomes for tenants and residents. This is balanced against the reallocation of resources to proactive tenancy sustainment through home visits and pre-tenancy training. There may be additional cost implications to the development of new initiatives such as Pre-tenancy training but

our approach will be 'an invest to save' model bringing longer term financial benefits in preventing tenancy failures.

5 Conclusions

The council has developed Community Lettings Policies based on a 'menu' of options to deliver sustainable, transparent and fair lettings criteria with the overall aim of moving towards an evidence-based approach to lettings. Examples include preference to tenants who can demonstrate they have kept to their tenancy agreement, people in employment/ training, and people who have completed pre-tenancy training and demonstrated a commitment to the rights and responsibilities of the council's tenancy agreement.

6 Recommendations

- 6.1 Environment & Housing Scrutiny Board provide feedback on the new approach to developing community lettings policies which builds on the success of new lettings criteria used for new build homes delivered through the Council's Housing Growth Programme.

Appendices

- Appendix 1 List of local lettings policies

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Area	Housing office	Address	LLP	type	No. props
Belle Isle	BITMO	Aberfield Drive various flats	35+	age	10
Belle Isle	BITMO	Aberfield Drive various flats	40+ / access only children 10+	age	12
Belle Isle	BITMO	Winrose Drive various flats	keyworkers/employment/local connection	Keyworker	12
Belle Isle	BITMO	Winrose Drive, Winrose Grove, Belle Isle Circus various flats	55+	age	40
Belle Isle	BITMO	Windmill Close	Good neighbour	Good neighbour	16
East	Burmantofts	Lupton Avenue various flats	35+	age	12
East	Burmantofts	St Stephens Road, Rigton Close, Rigton Drive, Nippet Lane various flats	40+/no resident children	age	84
East	Burmantofts	Naseby Grange	55+	age	98
East	Burmantofts	Brignall Croft, Gargrave Court, Scargill Grange	25+/no resident children	age	290
East	Burmantofts	Shakespeare Court, Shakespeare Grange, Shakespeare Towers	35+/no resident children	age	291
East	Chapelton	Button Hill various flats	50+	age	7
East	Chapelton	Town Street Walk various flats	50+	age	10
East	Chapelton	Newton Lodge Close various flats	40+	age	16
East	Chapelton	Potternewton Court	55+/no resident children	age	56
East	Chapelton	Potternewton Heights	45+/no resident children	age	83
East	Gipton	St Albans Approach various flats	50+	age	6
East	Gipton	Buller Grove various flats	50+/no resident children	age	8
East	Gipton	Kimberley Road various flats	55+/no resident children	age	12
East	Gipton	Easterley Mount (12), Easterley Square(2)	50+	age	14
East	Gipton	Pembroke Grange and Pembroke Towers	55+/no resident children	age	84
East	Gipton	Oakland Drive	Local Conn	Local Conn	10
East	Gipton	Denbigh Croft, Denbigh Heights	55+/no resident children	age	90
East	Gipton	Brecon Rise and Brecon Court	55+/no resident children	age	92
East	Gipton	Gipton Gate East, Gipton Gate West	35+/no resident children	age	119

East	Gipton	Briarsdale Heights, Briarsdale Court, Briarsdale Croft	35+/no resident children	age	137
East	Gipton	Highways various flats	35+/children 10+	age	12
East	Gipton	Highways various flats	55+/no resident children	age	118
East	Gipton	Coldcotes Walk various flats	50+	age	8
East	Halton Moor / O'thorpe	Lakeland Court	45+/no resident children	age	58
East	Harewood	Bondgate 2 flats	35+/no resident children	age	2
East	Meanwood	Scott Hall Drive various flats	25+/no resident children	age	22
East	Meanwood	Stonegate Farm Close various flats	40+/no resident children	age	20
East	Moortown	Elmhurst Close various flats	40+/no resident children	age	15
East	Moortown	Saxon Green various flats	40+/no resident children	age	19
East	Moortown	Stonegates various flats	35+/no resident children	age	3
East	Moortown	Stonegates Road various flats	35+/no resident children	age	4
East	Moortown	Leaffield Close various flats	40+/no resident children	age	5
East	Moortown	Queenshill Approach various flats	40+	age	6
East	Moortown	Fieldhouse Close various flats	40+	age	7
East	Moortown	Queenshill Drive various flats	40+	age	8
East	Moortown	Stonegate Road various flats	40+	age	11
East	Moortown	Leaffield Towers	40+	age	59
East	Moortown	West Park Chase various flats	35+/no resident children	age	4
East	Moortown	Brackenwood Drive various flats	40+/no resident children	age	6
East	Moortown	Chandos Gardens various flats	35+/no resident children	age	12
East	Moortown	Brackenwood Green various flats(odds only)	40+/no resident children	age	12
East	Moortown	Lidgett Towers	30+/no resident children	age	54
East	Moortown	Norfolk House various flats	10+	age	2

East	Moortown	Leatham House various flats	10+	age	2
East	Moortown	Gray House	10+	age	2
East	Moortown	Leaconfield House Wetherby	10+	age	3
East	Moortown	Fairview House Wetherby	10+	age	3
East	Moortown	Birkmyre House	10+	age	3
East	Moortown	Rhodes House Wetherby	10+	age	3
East	Moortown	Hodgson House	10+	age	3
East	Richmond Hill	Saxton Gardens	45+	age	230
East	Seacroft North	Bailey Towers	40+/no resident children	age	60
East	Seacroft North	Brookland Towers	40+	age	60
East	Seacroft North	Seacroft Gate Blocks 1 & 2	40+/no resident children	age	118
East	Seacroft North	Barncroft Court, Grange, Heights, Towers	50+/no resident children	age	178
East	Seacroft South	Hollin Park Mount various flats	40+	age	4
East	Seacroft South	Hollin Park Avenue various flats	40+	age	4
East	Seacroft South	Inglewood Place	25+	age	18
East	Seacroft South	Dib Lane	40+	age	20
East	Seacroft South	Fearnville Close and Fearnville Drive	40+/no resident children	age	21
East	Seacroft South	Inglewood Drive	25+	age	44
East	Seacroft South	Parkway Court	35+/no resident children	age	87
East	Seacroft South	Parkway Grange	35+/no resident children	age	87
East	Seacroft South	Parkway Towers	25+/no resident children	age	98
East	Wetherby	all family houses 2B+	local conn	Local Conn	517
South	Garforth & Kippax	Family type housing	Local Conn	Local Conn	1038
South	Inner team	Cardinal Road, Cardinal Square, Cardinal Walk, Redhall Close, Redhall Crescent, Waincliffe Place	25+	age	83
South	Inner team	Meynell Heights	45+	age	94
South	Inner team	Crescent Towers	45+	age	96
South	Inner team	Beeston Hill and Holbeck new builds	excellent tenancy record 75% / other pref criteria 25%		76
South	Kippax	Various bedsits: Victoria Street, Allerton Bywater and Mount Pleasant Gardens	55+	age	38
South	Morley	Cottingley Heights	25+/no resident children	age	143

South	Morley	Cottingley Towers	25+/no resident children	age	144
South	Morley	Bank Street various flats	45+/no resident children	age	12
South	Morley	Bank Avenue various flats	45+/no resident children	age	45
South	Morley	Glen Grove: various flats	45+	age	8
South	Morley	Beacon Avenue: various flats	45+	age	8
South	Morley	Glen Mount: various flats	45+	age	11
South	Morley	Elmfield House various flats	45+/no resident children	age	12
South	Morley	Elmfield Court various flats	45+/no resident children	age	40
South	Morley	Birch Court various flats	45+/no resident children	age	44
South	Morley	Glen Road: Various flats	45+	age	51
South	Morley	Lewisham Court various flats	45+/no resident children	age	54
South	Rothwell	Lay Garth Place	55+	age	4
South	Rothwell	Carlton Lane	55+	age	4
South	Rothwell	Lay Garth Green	55+	age	12
South	Rothwell	Lay Garth Gardens	55+	age	19
South	Rothwell	Blackburn Court (various 1 bed flats and bedsits)	55+	age	24
South	Rothwell	Family type housing	Local Conn	Local Conn	751
South	Swarcliffe	Sherburn Court	55+	age	82
South	Swarcliffe	Primrose Road	55+	age	6
South	Swarcliffe	Field End	55+	age	10
South	Swarcliffe	Brooksbank Drive	55+	age	20
West	Armley	Town St various flats	30+	age	4
West	Armley	Fearnley Close various flats	40+	age	4
West	Armley	Second Ave various flats	30+	age	5
West	Armley	Tong Road various flats	30+	age	6
West	Armley	First Avenue various flats	30+	age	7
West	Armley	Parliament Place various flats	35+	age	10
West	Armley	Cheltenham St various flats	40+	age	27
West	Armley	Westerly Croft various flats	30+	age	45
West	Armley	Westerly Rise various flats	30+	age	45
West	Armley	Burnsall Gardens various flats	30+	age	46
West	Armley	Burnsall Grange	30+	age	95
West	Armley	Burnsall Croft	40+	age	97
West	Armley	Wortley Heights	35+	age	99
West	Armley	Poplar Court, Poplar Mount	21+	age	182
West	Armley	Wortley Heights, Wortley Towers, Clyde Court, Clyde Grange	Good neighbour	Good neighbour	396
West	Bramley	Flats in Bellmounts(15), Landseers (94), Newlay Lane(3), Rossefield (flats and bedsits)(111), Wellington Grove(16), Ashlea(7), Coal Hills(23), Intake Lane(10), Snowdens (81), Westovers(12), St Catherines(18), Upper Town Street(4)	35+	age	393
West	Bramley	Flats in Baths (12), Fairfield Close(27)	25+	age	39

West	Bramley	Flats in Fernbanks (39), Ganners (109), Langleys (27), Summerfields (71)	30+	age	246
West	Horsforth	Various - Holtdale Avenue, Close, Croft, Drive, Fold, Gardens, Garth, Green, Grove, Lawn, Place, Road, View and Way	Good neighbour	Good neighbour	272
West	Horsforth	Broadwalks (42), Springwell Close (10), Wilkinson Way (19)	40+	age	71
West	Horsforth	Windmill Lane (6)	40+	age	6
West	Kirkstall	Lea Farm Drive, Lea Farm Place, Lea Farm Grove: various flats	Good neighbour	Good neighbour	52
West	Kirkstall	Moor Grange Court	50+	age	58
West	Kirkstall	Iveson Grove various flats	45+	age	31
West	Pudsey	Andrew House (6), Blackett Street (3), Burton Street (12), Durham Court (6), East Court (6), Hainsworth Court (5), Hollin Park Road (8), Oakwell Court (6), Walton Croft (6): various flats	40+	age	52
West	Pudsey	Minster flats, Ripon House (9), Beverley Court (8), Durham Court (6), Lincoln Court (9), York House (9)	55+	age	41
West	Pudsey	New Street Grove (16)15, The Gardens (8)	50+	age	23
West	Pudsey	Acres Hall Avenue (27), Carlisle Road (3), Clifton Court (10), Fartown (8), Harley Rise (16), Highfield Green (16), Highfield Road (4), Lane End(4), Littlemoor Crescent (10), Rutland Court (18), Standale Crescent (8), Swinnow Gardens (4), Swinnow Green (7), Swinnow Road (11), Thorpe Road (16), Victoria Crescent(8), Washington Place (8) Westdale Drive (20), Westdale Grove (17), Westdale Road (12)	30+	age	226
West	Pudsey	Waterloo Road, Marsh View	55+, local connection to Pudsey, preference to Pudsey social housing tenants downsizing	age	8
West	Pudsey	Various: Crimbles Place (16) Claremont Grove (60)	50+	age	76
West	Pudsey	2-48 Chaucer Avenue (23), 1-39 Meadowhurst Gardens (31), 1-20 Mount Tabor Street (20), 21-27 Radcliffe Lane (4), 1-8 St Lawrence Close (8), 1-20 Tofts House Close (18), 31-53 Windmill Hill (12),	50+	age	116

West	Pudsey	Various: Rycroft Court (46), Rycroft Place (46), Rycroft Towers (46)	30+	age	137
West	Wortley	'Amber Cottage' Amberley Road	55+ and LC to Wortley	age	1
West	Wortley	Kitson Close	40+	age	2
West	Wortley	Toft Street	40+	age	2
West	Wortley	Privilege St	40+	age	4
West	Wortley	Privilege St	40+	age	5
West	Wortley	Thornhill Road	40+	age	6
West	Wortley	Hawkhurst Road	40+	age	6
West	Wortley	Amberley Gardens	40+	age	7
West	Wortley	Kitson Gardens	40+	age	8
West	Wortley	Thornhill Place	40+	age	11
West	Wortley	Evelyn Place, Silver Royd Hill, Marsden Street	55+, LC to Wortley, pref to Wortley social housing tenants downsizing	age	16
West	Wortley	Fawcett Gardens	30+	age	23
West	Wortley	Whincover Grange	50+	age	48
West	Wortley	Gamble Hill Croft	30+	age	93
West	Wortley	Addingham Gardens (12), Blackpool Place (4), Branch Road (3), Cow Close Road (7), Lower Wortley Road (5), Whingate Green (12), Gainsborough Place (8), Newton Square (10), Low Moor Side Court (16), Silver Royd Hill (11), Low Moor Side Close (3)	35+	age	91
West	Wortley	Farrow Green (20), Gamble Hill Close (5), Gamble Hill Drive (19), Fawcett Close (12), Silver Royd Close (7), Whincover Close (12), Whincover Bank (3), Whincover Grove (12), Whincover Hill (7)	40+	age	97
West	Wortley	Whincover gardens (40+)	40+	age	3
West	Wortley	Gamble Hill Grange	30+	age	98
West	Wortley	The Heights East and West	30+	age	119
	TOTAL				10125



Report author: Angela Brogden
Tel: 24 74553

Report of Head of Scrutiny and Member Development

Report to Scrutiny Board (Environment and Housing)

Date: 12th January 2016

Subject: Initial Budget Proposals for 2016/17

Are specific electoral Wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, name(s) of Ward(s):		
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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, Access to Information Procedure Rule number:		
Appendix number:		

Summary of main issues

1. In accordance with the Council's Budget and Policy Framework, the Deputy Chief Executive submitted to the Executive Board the attached report which sets out the Initial Budget Proposals for 2016/17. The proposals are subsequently submitted to Scrutiny for consideration and review.
2. Specifically, the Scrutiny Board (Environment and Housing) is asked to consider matters and proposals relating to the Environment and Housing directorate. Other Scrutiny Boards will consider elements of the budget proposals relevant to their terms of reference.
3. Any comments or recommendations made by the Scrutiny Board will need to be submitted to the Deputy Chief Executive no later than 29th January 2016 in order that the Executive Board can consider these comments at its meeting on 10th February 2016 prior to submission of the proposed budget to full Council on 24th February 2016.
4. The Director of Environment and Housing and relevant Executive Members have been invited to the meeting to discuss the Executive's initial budget proposals.

Recommendations

5. Members are asked to consider the Executive's initial budget proposals as set out in the attached report and agree any comments and/or recommendations to be submitted.

Background documents¹

6. None

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

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

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:

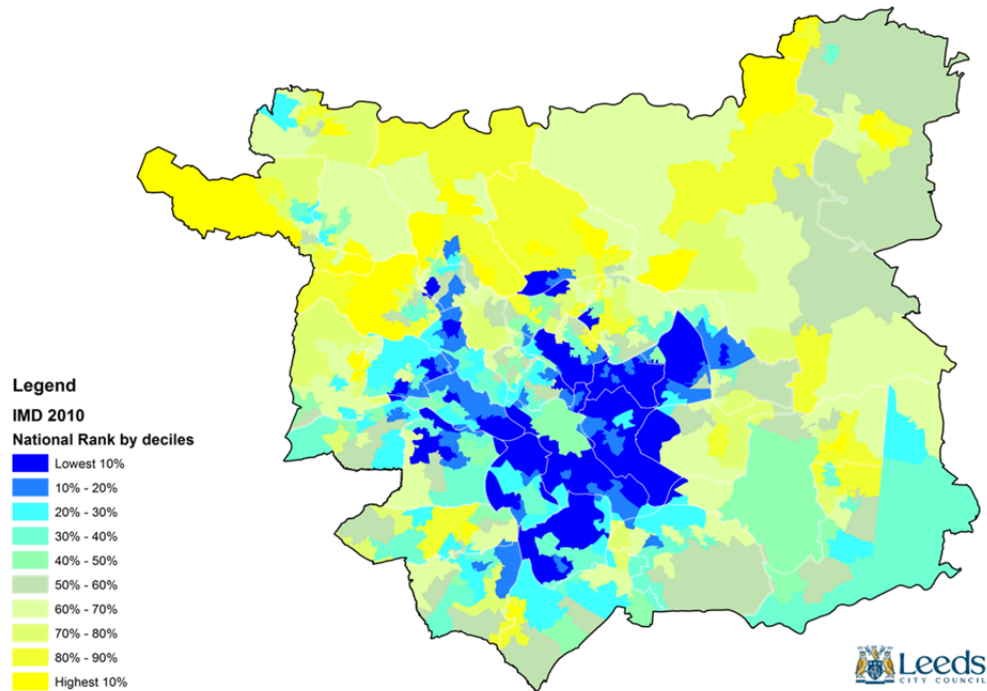
- Almost a quarter of the Leeds population – around 175,000 people across the city - is classified as being in 'absolute poverty'.
- Approximately 20,000 people in Leeds have needed assistance with food via a food bank between April 2014-2015.
- Over 28,000 (19.5%) Leeds children are in poverty, 64% 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

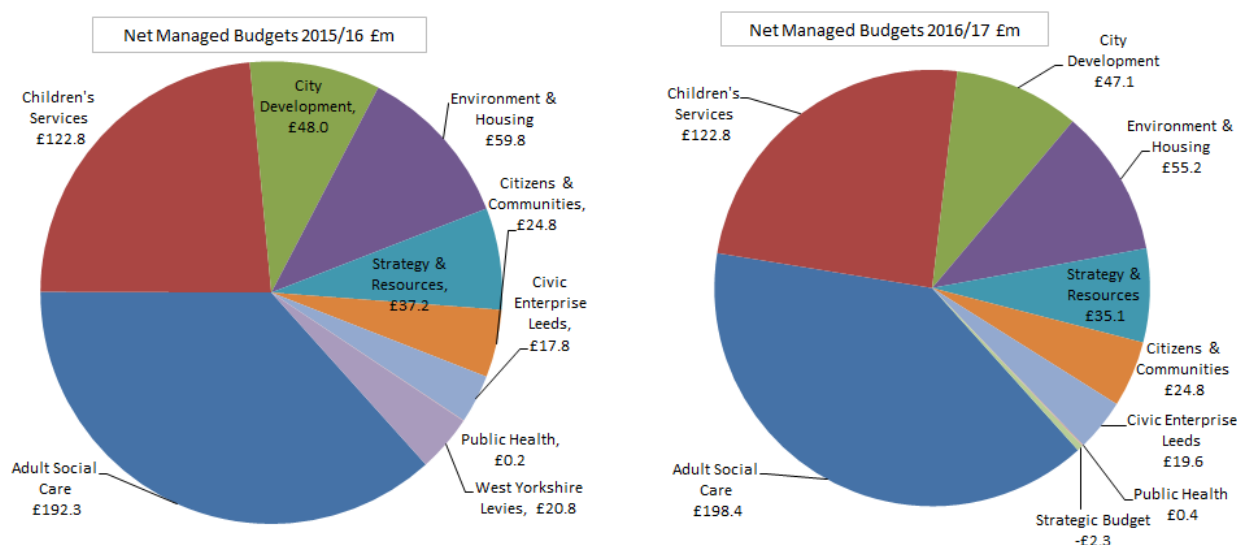
- 6.1 This section provides an overview of the spending pressures which the Council is facing in 2016/17 and the initial budget proposals to balance to the available resources. Table 12 below provides a summary of key cost pressures and savings areas:

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.

APPENDIX 1

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							(1.3)	6.5
Debt & Capital Financing						0.4		3.9		0.4
Council Tax base & Support										3.9
Public Health grant reduction			0.6						0.3	0.6
Tour de Yorkshire & World Triathlon									0.2	0.3
Income Generation & Inward Investment						0.2			0.2	0.2
West Yorkshire Transport Fund									2.1	0.2
Elections - reinstate budget										2.1
Business Rates - Retail rate relief - fall out of s31 grant	(0.6)	(0.6)	(0.3)	(0.3)	(0.2)	(0.1)	(0.2)			(2.3)
Fall-out of Capitalised Pension costs										
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				(0.03)	(0.5)				(0.6)	(0.6)
Asset Management	(0.3)	(0.1)	(0.1)						(21.0)	(1.1)
Review of Minimum Revenue Provision									(2.3)	(21.0)
Reserves/Other Income										(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)	(0.7)	(1.1)	(0.2)	(0.6)	(0.4)			(2.8)
Income - Traded Services, Partner & Other Income	(5.7)	(5.3)	(0.2)	(0.1)	(3.1)	(1.5)	(1.2)	(5.3)	0.0	(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
Increase/(decrease) from 2015/16	6.2	0.0	(0.9)	(4.6)	(2.2)	(0.0)	1.8	0.2	(23.1)	(22.6)

Appendix 2

Adult Social Care - Savings Options 2016/17

Savings Proposal	Customer Impact	Ease of Deliverability	Comments	Saving		Is this relevant to Equality & Diversity?
				2016/17	2017/18	
	H/M/L	R/A/G		£m	£m	
A) Efficiencies						
Assessment & Care Management - Efficiency & Effectiveness	L	A	End to end review including revisiting skills mix, staff turnover rates and activities undertaken. Minimal customer impact	(0.5)	(1.5)	N
Vacancy Management	L	G	Holding vacant posts - almost all relates to back-office functions	(0.8)		N
Sub-Total Efficiency				(1.3)	(1.5)	
B) Changes to Service						
Adults - Assessment & Care Management - Practice	M	A	This will focus on new clients. Review of approval mechanisms, team performance, commissioning decisions, access to residential care and approach to Continuing Health Care, increased use of telecare and reablement. To include looking at community and universal alternatives and developing and supporting community action. Main impact likely to be on costs/processes, but there will be some impact on service provision, with more customers signposted to community based services and a reduction in the average spend per customer.	(1.0)	(3.0)	Y
Physical Impairment Services	M	A	This will focus on existing customers. Review high cost care packages and review customers against Care Act eligibility, meeting eligible needs in a cost-effective way. Promotion of 'Ordinary Lives', expand the personalised offer through Shared Lives and review the resource allocations system for personal budgets. 2017/18 may involve a review of day service provision. The impact likely to be mainly for older people with physical impairments. Any customers not meeting Care Act eligibility will be signposted to alternative services in the community and reduced average spend per care package.	(0.5)	(0.5)	Y
Mental Health Services	M	A	This will focus on existing customers. Review high cost care packages and review customers against Care Act eligibility, meeting eligible needs in a cost-effective way. Promotion of 'Ordinary Lives' and review of the resource allocation system for personal budgets'. 2017/18 may involve a review of day service provision. Impact will include reduced average spend per care package. Any customers not meeting Care Act eligibility will be signposted to alternative services in the community.	(1.0)	(1.0)	Y

Learning Disability Services	H	A	This will focus on existing customers. Service will manage with standstill budget rather than the £3m growth in previous years. Review high cost care packages and review supported living and home care services. Review customers against Care Act eligibility, meeting eligible needs in a cost-effective way. Promotion of 'Ordinary Lives' and review of the resource allocation system for personal budgets'. Review the transitions pathway and work closely with Children's Services to manage expectations and deliver cost-effective services for those aged 18+. Impact will include reduced average spend per care package. Any customers not meeting Care Act eligibility will be signposted to alternative services in the community. May need to review the service offer, including Aspire services.	(3.0)	(3.0)	Y
Closure of residential homes and day centres for older people	M	A	Includes the full-year effect of the closure of Primrose Hill home in 2015/16. Requires Executive Board approval for further residential and day care closures scheduled for Summer 2016 to deliver the 2017/18 closures and part of the 2016/17 savings.	(0.5)	(1.8)	Y
Older People's Services	M	A	Further phase of Better Lives programme in Provider Services. Closure of all remaining directly provided homes except those used for short stays/ intermediate care. Will require consultation and Executive Board approval.		(1.1)	Y
Sub-Total Service Changes				(6.0)	(10.4)	
C) Additional Income - Fees and Charges						
Charging review for Non-Residential Services	H	A	Consultation on proposals underway closing December 2015, with Executive Board approval required in early 2016. Around one third of customers likely to pay more (2,600 people) but financial assessment ensures affordability.	(1.0)	(2.0)	Y
Sub-Total Additional Income (Fees & Charges)				(1.0)	(2.0)	
D) Additional Income - Traded Services, Partner and Other Income						
Better Care Fund	L	A	Requires agreement with health to convert capital funding provided by LCC for the BCF to be released back as revenue funding	(1.8)		N
Further health funding/use of the Health & Social Care earmarked reserve	L	R	Exploring whether further health funding can be secured and/or exploring the potential use of the Health & Social Care earmarked reserve. These will require further discussion/agreement with CCGs.	(3.9)		N
Sub-Total Additional Income (Traded Services, Partner and Other Income)				(5.7)	0.0	0.0
Total Savings Options - Adult Social Care				(14.0)	(13.9)	

Children's Services - Savings Options 2016/17

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						
Children in Care	L	R	The 2016/17 budget proposal is a real-terms stand-still for the budgets that support children in care. This proposal recognises the 2015/16 budget pressure on placements for Children looked After (CLA) of approximately £4m (as at November 2015). The challenge is to continue to safely and appropriately reduce the need for statutory intervention against a back-drop of increasing demographic/demand for services arising from inward migration to the city, increasing birth rates and greater awareness around child protection.	0.0	0.0	N
Children's Homes (Mainstream & Disability)	L	A	Further efficiencies in running costs (primarily staffing/Agency/Overtime) as a result of reconfiguration of Children's Homes and the closure of Bodmin & Pinfolds children's homes earlier in the financial year.	(0.4)	0.0	N
Youth Offending Service	M	A	Restructure Youth Offending Service (YOS) to deal with £0.3M reduction in government grant and contribute £0.1M to savings required in 16/17. 3 posts currently identified for Early Leavers Initiative and several posts being held vacant. Savings will also be required from services rendered by other organisations working for the YOS.	(0.4)	0.0	Y
Special Educational Needs & Disability (SEND) Reform	M	A	Reduce staffing spend to mitigate against a £0.4m fall-out of SEND Reform Grant. Reduction equivalent to approximately 5 FTE's.	(0.3)	0.0	Y
Family Placement	L	A	Transfer Family Placement Team to the Complex Needs service to reduce management costs	(0.1)	0.0	Y
Multi Systemic Therapy and Families First Programme	L	G	Reduction in supervision / management through cross team working	(0.1)	(0.0)	N
Children's Centres	L	A	Reduce the net cost of Learning for Life managed Children's Centres childcare by reducing supernumerary management posts e.g. assistant managers or Childrens Centre managers, ensuring correct number of term time only and all year round staff, and catering cost savings.	(0.5)	(0.5)	N
Family Support Services - Recharge to the Housing Revenue Account	L	A	Optimise Housing Revenue Account (HRA) funding for services to Families to reflect the work that our Multi-systemic Therapy (MST) Teams do with families within Council Tenancies	(0.3)	0.0	N
Targeted Services Leaders	M	A	Reduction in Targeted Services Leaders posts and associated costs. Linked to cluster/locality working and re-focusing of resources in high need clusters	(0.2)	(0.2)	Y
Partnership Development & Business Support	L	A	Further rationalisation of staffing across IMT, Workforce Development, Voice & Influence & Commissioning	(0.5)	0.0	Y
Supplies and Services			Cash-limit budgets and limit spend to essential items	(0.2)	0.0	N
Sub-Total Efficiency				(2.8)	(0.7)	

B) Changes to Service

Services for Young People	H	R	Proposal to fundamentally change the way in which Children's Services respond to the needs of young people including further savings on the 'Youth Offer', Youth inclusion Project (YIP) and services to young people at risk of becoming NEET (not in education, employment or training)	(1.2)	0.00	
Externally Commissioned Family Intervention Service	L	A	Cessation of Domestic Violence contract (wef 1/10/2015) - £250k saving. Propose to reduce the Family Intervention Service contract in South Leeds by approximately 10% (£70k saving) and reduce the budget for the in house service by £80k by not recruiting to vacancies.	(0.4)	0.0	Y
Transport	H	R	Range of options for Post 16 Transport which would deliver savings of between £0.25m and £1m by 2017/18. Decision around consultation will be needed	0.0	(1.0)	Y
Sub-Total Service Changes				(1.6)	(1.0)	

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

Income -Health Clinical Commissioning Groups	L	R	£1.6m of funding from Clinical Commissioning Groups (CCG's) agreed for 2015/16 - further work to be done to agree funding in 16/17 and beyond	(1.6)	0.00	N
Income (Schools Forum)	L	R	Schools Forum funding of £3.4m per academic year provisionally agreed subject to delivery of activity/outcomes. £1m of funding for SEMH already assumed within base budget	(2.4)	0.00	N
Income (Improvement Partner)	L	R	Aim to maximise potential income from work commissioned by DfE in relation to other local authorities. Initial work is being undertaken in 2 local authorities with interest shown by 2 other authorities	(0.5)	(0.3)	N
Income (Adel Beck)	L	A	Aim to maximise potential income from Welfare Beds following reduction in block beds purchased by Youth Justice Board. Contribution for Welfare beds daily rate higher than for YJB.	(0.4)	0.0	N
Early Years Improvement	L	A	Reduce the net cost of the non-statutory element of the service either by additional traded income or reducing service provision.	(0.2)	(0.2)	Y
School to Work Transition (14-19) Team	L	G	Trade with schools, academies and colleges	(0.1)	0.0	N
Educational Psychology Service	L	R	Increase traded income target - challenge will be increasing income and meeting statutory duty with rising demography/demand pressures	(0.1)	(0.1)	N
Income (trading with Schools)	L	A	Aim to achieve full cost recovery of primary and secondary school improvement service	0.0	(0.4)	N
Sub-Total Additional Income (Traded Services, Partner and Other Income)				(5.3)	(1.0)	
Total Savings Options - Children's Services				(9.7)	(2.6)	

City Development - Savings Options 2016/17

Savings Proposal	Customer Impact	Ease of Deliverability	Comments	Saving		Is this relevant to Equality & Diversity?
				2016/17	2017/18 fye	
				£m	£m	
	H/M/L	R/A/G				
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
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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)	

Environment & Housing - Savings Options 2016/17

Savings Proposal	Customer Impact	Ease of Deliverability	Comments	Saving		Is this relevant to Equality & Diversity?
	H/M/L	R/A/G		2016/17 £m	2017/18 fye £m	
A) Efficiencies						
Leeds Building Services	M	A	Realisation of reductions in running cost expenditure	(0.19)		N
Energy Costs - Directorate wide	L	G	Reduction in energy (gas, electricity & water) costs	(0.10)		
Waste Management / Env Action / Parks - Fuel savings	L	G	Assumption that the reduction in fuel prices continues into 2016/17	(0.49)		N
Waste Management - Refuse Collection	L	G	Refuse Collection Staffing - Savings delivered through a combination of the removal of support for Alternate Week Collection 4, a review of staffing across routes including back up and the full year effect of the 2015/16 restructure.	(0.24)		N
Waste Management - Recycling	M	A	Target a 2% improvement in recycling from greater participation in existing recycling services. This will require a step change in some residents habits with emphasis upon the "Social contract." In addition a review of total waste volumes, the mix of waste and the price of recycled materials will realise savings.	(0.56)		Y
Waste Management - PFI advisor savings	L	G	Reduce PFI advisor budget following the opening of the RERF plant	(0.05)		N
Waste Management - Refuse Collection	L	G	Reduce annual capital spend on replacement bins and no further roll out of kerbside collection of garden waste will realise savings in capital financing costs.	(0.06)	(0.01)	N
Waste Management - Procurement saving - Closed Landfill contract	L	G	Minor levels of income generated at Gamblethopre Closed landfill site from electricity generation	(0.02)		N
Staffing (Directorate wide) - including vacancy management	M	G	Realisation of staff savings through the management of vacant posts across the Directorate.	(0.85)		Y
Waste Management - Review Household Waste Sort Site provision	M	A	Implement the review of provision of HWSS across the city.	(0.13)		Y
Environment & Housing - line by line budget review	L	G	Review of Directorate line by line expenditure budgets to target reductions in non essential spend.	(0.61)		N
Housing Related Support - contract savings	M	G	Full Year Effect of 2015/16 contract negotiations and targeting further cost reductions in contracts	(0.32)		N
Sub-Total Efficiency				(3.60)	(0.01)	
B) Changes to Service						
Sub-Total Service Changes				0.00	0.00	

C) Additional Income - Fees and Charges

Bereavement Services - price increases	M	A	Implement a 1% price rise above inflation for cremation in 2016/17.	(0.04)		Y
Lotherton Hall	M	A	Implement an above inflation rise for entry in 2016/17	(0.01)		Y
Car Parking	M	G	Additional income realised through both an increase of price tariffs for On and Off street parking. It is also assumed that activity levels that have resulted in additional parking income in 2015/16 continues.	(0.53)		Y
Environmental Action Service	L	G	Reduced 33% discount on early payment of fines - down to 20% this only relates to Environmental FPN and not car parking (covered by specific legislation) Discounted value £60	(0.03)		Y
Environmental Action - Pest Control	L	G	Review charges and give consideration to introducing charges for services that currently aren't charged for e.g charging for dealing with rats in domestic properties.	(0.04)		N
Parks & Countryside - Tropical World/ Café / Retail	L	G	Assumed continuation of the increased income trend from 2015/16	(0.40)	(0.09)	Y
Sub-Total Additional Income (Fees & Charges)				(1.05)	(0.09)	

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

Community Safety - CCTV	L	G	Generation of additional income through providing the CCTV to other public bodies such as Local Authorities and Passenger Transport Authorities.	(0.10)		Y
Sub-Total Additional Income (Traded Services, Partner and Other Income)				(0.10)	0.00	
Total Savings Options - Environment & Housing				(4.8)	(0.1)	

Strategy & Resources - Savings Options 2016/17

Savings Proposal	Customer Impact	Ease of Deliverability	Comments	Saving		Is this relevant to Equality & Diversity?
				2016/17	2017/18 fye	
A) Efficiencies				£m	£m	
	H/M/L	R/A/G				
Financial Services	M	A	Further changes to the way financial services are provided focussing on key budgets, possible self service for low risk budgets, more centralised service/ hub approach where appropriate and a reduction in the Internal Audit service	(0.6)	(0.6)	Y
Human Resources	M	A	Further review of various elements of the service including a move to more on-line and telephone guidance service, a reduction in HR input into lower profile casework and restrictions on some face to face occupational health appointments. Savings to be realised through early leavers, and although the service do want to make some appointments, a normal level of staff turnover would mean that a saving of £200k is achievable	(0.3)	(0.2)	Y
ICT Further Print Smart savings	L	G	New contract now in place and printer estate has reduced and is expected to reduce further	(0.1)	(0.1)	N
ICT Telephony: procurement savings from switching from BT to Virgin	L	G	Transition to Virgin under PSN, contract now in place	(0.2)		N
ICT Telephony modernisation	L	A	Wide review of telephony within the council, including assessing options to make more use of VOIP, Skype and reduced use of landlines. 18 month project. Some of the potential options would mean change to the way we work, eg phones connected to laptops.	(0.1)	(0.1)	N
ICT Essential Services Programme	M	G	Reduce capital spend by £500k from £4.1m to £3.6m. Impact on revenue (corporate account) is -£110k per annum	(0.1)		
Projects Programmes & Procurement Unit	L	G	Challenge the need to support all projects - cease or downscale lower priority projects			Y
Projects Programmes & Procurement Unit	L	A	Identify efficiencies the service could deliver, eg a less resource intensive service (identifying associated risks), possibilities to reduce internal support costs	(0.5)	(0.5)	Y
Projects Programmes & Procurement Unit	L	A	Further opportunities for external income			N
Corporate Communications and Intelligence	L	G	Savings will be delivered in this area by continuing to reduce and refocus the Communications and Intelligence capacity. It will rely on requirements for these services being clearer and better prioritised by using insight from evaluation activity. Non staffing budgets will be reviewed again for further savings	(0.3)	(0.3)	Y

Democratic Services	L	R	Reconfiguration of Scrutiny and Governance support to deliver staffing savings plus other savings in running costs across the whole service	(0.1)		Y
Better Business Management	L	A	Business Admin - further savings following transfer of core staff and budget into the Business Support Centre. In addition, implementation of manager/employee self-service	(0.4)	(0.4)	Y
Further savings			Additional savings of £250k still to be identified	(0.3)		
Sub-Total Efficiency				(2.9)	(2.2)	

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

Yorkshire Purchasing Organisation - Corporate Rebate	L	G	Actual rebate (based on Council wide spend) has been consistently higher than budget in recent years	(0.1)		N
ICT	L	G	Provide full managed service for West Yorkshire Joint Services, estimated 200 devices - 5 year contract at fixed price per device	(0.2)		N
Sub-Total Additional Income (Traded Services, Partner and Other Income)				(0.2)	0.0	
Total Savings Options - Strategy & Resources				(3.1)	(2.2)	

Citizens & Communities - Savings Options 2016/17

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						
Community Hubs	M	A	Further efficiencies from bringing services together into the Community Hubs	(0.1)	(0.1)	Y
Review of Communities pay and running costs	L	A		(0.2)		Y
Transactional web	L	A	Savings per business case approved by Executive Board	(0.2)	(0.2)	Y
Registrars Service	L	A	Review of costs and income	(0.1)	(0.1)	Y
Sub-Total Efficiency				(0.5)	(0.4)	
B) Changes to Service						
Third sector infrastructure grant	H	R	10% potential reduction	(0.1)		Y
Reduction in Well Being and Youth Activities	H	A	10% potential reduction	(0.2)		Y
Innovation Fund	M	A	Reduce by £50k in 2016/17, a further £50k in 2017/18 and cease in 2018/19	(0.1)	(0.1)	Y
Sub-Total Service Changes				(0.3)	(0.1)	
C) Additional Income - Traded Services, Partner and Other Income						
Housing Benefit Overpayments	L	G	Increase resource on identification of Housing Benefit overpayments - will cease in 2017/18 as Universal Credit is implemented	(0.4)		Y
Council Tax - Single Person Discount	L	A	Extend review - saving of £200k net of £80k fee to Capita. Additional income added to the Council Tax base in 2016/17			Y
Advice Consortium and Welfare Rights	L	A	Proposed HRA contribution to support Council housing tenants relating to under occupancy and rent arrears	(0.2)		N
Local Welfare Support Scheme	L	A	Proposed HRA contribution re Council housing tenants in financial difficulty paying their rent or through the impact of under occupancy changes	(0.1)		N
Sub-Total Additional Income (Traded Services, Partner and Other Income)				(0.6)	0.0	
Total Savings Options - Citizens & Communities				(1.5)	(0.4)	

Civic Enterprise Leeds - Savings Options 2016/17

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						
Maintenance of Council Buildings	M	A	Marginal reduction in spend on responsive maintenance of Council buildings. Current budget £4.9m	(0.6)	(0.2)	Y
Catering - savings on agency staff budget	L	A		(0.1)		
Vehicle Fleet	L	G	Extend vehicle lives - light commercials only	(0.2)	(0.2)	Y
Energy	L	A	Impact of energy efficiency measures	(0.1)	(0.1)	Y
Sub-Total Efficiency				(0.9)	(0.5)	
B) Additional Income - Traded Services, Partner and Other Income						
Civic Enterprise Trading	M	A	Recover the additional costs from the Living wage via income in respect of schools and HRA	(0.2)	(0.2)	Y
Civic Enterprise - Additional income	L	A	Develop further opportunities for additional external income	(0.2)	(0.1)	Y
Sub-Total Additional Income (Traded Services, Partner and Other Income)				(0.4)	(0.3)	
Total Savings Options - Civic Enterprise Leeds				(1.2)	(0.7)	

Public Health - Savings Options 2016/17

Savings Proposal	Customer	Ease of	Comments	Saving		Is this relevant to Equality & Diversity?
	Impact	Deliverability		2016/17	2017/18 fye	
	H/M/L	R/A/G		£m	£m	
A) Changes to Service						
General Fund - Review of commissioning contracts	H	A	Drug Intervention Programme & Integrated Offender Management cessation of service if PCC funding falls out.	(0.6)		Y
Public Health - Review of commissioning contracts	H	G	Continuation of savings agreed in 2015/16	(0.5)		Y
Public Health - reduction in remaining eligible contracts	H	A	Reduction in most other commissioned services, including services carried out by other directorates	(2.5)		Y
Staffing budgets, overheads and general running costs	L	A	Reduction in general running costs and staffing pay budget.	(0.4)		Y
Savings still to be identified	H	R	Follows letter from Chief Executive of PH England 30/11/15 clarifying that the in-year grant reductions in 2015/16 will recur and are in addition to the reductions in 2016/17.	(1.3)		Y
Sub-Total Service Changes				(5.3)	0.0	0.0
Total Savings Options - Public Health				(5.3)	0.0	0.0

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:



Report author: Sam Millar
Tel: 0113 3950800

Report of Director of Environment and Housing

Report to Environment & Housing Scrutiny Board

Date: 12th January 2016

Subject: Community Safety – Update

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 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

This report provides a brief update on a number of community safety related themes that were presented to the Board in October 2015.

- New Psychoactive Substances
- Human Trafficking
- Prostitution
- Leedswatch
- Police Community Support Officers (Local Authority Funded)

Recommendations

Scrutiny Board are asked to note the content of this report and following discussions identify any specific areas for further information and/ or investigation.

Recommendations

Scrutiny Board is requested to note the content of this report and identify areas for further investigation.

1. Purpose of this report

The report provides a brief update on a number of community safety related themes that were presented to the Board in October 2015.

2. Main Issues

Summaries are outlined in the report.

3. Corporate Considerations

Consultation and Engagement

Consultation and engagement is embedded within the individual policy/ areas of activity.

Equality and Diversity / Cohesion and Integration

An equality impact assessment is not required at this stage as this report is primarily an information report.

Council policies and City Priorities

Community safety policy and activities contribute to the overarching outcome that Safer Leeds Partnership seeks to achieve: *People in Leeds are safe and feel safe, in their homes, in the streets and the places they go.*

Resources and value for money

Individual evaluations are undertaken within the individual policy/ areas of activity

Legal Implications, Access to Information and Call In

This report does not contain any exempt or confidential information.

Risk Management

Risk management is embedded within the individual policy/ areas of activity.

4. Conclusions

The report covers a range of policy areas demonstrating the breadth and complexity of activity.

5. Recommendations

Scrutiny Board is requested to note the contents of this report, and highlight any areas for further investigation.

6. 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.

1 New Psychoactive Substances – December update

Enforcement Update

- At Leeds Magistrates Court on Thursday 3rd December 2015 WYJS Trading Standards successfully applied for a forfeiture order against 2 head shops in Leeds. Redeye based on Otley Road in Headingley and High Rollerz based on Compton Road in Harehills were known to be selling NPS products. Both premises had previously been warned about their sales of NPS under General Product (Safety) Regulations 2005 (GPSR) and had been subject to enforcement action in May 2015.
- The magistrates agreed with the application and issued a forfeiture order and destruction of the items seized which had a street value at £34000 in total.
- This was seen as a landmark case for Leeds and a first for West Yorkshire and Safer Leeds.
- Two further cases have been adjourned until February 2016.

2 Human Trafficking – December Update

- The National Referral Mechanism (NRM) is the decision making process relating to identifying and responding to approaches of a person/people who state that they are victims of human trafficking. West Yorkshire Police is defined as a 'statutory agency' and Leeds City Council as a 'first responder' within the NRM. The NRM places a legal duty on statutory agencies to notify the Home Office of potential victims of human trafficking. The NRM is subject to a review and West Yorkshire is one of the two pilot areas for the review.
- Finding 'safe' living accommodation, pending the trafficking assessment, is a key part of the service offer within the NRM. The Home Office has contracted the Salvation Army to provide 'safe' accommodation for up to 45 days whilst the trafficking assessment is carried out. There may be a short delay (up to five days) for the accommodation with Salvation Army to be set up, however; Leeds City Council will provide emergency accommodation in these circumstances, as and when required. The victims of human trafficking invariably do not have recourse to public funds and therefore the cost of the initial accommodation is covered by the Council rather than through housing benefit. The Council has used commissioned supported housing services such as Oakdale House (service for single women) and Holdforth Court (service for single men) to provide the initial accommodation.
- There has been 10 initial accommodation placements in 2015. The Home Office (UK Visas and Immigration) can offer a person some level of limited leave to remain in the UK as a response to a confirmed trafficking situation. This would give the person recourse to public funds – including eligibility for housing allocation. A person would be subject to the same immigration conditions, right of residence based upon status as a 'worker', as other EEA citizens at the end of the leave to remain period.

- Approximately 1450 Leeds City Council staff have received training on the NRM. Officers from Leeds City Council are key stakeholders in different forums relating to human trafficking: Leeds District Human Trafficking Forum, West Yorkshire Anti Trafficking Network and the Government Agency Intelligence Network (GAIN).

3 Prostitution – December Update

- Holbeck was identified in a scoping exercise as an area with significant issues related to outdoor sex workers. To address the associated issues a project started on the 1st October 2014, in an agreed managed area, located in the industrial part of the Holbeck Hub. The area consists of light industrial premises, offices, a couple of large shops and car showrooms but is away from domestic locations. Within the managed area, officers do not enforce offences such as loitering, soliciting or kerb crawling, subject to adherence with a set of agreed rules. However, other offences are enforced in the normal way.
- The project reports to the Members Steering Group on Prostitution and the Strategic Partnership Group on Prostitution. In November 2015, the project was presented to the Safer Leeds Executive and it was agreed that the Holbeck Managed Area project would be an ongoing project.
- Since the last report in October 2015, an action plan has been drawn up taking recommendations from both Dr Sander's evaluation and the Police Crime Reduction Officers, Safe Spaces report of the managed area. This action plan will be progressed through the managed area operational group.
- The Locality Environment Team has commissioned additional cleaning on businesses premises, which will be undertaken twice a week (Mondays and Thursdays). Progress will continue to be monitored through the Operational Group.
- A number of key areas have had vegetation cut back (Network Rail have undertaken some major cut back on their land and additional activity has been commissioned by the Locality Environment Team).
- Safer Leeds Security Officers are undertaking vehicle patrols, parking and patrolling as well as responding to alarm calls through within the managed area.
- Businesses have been provided with details of the new online reporting systems that West Yorkshire Police have introduced. This includes the ability to speak an operator online via live chat and the online reporting tool. Progress will continue to be monitored through the Operational Group.
- A further case has now progressed through the courts resulting in a violent offender receiving a 10 year custodial sentence.
- Streetlight survey to be completed with highways engineers to assess the street lighting currently in place and as per the crime reduction officers report, examine ways in which lighting can be improved (e.g. increase intensity in certain area),

- A further newsletter is planned for January 2016 providing an update for residents and businesses
- The Strategic Partnership Group on Prostitution continues to explore and develop the approach to indoor sex work. West Yorkshire Police are currently reviewing and changing their policy on indoor sex work. Third Sector partners have been consulted on the new policy, via the Strategic Partnership Group on prostitution.

4 Leedswatch – December Update

- The Board requested an outline of potential future options for delivery of Leedswatch and this is currently being progressed with a report of produced in the New Year. This will also include benchmarking information with other comparable cities, in terms of CCTV systems operated by other local authorities.
- Leedswatch values its customers and all stakeholders now receive a weekly CCTV incident log report which gives details of all incidents captured in 'real time'. Further work is planned to incorporate within the report the information requested by WYP in relation to crimes which have been caught on CCTV. Work has recently been completed to improve the performance information to Community Committees and other services and will be reviewed on an ongoing basis. In addition, The Safer Leeds Partnership Analytical Team have recently been commissioned to help Leedswatch develop their Performance Management Framework, Intelligence Pathways, and help enhance reports produced by Leedswatch.
- The service is integrating Parkswatch into the existing services to ensure a co-ordinated approach is taken when response and planning operations. Construction of a new garage at Leedswatch is due to commence early in the New Year (2016). This will accommodate Parkswatch staff, bikes and equipment meaning all Leedswatch services operates from one site.
- The service is also working with Housing Leeds to plan and deliver a concierge service to the Clyde and Wortley tower blocks. Recruitment of 5 x Safer Leeds Officers is underway with a view to them commencing employment early January. The project will also include an upgrade of internal CCTV cameras to each floor within each of the four blocks. Cabling is currently being installed to accommodate this.
- Work is underway for Safer Leeds Officers to respond and re-set Fire Alarms across the City within Sheltered Housing complexes. A full key holding audit has begun to ensure all sites can be accessed. Full sign off is expected in the New Year.
- BT Fibre costs are an area of concern and the service is looking to explore changing cameras from analogue to digital to decrease ongoing costs. The current BT fibre contract ends in 2018. Opportunities to decommission cameras in locations where circuit costs are high or the camera is deemed to be sited in a location where little activity takes place are being examined. Other options

include determining alternative options for camera feeds to link back to Middleton, utilisation of wireless / radio technology already in situ. This would reduce the number of circuits required and therefore reduce costs considerably.

- A review of camera locations is to take place to ensure that cameras are located in the right places, and where they are not, that these are decommissioned. A piece of work is required prior to 2018, working alongside WYP, to establish high crime areas and where CCTV cameras are located. This would be an opportunity to ensure cameras are correctly sited for maximum benefit to fit the crime reduction strategy.
- A review of all processes within LeedsWatch is currently being undertaken to assist with any decisions made before approaching the private sector. LeedsWatch has recently written to members of the Cross Green Industrial Estate scheme to request feedback on the existing service with a view to ascertaining where improvements / changes are required to further enhance the provision provided.
- There is strong commercial potential within this section of the service and with adequate resources could expand into the private sector. The development of a long term business plan for sustained growth of the service is underway.

5 Police Community Support Officers (Local Authority Funded) – December

- Since the position regarding the number and allocation of PCSOs was presented and discussed at the Scrutiny Board (Environment and Housing) in October 2015 a small focussed working group to discuss the direction of travel for the funding and allocation of PCSOs funded by the Local Authority has been formed.
- Since October 2015, the Scrutiny Working Group (PCSO) has met on two occasions and discussion has been detailed and supplemented by briefings around the changing and evolving policing structures in Leeds District and across West Yorkshire Police.
- Discussions have been on-going with the OPCC as to budgets and allocation of funding to Leeds District. In November 2015 the Governments latest CSR was undertaken and an update regarding Policing budgets is anticipated in the very near future. These budgets from the OPCC have not been provided as yet, as at December 2015.
- As a result of the Scrutiny Working Group (PCSO), it has been agreed that an options paper for consideration will be circulated to elected members for their consideration.
- It is anticipated that an early meeting will be undertaken in January 2016 with the Director of Environment and Housing and the PCC to confirm funding allocation and clarity.



Report author: Angela Brogden
Tel: 247 4553

Report of Head of Scrutiny and Member Development

Report to Scrutiny Board (Environment and Housing)

Date: 12th 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

Summary of main issues

1. The Board's work schedule is attached as appendix 1. This will be subject to change throughout the municipal year.
2. Also attached at appendix 2 are the minutes of the Executive Board meeting held on 16th December 2015.

Recommendation

3. Members are asked to consider the work schedule and make amendments as appropriate.

Background documents¹

4. 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.

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Scrutiny Board (Environment and Housing) Work Schedule for 2015/2016 Municipal Year

Schedule of meetings/visits during 2015/16			
	June	July	August
		Refreshed Safer Leeds Strategy 2015-2016 SB 21/07/15 @ 1.30 pm	
General Briefings	Scrutiny Board Terms of Reference and Sources of Work SB 30/06/15 @ 1.30 pm Crime and Disorder Scrutiny in Leeds SB 30/06/15 @ 1.30 pm	Director of Environment and Housing Officer Delegations SB 21/07/15 @ 1.30 pm	
Budget and Policy Framework/Pre-decision Scrutiny			
Recommendation Tracking			
Performance Monitoring		General performance update SB 21/07/15 @ 1.30 pm	

Scrutiny Board (Environment and Housing) Work Schedule for 2015/2016 Municipal Year

Schedule of meetings/visits during 2015/16		
September	October	November
Housing Theme	Community Safety Theme	Environment Theme
<p>To consider the following matters:</p> <ul style="list-style-type: none"> • The HRA growth programme with a focus on HRA council house programme and use of Right To Buy receipts. • Progress with the Empty Homes Strategy. • Standards within the Private Rented Sector. • Estate Management arrangements. • Local Lettings Policy. • Enforcement of tenancy agreements. • Briefings on housing management forums. • Temporary accommodation. <p>SB 15/09/15 @ 1.30 pm</p>	<p>To consider the following matters:</p> <ul style="list-style-type: none"> • The role of Police Community Support Officers within the context of new integrated partnership working models, particularly within localities, and future budget pressures. • Improving understanding of the significance of safeguarding issues linked to human trafficking, to help develop an effective multi-agency response. • Tackling prostitution in Leeds from a multi-sector perspective. • Understanding the scope of the city's powers in response to tackling legal highs. • The role and funding of LeedsWatch <p>SB 13/10/15 @ 1.30 pm</p>	<p>To consider the following matters:</p> <ul style="list-style-type: none"> • Recycling – addressing low participation rates in existing AWC areas and viable options for non-AWC areas across the city. • The city's Waste Strategy. • Managing waste in high rise properties. <p>SB 17/11/15 @ 1.30 pm</p>
General Briefings		
Budget and Policy Framework/Pre-decision Scrutiny		<p>Leeds Lettings Policy proposals SB 17/11/15 @ 1.30 pm</p> <p>Provision of PCSOs in Leeds WG 24/11/15 @ 3 pm</p>
Recommendation Tracking	Tackling Domestic Violence SB 13/10/15 @ 1.30 pm	Peckfield Landfill Site SB 17/11/15 @ 1.30 pm
Performance Monitoring		General performance update SB 17/11/15 @ 1.30 pm

Scrutiny Board (Environment and Housing) Work Schedule for 2015/2016 Municipal Year

Schedule of meetings/visits during 2015/16			
	December	January	February
	Housing Theme	Community Safety Theme	Environment Theme
	<p>To consider the following matters:</p> <ul style="list-style-type: none"> • The HRA growth programme with a focus on HRA council house programme and use of Right To Buy receipts. • Progress with the Empty Homes Strategy. • Standards within the Private Rented Sector. • Estate Management arrangements. • Local Lettings Policy. • Enforcement of tenancy agreements. • Briefings on housing management forums. • Temporary accommodation. • Potential implications of the West Yorkshire Combined Authority role and Devolution Agenda on local housing decision-making. • Responsive repairs and maintenance. <p>SB 8/12/15 @ 1.30 pm</p>	<p>To consider the following matters:</p> <ul style="list-style-type: none"> • The role of Police Community Support Officers within the context of new integrated partnership working models, particularly within localities, and future budget pressures. • Improving understanding of the significance of safeguarding issues linked to human trafficking, to help develop an effective multi-agency response. • Tackling prostitution in Leeds from a multi-sector perspective. • Understanding the scope of the city's powers in response to tackling legal highs. • The role and funding of LeedsWatch <p>SB 12/01/16 @ 1.30 pm</p>	<p>To consider the following matters: <i>(these are subject to change)</i></p> <ul style="list-style-type: none"> • Recycling – addressing low participation rates in existing AWC areas and exploring viable options for non-AWC areas across the city. • The city's Waste Strategy. • Managing waste in high rise properties. <p>SB 02/02/16 @ 1.30 pm</p>
General Briefings			
Budget and Policy Framework/Pre-decision Scrutiny	<p>Provision of PCSOs in Leeds WG 9/12/15 @ 10 am</p>	<p>Initial budget proposals 2016-2017 SB 12/01/16 @ 1.30 pm</p> <p>Leeds Lettings Policy proposals - update SB 12/01/16 @ 1.30 pm</p>	
Recommendation Tracking	<p>Peckfield Landfill Site – continued SB 8/12/15 @ 1.30 pm</p>		
Performance Monitoring			<p>General performance update SB 02/02/16 @ 1.30 pm</p>

Scrutiny Board (Environment and Housing) Work Schedule for 2015/2016 Municipal Year

Schedule of meetings/visits during 2015/16		
March	April	May (tbc)
Housing Theme	Environment Theme	
<p>To consider the following matters: <i>(these are subject to change)</i></p> <ul style="list-style-type: none"> • The HRA growth programme with a focus on HRA council house programme and use of Right To Buy receipts. • Progress with the Empty Homes Strategy • Standards within the Private Rented Sector • Estate Management arrangements • Local Lettings Policy • Enforcement of tenancy agreements • Briefings on housing management forums • Temporary accommodation • Potential implications of the West Yorkshire Combined Authority role and Devolution Agenda on local housing decision-making. • Responsive repairs and maintenance. <p>SB 22/03/16 @ 1.30 pm</p>	<p>To consider the following matters: <i>(these are subject to change)</i></p> <ul style="list-style-type: none"> • Recycling – addressing low participation rates in existing AWC areas and exploring viable options for non-AWC areas across the city. • The city's Waste Strategy. • Managing waste in high rise properties. <p>SB 26/04/16 @ 1.30 pm</p>	
General Briefings	Implications of the Housing & Planning Bill 2015 SB 22/03/16 @ 1.30 pm	
Budget and Policy Framework/Pre-decision Scrutiny		
Recommendation Tracking	Peckfield Landfill Site SB 26/04/16 @ 1.30 pm	
Performance monitoring		

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)