

SCRUTINY BOARD (INFRASTRUCTURE, INVESTMENT & INCLUSIVE GROWTH)

WEDNESDAY, 17TH JULY, 2024

PRESENT: Councillor H Bithell in the Chair

Councillors N Buckley, K Dye, S Leighton,
A Maloney, M Robinson, A Scopes,
M Shahzad, E Thomson and I Wilson

12 APPEALS AGAINST REFUSAL OF INSPECTION OF DOCUMENTS

There were no appeals against refusal of inspection of documents.

13 Exempt Information - Possible Exclusion of the Press and Public

There were no exempt items.

14 Late Items

There were no late items.

15 Declarations of Interests

There were no declarations of interests.

16 Apologies for Absence and Notification of Substitutes

Apologies were received from Cllr A Ali, Cllr M Millar and Cllr S Lay.

Cllr A Maloney attended as a substitute for Cllr A Ali.

Cllr E Thomson attended as a substitute for Cllr M Millar.

17 Minutes - 26 June 2024

The Chair invited the Principal Scrutiny Advisor to update members on any matters arising.

Minute 9: Christa Jolley has produced proposals for two training sessions on affordable housing delivery, along with a private roundtable discussion with stakeholders. Those sessions are anticipated to take place in September, October and November to inform the scheduled public discussion about the

refresh of the Leeds Affordable Housing Growth Partnership Action Plan in January. Dates will follow shortly.

RESOLVED: The minutes of the meeting of 26 June 2024 were agreed as a correct record.

18 Highways Maintenance Strategy

The individuals in attendance for this item were:

- Cllr Jonathan Pryor (Executive Member, Economy, Transport & Sustainable Development)
- Cllr Debra Coupar (Executive Member, Resources)
- Gary Bartlett (Chief Officer, Highways and Transportation)
- Oliver Priestly (Head of Engineering and Infrastructure)
- Simon Swift (Executive Manager, Asset Management)
- Tony Penniston (Principal Engineer Highways Asset Management)

The Chair welcomed engagement with scrutiny on this issue on a pre-decision basis.

Gary Bartlett provided introductory comment on the report noting that highways maintenance is regularly identified as a priority in public perception surveys.

Gary highlighted several issues including:

- Since 2010 the Council has contributed £200m of capital funding to highways maintenance in addition to grants from Government.
- The level of investment in highways maintenance has not kept pace with the rate of decline in the network condition and inflationary cost pressures.
- The scale of the network in Leeds – the highway network comprises 2,944km carriageways and approximately 4,687km of footways.
- High rainfall and severe cold weather have a disproportionate impact on the condition of the highways. Wet conditions have been a particular concern over the last 12 months.
- The number of potholes on the highway has increased.
- Government grant funding is spent as it is received. This has included some Network North funding received to date. Prior to the general election there had been indications that the Council should expect details of further funding via Network North but no further information

had been received. Clarification of the status of potential Network North funding is awaited post general election.

- The challenges facing the Council in Leeds reflect national trends. The highways maintenance backlog in England and Wales is estimated to be £16.3bn. The backlog in Leeds is estimated to be £288m.

Members sought clarity regarding RAG ratings for roads in different parts of the city, the process for inspecting the condition of the highway and the anticipated increase in the estimated cost of the backlog in Leeds.

Tony Penniston outlined the process for inspecting carriageways and footways. He also explained how roads and footways are then categorised to inform the planned schedule of works.

Members received an overview of the way in which the backlog is calculated. It is anticipated that the estimated cost of the backlog will increase due to inflationary pressures in the industry.

Further information was provided about the disparity of the scale of the backlog attributable to different wards in the city. Members were reassured that a change in approach to prioritise funding for roads in the worst condition should see those disparities reduce over time.

The Scrutiny Board was advised that it is difficult to provide comparative data about performance in relation to highways maintenance due to local variations in the definition of acceptability for road conditions. However, Gary Bartlett noted that feedback from national transportation surveys suggests the approach in Leeds can be regarded positively.

Cllr Scopes queried whether a map could be provided of the RAG ratings of different roads. It was agreed this would be followed up outside the meeting.

Members examined funding trends since 2010/11 and sought clarity about whether there had been a reduction in the Council contribution during that time.

Cllr Pryor reiterated that levels of investment have remained broadly comparable since 2010/11 once inflationary pressures are taken into account. He acknowledged that there has been a slight reduction in the Council's contribution, which is reflective of the overall financial challenge for the Council following significant reductions in government funding during that period.

Members acknowledged the complexity of current funding streams.

Tony highlighted the difference in cost associated with preventative activities and reactive works, and the impact of the type of materials required as part of repairs in different areas of the city.

Members agreed that Cllr Bithell would write to the Chief Secretary to the Treasury to advocate multi-year funding awards to provide greater certainty to those seeking to plan programmes of highways maintenance.

Members highlighted public concerns about repeat repairs to potholes and road surfaces. Further information was sought about the future role of artificial intelligence in preventative maintenance.

Officers outlined a current artificial intelligence solution that is being developed to capture the condition of the highway as part of driven inspections. Members were informed that in future this could automate the recording and categorisation of potholes and roads. It also has the potential to identify deterioration in road markings.

It was noted that officers receive multiple approaches throughout the year relating to innovative processes and materials; it was highlighted any innovative solutions that may be adopted have to be economically viable. The Council is represented on a national road innovation group where best practice and innovative solutions can be shared.

It was noted that there has been a recent increase in the number of third-party claims relating to the highways. However, Gary advised members that a “firm but fair” approach has delivered a sustained decline in claims received and compensation paid out since 2010.

Members sought clarity about the budget from which compensation payments are made. It was noted that each year the Council determines the level of budgetary provision required for the forthcoming year in respect of insurance payments including third party claims for incidents on the highway. During the year insurance payments are made for third party claims by the Council’s Insurance Section, and the cost is recharged to the Directorate/Service.

In response to member queries, Gary reassured the Scrutiny Board that third party claims are monitored by the department. It was noted that third party claims would fall within the remit of the Strategy and Resources Scrutiny Board. Cllr Bithell committed to highlight the interest of members in the processes associated with third party claims with the Chair of the Strategy and Resources Scrutiny Board.

Concern was raised about the quality of repairs carried out by third parties such as utility companies after they have opened the highway. Officers noted the Council does inspect repairs but due to the scale of works ongoing in the city it is not possible to check every site and in appropriate circumstances can issue fines.

It was suggested that technology may enable improved public engagement in relation to highways maintenance and the identification of concerning potholes or repairs by third parties.

Further information was sought about the comparative damage caused by HGVs and buses.

Members raised concern about increased deterioration in the condition of the roads due to long term changes in weather patterns.

Members agreed to submit a Scrutiny Statement to the Executive Member to summarise their conclusions and recommendations ahead of highways maintenance being considered by the Executive Board later this year. Members asked that the following matters be included in the statement:

- Endorsement of an approach that prioritises the delivery of a higher proportion of permanent repairs rather than temporary patches, with consideration given to affordability and ways in which to measure progress.
- Consideration to be given to public communication about the approach to highways maintenance.
- A recommendation of a strengthening of powers in relation to the policing of third-party repairs.
- Identification of 'quick wins' to improve public perception of the Council, in relation to pothole repairs and road markings.
- To note comments regarding the impact of surface water flooding on active travel.
- Reiterate support for the exploration of AI solutions to assist in the delivery of highways maintenance.
- Consideration to be given to the potential disparity between wards that may be created by including complaints as a determinant within the prioritisation hierarchy for planned works.
- To highlight the reduction in the Council contribution to highways maintenance in the context of overall financial pressure.
- To advocate greater public transparency in the approach to highways maintenance, potentially through technological solutions such as online mapping.

It was agreed the statement would be drafted through the Chair and would then be shared with Board members once finalised.

RESOLVED:

The Scrutiny Board agreed that:

- a) The report be noted.
- b) A scrutiny statement will be provided to the Executive Member for Economy, Transport & Sustainable Development to inform consideration of this issue by the Executive Board.
- c) A letter be draft to the Chief Secretary of the Treasury to advocate multi-year funding settlements to provide greater certainty for local authorities.

- d) Cllr Bithell will highlight the interest of members in the processes around third-party claims with the Chair of the Strategy and Resources Scrutiny Board.
- e) Officers will consider whether a map can be provided as an illustrative example to members of the condition of roads in Leeds.

19 Community Asset Transfer Policy

The individuals in attendance for this item were:

- Cllr Debra Coupar (Executive Member for Resources)
- Angela Barnicle (Chief Officer Asset Management & Regeneration)
- Mark Mills (Head of Asset Management)

The Chair invited Mark Mills to deliver a presentation on proposals for an updated Community Asset Transfer (CAT) Policy. The presentation covered the following:

- The background to community asset transfer following its introduction in the Localism Act 2011.
- The benefits of community asset transfer including enabling investment in an asset from sources of funding the local authority may not be able to access.
- Features underpinning a successful community asset transfer including a realistic business plan and well-structured community organisations.
- Challenges including the complexity of sustaining and maintaining a building over the long term.
- Drivers for refreshing the policy including incorporating learning from ten years of managing CATs and a desire to make it easier for communities to engage in the process.
- Proposed changes to the CAT policy including producing a list of properties with potential for CAT to be approved and published.
- An overview of consultation and engagement with ward members, Leeds Community Anchor Network, and Voluntary Action Leeds.
- Next steps in the process.

Members welcomed the creation of a new list of assets suitable for community asset transfer. Mark noted that properties will not be available for CAT indefinitely and disposal will be considered if there is no viable interest in a CAT.

Members sought clarity about the implications for both the Council and community groups of changes in requirements relating to EPC ratings. Members were advised that new procedures will be established to provide greater flexibility to community organisations seeking to deliver works to improve the EPC rating of a building so as to enter into a lease.

It was confirmed that Council funding will not be available to carry out improvement works prior to transfer, given the need to invest in the retained estate. However, a time limited opportunity to utilise some UK Shared Prosperity Funding to support community asset transfer in the current year has been identified. Organisations invited to present a business case for a CAT could also therefore be invited to submit a UKSPF application to support the CAT.

Current proposals reflect feedback from previous stakeholders with experience of CAT. For example, a standard head of terms document is proposed given feedback about the legal process being daunting for community groups. This was welcomed by members.

Angela Barnicle advised members about discussions with voluntary partners regarding their capacity to provide advice, mentoring and signposting to organisations seeking to progress a CAT.

Officers have also worked with colleagues in the ABCD team within Adult Social Care to create a better 'front door' to signpost community groups to sources of information and support.

It was noted that the EDCI screening at appendix 2 of the report does not identify any differential impact for different equality characteristics. However, it was suggested that typically the LGBT community is less likely to successfully secure grant funding, which in the scenario of CAT may be disadvantageous for such groups. It was agreed that Cllr Bithell would raise these concerns in more detail with Cllr Coupar outside of the meeting.

The Scrutiny Board considered the proposed approach to communication and engagement about the updated policy. It was suggested that a 'frequently asked questions' document for councillors would be helpful particularly focussed on potential pitfalls.

Members acknowledged the need to be transparent about the condition of buildings and the liabilities community groups would be taking on. The Board noted the risk associated with community capacity to manage assets requiring substantial maintenance.

Cllr Coupar reiterated the complexity of the CAT process and the challenge in sustaining buildings in the long term. She highlighted the importance of managing expectations.

Members sought clarity about the nature of buildings that may be excluded from the list of assets with potential for approval for CAT.

Cllr Coupar confirmed she would reflect the comments of scrutiny members during the discussion with Executive Board on 24 July 2024. She also reiterated that she is committed to working with members and community groups to continue to learn from the experience of previous community asset transfers.

Cllr Bithell agreed to provide a summary of the comments of Scrutiny Members via email ahead of the Executive Board meeting.

RESOLVED:

Members agreed to note the proposals for an updated Community Asset Transfer Policy.

It was further agreed that Cllr Bithell will provide a summary of the Board's comments to Cllr Coupar ahead of the Executive Board meeting.

Cllr Buckley left at 12.30pm

20 Biodiversity Net Gain: Approach to Watercourses

The Chair welcomed the early opportunity to explore the Council's approach to Biodiversity Net gain units so far as they relate to watercourses. Legislation came into force in February 2024 and the Chair underlined the importance of ensuring the Council acts quickly to make the most of the opportunities it presents.

Those in attendance for this item were:

- Cllr Jonathan Pryor (Executive Member Economy, Transport & Sustainable Development)
- Jonathan Moxon (Executive Manager, Flood Risk and Climate Resilience)

Jonathan Moxon set out the background to the legislation that was introduced in February 2024 for major planning applications and April 2024 for other application types. He outlined an aspiration to align the approach to river units with the approach to terrestrial and hedgerow units.

Jonathan set out the challenges and opportunities of the new requirements, including the need for off-site biodiversity units to be covered by a S106 agreement, be entered onto a National BNG Sites Register and have a fully funded 30-year management plan.

Further information was sought about BNG assessors. Members explored the potential challenge around access to people with the right skills and accreditations. Members sought a view on whether specialist skills could be developed in-house and marketed to other organisations.

Jonathan outlined the possible mechanisms available to enable the development of a Council habitat bank such as establishing a Special Purpose Vehicle. Members noted some concern about the potential costs associated with SPVs and a lack of democratic accountability.

Jonathan informed members that the legislation prioritises delivery of works 'at source' wherever possible. However, the Scrutiny Board was advised that

work is also underway to identify existing greenspace or locations with aspirations for nature recovery, where units could be used off site to deliver maximum impact. This may include 're naturalising' highly engineered watercourses such as mill goits.

Jonathan noted that the Council is seeking to engage with the Calder and Colne Rivers Trust which is seen as a leading organisation in relation to river credits.

Members explored the potential opportunities to improve urban watercourses – for example, by engineering more naturally varied flows where watercourses have been straightened. Public access is not part of the stated aims for BNG river units but it was agreed that increasing biodiversity may also improve greenspaces for residents including in inner city areas.

Cllr Wilson left the meeting at 1pm.

RESOLVED:

Members recommended that the successor Scrutiny Board receives an update on progress in early 2025/26.

21 Work Schedule

Members were advised that the timetabling of items requested to date is ongoing.

Members should anticipate invitations for working groups on affordable housing delivery, the Social Progress Index and the budget consultation between September and December.

Resolved:

Members noted the Scrutiny Board's work schedule for the 2024/25 municipal year.

22 Date and Time of Next Meeting

The next meeting of the Scrutiny Board will take place on **25 September 2024**. Members asked that consideration be given to revising the meeting start time from 10.30am to 10.15am. This will be confirmed in line with notification requirements.

There will be a pre-meeting for all Board members 15 minutes before the public meeting.

The meeting ended at 1.10pm.