



## EXECUTIVE BOARD

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Meeting to be held in Civic Hall, Leeds on  
Wednesday, 17th October, 2012 at 1.00 pm

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### Councillors

K Wakefield (Chair)    A Carter  
J Blake  
M Dobson  
P Gruen  
R Lewis  
L Mulherin  
A Ogilvie  
L Yeadon

### MEMBERSHIP

S Golton

## **CONFIDENTIAL AND EXEMPT ITEMS**

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

### **9.0 Confidential information – requirement to exclude public access**

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

### **9.2 Confidential information means**

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

### **10.0 Exempt information – discretion to exclude public access**

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

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

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

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

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

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

# A G E N D A

Item No K=Key Decision	Ward	Item Not Open		Page No
1			<p><b>APPEALS AGAINST REFUSAL OF INSPECTION OF DOCUMENTS</b></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, written notice of an appeal must be received by the Head of Governance Services at least 24 hours before the meeting)</p>	
2			<p><b>EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC</b></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><b>RESOLVED –</b> That the press and public be excluded from the meeting during consideration of those parts of the agenda designated as 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.</p>	

Item No K=Key Decision	Ward	Item Not Open		Page No
3			<p><b>LATE ITEMS</b></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><b>DECLARATION OF DISCLOSABLE PECUNIARY AND OTHER INTERESTS</b></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 13-18 of the Members' Code of Conduct. Also to declare any other significant interests which the Member wishes to declare in the public interest, in accordance with paragraphs 19-20 of the Members' Code of Conduct.</p>	
5			<p><b>MINUTES</b></p> <p>To confirm as a correct record the minutes of the meeting held on 5<sup>th</sup> September 2012</p> <p><b><u>LEISURE AND SKILLS</u></b></p>	1 - 12
6 K	Garforth and Swillington		<p><b>GARFORTH LEISURE CENTRE</b></p> <p>To consider the report of the Director of City Development on the current position with regard to the resolution of Full Council in March 2011 to explore a Community Asset Transfer (CAT) of Garforth Leisure Centre to the Schools Partnership Trust. The report also sets out new proposals on the status of the CAT process and details the operational performance of Garforth Leisure Centre</p>	13 - 24

Item No K=Key Decision	Ward	Item Not Open		Page No
7 K		10.4(3) (Appendices 1 and 2 only)	<p><b>TOUR DE FRANCE: THE GRAND DEPART IN YORKSHIRE</b></p> <p>To consider the report of the Director of City Development outlining a proposal to host the “The Grand Départ” of The Tour de France in Yorkshire. The report details the associated opportunities and implications and seeks agreement to enter into agreement with Welcome to Yorkshire to bring the Tour to Leeds and to contribute to the costs.</p> <p>Appendices 1 and 2 to this report are designated as exempt under Access to Information Procedure Rules 10.4(3) and 10.4(5) respectively.</p> <p><b><u>ADULT SOCIAL CARE</u></b></p>	25 - 42
8			<p><b>STRATEGY FOR GOVERNANCE IN INTEGRATED WORKING WITH HEALTH</b></p> <p>To consider the report of the Director of Adult Services seeking endorsement of the proposed approach to partnership working arrangements between the Council and the NHS bodies in Leeds</p> <p><b><u>RESOURCES AND CORPORATE FUNCTIONS</u></b></p>	43 - 50
9 K			<p><b>FINANCIAL HEALTH MONITORING 2012/13 - MONTH 5 REPORT</b></p> <p>To consider the report of the Director of Resources setting out the Council’s projected financial health position for 2012/13 after five months of the financial year</p>	51 - 72
10 K			<p><b>FINANCIAL STRATEGY 2013 TO 2017</b></p> <p>To consider the report of the Director of Resources advising the Board of the development of a medium to long term financial strategy for the Council and providing information on the Government’s technical consultation on Business Rates Retention and the potential implications for the Councils’ financial strategy</p>	73 - 108

Item No K=Key Decision	Ward	Item Not Open		Page No
11 K			<p><b>LEEDS CITY REGION BUSINESS RATES POOL</b></p> <p>To consider the report of the Director of Resources on the development of the proposed Leeds City Region (LCR) business rates pool, outlining the benefits of pooling and seeking approval for Leeds to act as the “lead authority” for the LCR pool</p>	109 - 124
12			<p><b>COMMUNITY RIGHT TO CHALLENGE</b></p> <p>To consider the report of the Director of Resources on the Community Right to Challenge and providing the basis of discussion on the way the Council implements the legislation within the Localism Act 2011</p>	125 - 140
13 K			<p><b>REVIEW OF GOVERNANCE ARRANGEMENTS IN WEST YORKSHIRE</b></p> <p>To consider the joint report of the Assistant Chief Executive (Customer Access &amp; Performance) and the Director of City Development seeking authority for a statutory review of specified functions to be undertaken with the intention of a further report being prepared in due course to include a draft Scheme of Governance for a Combined Authority, should the Review conclude that this is the most beneficial option for the area, and a timetable for its establishment</p>	141 - 154
14 K			<p><b><u>DEVELOPMENT AND THE ECONOMY</u></b></p> <p><b>WEST YORKSHIRE PLUS TRANSPORT FUND</b></p> <p>To consider the report of the Director of City Development providing an update on the progress made to date in developing a West Yorkshire Transport Fund and seeking approval to continue the development work, which would enable authorities to confirm the setting up of the Fund and the associated 10 year programme later this year.</p>	155 - 166

Item No K=Key Decision	Ward	Item Not Open		Page No
15 K	Bramley and Stanningley; Horsforth; Kirkstall	10.4(3) (Appendix B only)	<p><b>SUPPORT TO THE LEEDS RAIL GROWTH PACKAGE</b></p> <p>To consider the joint report of the Director of Resources and the Director of City Development seeking in principle agreement to the Council providing financial assistance to support the delivery of the Leeds Rail Growth Package.</p> <p>Appendix B to this report is designated as exempt under Access to Information Procedure Rule 10.4(3).</p>	167 - 184
16 K	Adel and Wharfedale; Burmantofts and Richmond Hill; City and Hunslet; Headingley; Hyde Park and Woodhouse; Middleton Park; Weetwood		<p><b>NEW GENERATION TRANSPORT (NGT) SCHEME</b></p> <p>To consider the report of the Director of City Development providing an update on the New Generation Transport (NGT) scheme following the Department for Transport's confirmation of Programme Entry Approval and seeking approval to a capital programme injection and spend to meet the Council's share of development costs to support the submission of a Transport &amp; Works Order necessary for the powers to construct and operate the scheme</p>	185 - 190
17			<p><b>PLANNING APPLICATIONS HIGHWAYS ISSUES (WHITE PAPER 16)</b></p> <p>To consider the report of the Director of City Development providing an update on the further four month trial period undertaken in relation to ward member notification of planning applications on which Highways have been consulted. The report includes Member feedback received on the success and value of the process and seeks agreement to the continuation for the current notification process without further modification</p>	191 - 204

Item No K=Key Decision	Ward	Item Not Open		Page No
18 K			<p><b><u>ENVIRONMENT</u></b></p> <p><b>GREEN DEAL GO EARLY</b></p> <p>To consider the report of the Director of Environment and Neighbourhoods providing an update on a recently announced grant opportunity for energy efficiency improvements, linked to the City Deal, seeking authority to spend a capital grant of £1,280,000 on energy efficiency grants and loans in 2012-2013 and to make a contingency budget of £10,000 available in 2013-14. In addition, the report seeks approval for the proposed approach to targeting and marketing the grants and loans.</p> <p><b><u>NEIGHBOURHOODS, PLANNING AND SUPPORT SERVICES</u></b></p>	205 - 220
19			<p><b>GAMBLING ACT 2005 STATEMENT OF LICENSING POLICY</b></p> <p>To consider the report of the Head of Licensing and Registration advising the Board of the progress of the triennial review of the Gambling Act 2005 Statement of Licensing Policy and seeking approval for the matter to be referred to full Council for approval in accordance with the budgetary and Policy Framework</p>	221 - 226
20			<p><b>REVIEW OF ALMO ARRANGEMENTS</b></p> <p>To consider the report of the Assistant Chief Executive (Customer Access and Performance) setting out the background to the review of housing management services in Leeds and the proposal to extend the Management Agreements with the ALMOs for up to an additional year</p>	227 - 230



Item No K=Key Decision	Ward	Item Not Open		Page No
21 K	Beeston and Holbeck; Burmantofts and Richmond Hill; City and Hunslet; Gipton and Harehills		<p data-bbox="676 286 1043 322"><b><u>CHILDREN'S SERVICES</u></b></p> <p data-bbox="676 394 1347 501"><b>BASIC NEED PROGRAMME - OUTCOME OF COMPETITIONS TO CREATE TWO NEW PRIMARY SCHOOLS</b></p> <p data-bbox="676 542 1401 869">To consider the joint report of the Director of Children's Services and the Director of Environment and Neighbourhoods on the outcome of two competitions held to establish new primary schools in Harehills and South Leeds. The report makes a recommendation relating to the preferred bidders to run the new schools, a final decision for which must be made by no later than 20th October 2012.</p>	231 - 262

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## EXECUTIVE BOARD

WEDNESDAY, 5TH SEPTEMBER, 2012

**PRESENT:** Councillor K Wakefield in the Chair

Councillors J Blake, A Carter, M Dobson,  
S Golton, P Gruen, R Lewis, L Mulherin,  
A Ogilvie and L Yeadon

**64 Exempt Information - Possible Exclusion of the Press and Public**

**RESOLVED** – That the public be excluded from the meeting during the consideration of the following parts of the agenda designated as exempt on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present there would be disclosure to them of exempt information so designated as follows:-

- (a) Appendix 3 to the report referred to in Minute No. 72 under the terms of Access to Information Procedure Rule 10.4(3) and on the grounds that the appendix contains information relating to the financial or business affairs of local authorities. The information relates to proposals that are being developed for consideration by a number of local Councils and in some instances, such proposals are still subject to the relevant approval processes. Therefore, in all the circumstances of the case, it is deemed that at this point in time, it is in the public interest not to disclose this information.

**65 Late Items**

There were no late items as such, however, it was noted that supplementary information had been circulated to Board Members following the despatch of the agenda in the form of correspondence received on behalf of the Morley Borough Independent Group and Green Group respectively, which provided the individual representations of both Groups in respect of the proposals detailed within the report entitled, 'Gypsy and Travellers Site Options'. (Minute No. 69 referred).

**66 Minutes**

**RESOLVED** – That the minutes of the meeting held on 18<sup>th</sup> July 2012, be approved as a correct record.

### **CHILDREN'S SERVICES**

**67 Transfer of Council Owned Land and Buildings to Trust Schools**

The Director of Children's Services submitted a report which sought approval for the mechanism to negotiate the detailed terms of the disposal of land and buildings to schools converting, or which have converted, to Trust status, in accordance with the Education and Inspections Act 2006 and The Schools

Organisation (Prescribed Alterations to Maintained Schools)(England) Regulations 2007.

Having acknowledged a Member's comments, it was proposed that the Director of City Development, or such other officer authorised by him, be provided with the necessary authority to negotiate the detailed terms of such disposals of land, but only having first consulted with the relevant Executive Member.

Members raised concerns regarding the potential for Trusts to invest funds from the sale of their Leeds based surplus assets in their other educational assets which are located outside of the city. In response, the Director undertook to confirm Trusts' rights in respect of this matter, and if it was deemed that Trusts did have authority to invest such funds in their other educational assets located outside of Leeds, Members proposed that appropriate representations be made to the Secretary of State for Education.

**RESOLVED –**

- (a) That the contents of the submitted report be noted.
- (b) That the Director of City Development, or such other officer authorised by him, in consultation with the relevant Executive Member, be authorised to negotiate the detailed terms of the transfer of the freehold land and buildings to trust schools at less than best consideration.
- (c) That if it is confirmed that Trusts have the necessary authority to invest funds from the sale of their Leeds based surplus assets in their other educational assets which are located outside of the city, appropriate representations be made regarding this matter on behalf of the Board to the Secretary of State for Education.

**68 Bankside Primary School Capital Project**

Further to Minute No. 41, 18<sup>th</sup> July 2012, the Director of Children's Services submitted a report which provided details of the overspend which had occurred on the Bankside Primary School capital scheme, sought authority to spend £1,593,000, outlined the key issues that the project had encountered and which provided assurances on the improvements which had been made to prevent a re-occurrence of the issues which led to the overspend on, and delay of the project.

The Board emphasised the need to ensure that the necessary lessons were learned from the situation detailed within the submitted report. In addition, it was highlighted that a more cohesive approach between directorates was required and in respect of future Design and Cost Reports relating to similar developments, it was noted that such reports would not be submitted to Executive Board until design freeze and costs were understood, so that Members were in possession of all relevant facts when determining such matters.

Having regard to the involvement of internal audit in this matter, it was suggested that consideration was given to the future role of internal audit in relation to such projects.

**RESOLVED –**

- (a) That the content of the submitted report, which provides details of the issues that contributed to the overspend of £1,593,000, be noted.
- (b) That authority to spend £1,593,000 be approved.

**NEIGHBOURHOODS, PLANNING AND SUPPORT SERVICES**

**69 Gypsy and Travellers Site Options**

Further to Minute No. 146, 14th December 2011, the Director of Environment and Neighbourhoods submitted a report detailing the findings of officers involved in the assessment of Council owned sites for potential use as Gypsy and Traveller accommodation provision, and which proposed an alternative solution which involved the expansion of the current provision at the Cottingley Springs site.

It was noted that correspondence had been received and circulated to Board Members prior to the meeting on behalf of the Morley Borough Independent Group and the Green Group respectively, which confirmed both Groups' individual positions on the proposals detailed within the submitted report. The Board also noted that a petition signed by local residents had been submitted by Members of the Green Group prior to the meeting.

Members received a summary of the comprehensive site assessment process which had been undertaken on Council owned sites against agreed criteria in order to determine their suitability as Gypsy and Traveller accommodation and which had led to the recommendations detailed within the submitted report.

The Board acknowledged the concerns which had been previously raised in respect of the Cottingley Springs site, however, it was emphasised that should the proposal to expand the Cottingley site proceed, then comprehensive dialogue would continue with all relevant parties, which would be accompanied by a programme of re-design and modernisation of the site, together with a review of the services provided to residents, in order to ensure that their needs were met.

Having noted that none of the Council owned sites detailed within the submitted report had been deemed suitable for use as Gypsy and Traveller accommodation provision, it was suggested that dialogue was undertaken with private land owners, in order to determine whether potentially any privately owned sites could be utilised for this purpose.

## **RESOLVED –**

- (a) That it be noted that none of the Council owned sites, as detailed within the table in Appendix A to the submitted report, are currently suitable for use as Gypsy and Traveller accommodation provision.
- (b) That officers be requested to identify how Cottingley Springs can be expanded with the development of twelve new pitches.
- (c) That on the assumption that the expansion of Cottingley Springs proceeds:-
  - (i) That such an expansion is complemented by a programme of modernisation at the site to improve the housing offer made to existing tenants.
  - (ii) That a further funding bid be made to the HCA to part finance the modernisation programme.
- (d) That Cottingley Springs be included within the Housing Revenue Account (HRA) Business Plan so that HRA funding can be used to 'match fund' any further HCA award and to finance longer term investment at Cottingley Springs.
- (e) That work with the Cottingley Spring's residents and other Council/voluntary sector services proceeds to improve the service offer made to residents, with a review of access to services to be undertaken and to include Health, Adult Social Care and Children's Services.
- (f) That the development of a Gypsy and Traveller Lettings Policy be authorised, which will be a satellite policy of the Leeds City Council Lettings Policy.

## **LEISURE AND SKILLS**

### **70 Inspiring a Generation: A Sporting Legacy for Leeds**

The Director of City Development and the Director of Children's Services submitted a joint report outlining proposals aimed at enabling Leeds to build upon the successes of the London 2012 Olympic Games and Paralympic Games, and in particular the successes of local and regional participants. In addition, the report outlined a strategy leading up to 2016 and beyond, which aimed to leave a continuing legacy of the Games for the people of Leeds.

The Board welcomed the timely submission of the report, and highlighted the need to ensure that the momentum arising from the Olympics and Paralympics was built upon, in order to ensure that Leeds' strong sporting tradition continued.

Responding to a Member's comments, it was noted that further work would be undertaken in respect of the Olympic Legacy Fund and how such funding would be allocated, which would include liaison with Leeds Sports Federation.

The Board concurred with the comments made regarding the need to ensure that any initiatives to promote a sporting legacy included the necessary provisions to protect current sports fields and pitches, and wherever possible, increase such facilities across the city.

Members provided a number of examples of how the Games had already made a positive impact upon communities across Leeds, and it was noted that a celebratory reception event for Leeds Paralympians was being scheduled.

In conclusion, the Chair thanked all of those officers who had been involved in successfully delivering all related events throughout Leeds, both prior to and following the Games, he welcomed all of the comments which had been made during the discussion and he proposed that a further report be submitted to a future meeting, in order to provide an update on the progress which had been made on the establishment of a sporting legacy for Leeds.

**RESOLVED –**

- (a) That the contents of the submitted report be noted, along with the following proposals:-
- (i) That further work will be undertaken to explore the benefits and costs of Leeds introducing a “BeActive” style programme. The Director of City Development, Director of Children’s Services and Director of Public health to meet and progress further.
  - (ii) That the emerging Sport and Active Lifestyles strategy is noted and the ambition to be the “most active big city” supported.
  - (iii) Consult with the Leeds Public on how best to celebrate the achievements of our Olympians and Paralympians, and then establish an Olympic Legacy Fund of £100,000 annually, with details to follow.
  - (iv) Support future international sports events in Leeds and to use them to inspire a new generation of participants.
  - (v) To develop proposals for a sustainable school sport system, building on the school games, and that supports Leeds as a child friendly city.
  - (vi) Establish options for increasing National Non Domestic Rate relief to sports clubs in Leeds.
  - (vii) Seek a commitment from sporting groups, third sector and business in the city to attend a Leeds Sporting Summit to maintain and further develop sports in Leeds.
  - (viii) To build on the Games Makers and volunteering which already exists in the city, as we move forward with the other major events planned.

- (b) That a further report be submitted to a future meeting of the Board which provides an update on the progress which has been made on the establishment of a sporting legacy for Leeds.

## **RESOURCES AND CORPORATE FUNCTIONS**

### **71 Financial Health Monitoring 2012/13 - Month 4 Report**

The Director of Resources submitted a report which detailed the Council's projected financial health position for 2012/2013 after four months of the financial year.

With regard to Council owned void properties, responding to a Member's comments, it was acknowledged that further consideration needed to be given to the future of such properties on a case by case basis, particularly in respect of the costs associated with the longer term protection and maintenance of them.

In response to a Member's enquiry, the Board received an update on the progress made regarding the rationalisation of refuse collection routes.

**RESOLVED** – That the projected financial position of the authority, after four months of the financial year, be noted.

### **72 Consultation on Localised Council Tax Support Scheme**

Further to Minute No. 31, 20<sup>th</sup> June 2012, the Director of Resources submitted a report which provided details of the outcomes arising from the consultation undertaken with the West Yorkshire Police Authority and West Yorkshire Fire and Rescue Service on a local Council Tax Support scheme.

Members noted that as a result of the outcomes from such consultation, the report sought approval to consult upon an alternative scheme proposal, alongside the original proposals, which were approved by the Board for the purposes of consultation in June 2012.

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

**RESOLVED** – That additional schemes which would aim to limit scheme spend to Government funding levels, be approved for the purposes of consultation alongside the option already approved by Executive Board.

### **73 High Cost Legal Money Lending in Leeds**

Further to Minute No. 239, 11<sup>th</sup> April 2012, the Director of City Development submitted a report providing details of the current issues across the city which related high cost legal money lending and advising on the services being offered by the Council and its partners to assist in overcoming such matters. In addition, the report also outlined possible future initiatives which were currently being investigated.



The Board welcomed the work which was being undertaken collectively with partners, such as Leeds Credit Union and Community Development Finance Institutions (CDFIs), and highlighted the need to ensure that public access to, and awareness of such organisations was maximised.

Members highlighted the importance of the work being undertaken to address the issues associated with high cost legal money lending in Leeds and emphasised that the Council should take any incremental measures it could to help tackle such issues.

In conclusion, it was proposed that, in looking to further address such matters in the future, consideration should also be given to the ways in which the Council could help restrict the advertising campaigns of high cost money lenders in the area, how the Council could help address the wider implications arising from high cost money lending, such as the affect upon individuals' mental and physical health, and that an audit be undertaken, in order to determine which communities across the city were most affected by such matters. It was then requested that a report be submitted to a future meeting, which brought together such information, so that the matter could be progressed further.

**RESOLVED –**

- (a) That the extent of the high cost lending market nationally and more particularly that operating in Leeds, as set out within the submitted report and including the information on the sector provided within Appendix 2, be noted.
- (b) That the approaches outlined within the 'Conclusions', as set out within section 5 of the submitted report, be noted and welcomed.
- (c) That continuing support and promotion of Leeds City Credit Union be agreed, particularly in those areas which complement the delivery of the Leeds City Priority Plans.
- (d) That the ongoing work of the inter-Directorate credit union Working Group, and the range of possible future developments, as set out within paragraph 3.17 of the submitted report, be noted and welcomed.
- (e) That a report be submitted to a future meeting of the Board which provides an update on the progress made in respect of the work being undertaken to address the wider implications of high cost money lending in Leeds, as discussed during the meeting, and detailing how the problems associated with high cost legal money lending could be addressed further.

## **ENVIRONMENT**

### **74 Response to the Deputation to Council from Sparrow Park Action Group on 11th July 2012**

The Director of Environment and Neighbourhoods submitted a report responding to the deputation presented by Sparrow Park Action Group to the meeting of Council on 11<sup>th</sup> July 2012 which related to the issues regarding the future ownership, restoration and management of a green space in Headingley, known locally as “Sparrow Park”.

**RESOLVED** – That the contents of the submitted report be noted, and that the case for pursuing a Compulsory Purchase Order under relevant powers be endorsed, subject to the clarifications identified within paragraph 3.2.17 of the submitted report.

### **75 A Review of City Centre Car Parking in Leeds**

The Director of Resources submitted a report providing a summary review of city centre car parking in Leeds and which highlighted the issues which would inform future car parking policy. The review considered the Council’s current approach towards city centre parking, and how such an approach related to the Council’s policy objectives. In addition, the review considered current and future capacity of car parking spaces within the city centre, provided an analysis of city car park usage and examined recent income trends from Council car parks. In addition, the report highlighted the issues which needed to be taken into account when shaping a future car parking strategy and made recommendations which were consistent with the Council’s objectives.

The Board acknowledged the vital importance of the retail economy in Leeds, and in response to a Member’s concerns regarding the possibility of reviewing current policies in respect of city centre evening and Sunday parking, it was noted that the summary review was for the purposes of informing a consultation exercise which would be undertaken with relevant stakeholders in respect of the Council’s car parking strategy, with the outcomes arising from the consultation being reported back to the Board.

The Board acknowledged that the Council’s current car parking strategy and wider transport policy objectives had been set on the basis that a comprehensive transport strategy would be implemented in Leeds, and which to date, had not occurred in its entirety. A matter which Members requested be taken into consideration when undertaking further work on the city centre car parking review.

#### **RESOLVED –**

- (a) That the contents of the submitted report be noted.
- (b) That approval be given to the review informing a consultation with relevant stakeholders regarding the Council’s car parking strategy, with agreement being given to the following:-

- i) Consideration should be given to reviewing current policies in respect of evening and Sunday car parking.
- ii) Occupancy levels at Woodhouse Lane multi-storey car park should be reviewed following the completion of the refurbishment works, with a view to re-assessing prices once a true level of demand can be re-established, taking into account demand from the Arena.
- iii) On street parking charges should continue to be reviewed annually on a street by street basis to ensure that charges are more responsive to changes in demand.
- iv) Although the Council should review each car park on a site by site basis, it should aim to keep the overall weighted average price of long stay car parking above the cost of public transport.
- v) The Council should continue to develop its Park and Ride proposals and income from car parking activities should be ring fenced to expenditure on the transport infrastructure, with additional income generated from parking activities re-invested into improving the transport infrastructure, including Park and Ride schemes.
- vi) A parking league table should be published for the permanent car parks in the city centre, showing who operates the car parks and ranked according to how much they charge. A statement demonstrating how the Council re-invests its car parking income should also be published alongside this.

(Under the provisions of Council Procedure Rule 16.5, Councillor A Carter required it to be recorded that he voted against the decisions referred to within this minute)

## **DEVELOPMENT AND THE ECONOMY**

### **76 Green Space Proposals for the Sovereign Street site**

Further to Minute No. 48, 27<sup>th</sup> July 2011, the Director of City Development submitted a report advising of the progress made in respect of the development of the Sovereign Street green space proposal and which sought agreement of the next steps, including the broad concepts for the scheme; indicative budget parameters and the submission of the planning application. In addition, the report also included a summary of the consultation outcomes about the green space proposal and the programme and timetable for its development.

The Board provided its support for the proposals detailed within the submitted report and it was requested that young people were invited to be involved in the project's design and development.

**RESOLVED –**

- (a) That the progress made in respect of the green space proposals to date be noted.
- (b) That the concept design scheme for the new green space at Sovereign Street be approved and that the indicative budget parameter being used as a guide to the design work be noted.
- (c) That the submission of a planning application for the green space at Sovereign Street be approved.
- (d) That the injection of £2,500,000 into the Sovereign Street green space scheme, funded by the first call on any capital receipts generated from the Sovereign Street development, be approved.
- (e) That the outcome of the consultation undertaken to date be noted, and that the consultation proposals with key stakeholders scheduled prior to the planning application determination be approved.

**77 Community Asset Transfer**

Further to Minute No. 221(B), 7<sup>th</sup> March 2012, the Director of City Development submitted a report summarising the results of the consultation exercise undertaken in respect of the Community Asset Transfer Policy and presenting a final Community Asset Transfer Policy for approval.

Responding to an enquiry, officers undertook to provide the Member in question with details regarding the current position of all ongoing Community Asset Transfers throughout the city.

Members welcomed the progressive approach being taken by the Council in respect of Community Asset Transfers, and it was acknowledged that further work would be undertaken in order to ensure that the approach continued to be developed.

**RESOLVED –** That the Community Asset Transfer Policy and Framework documents, as appended at Appendix 1 and Appendix 2 to the submitted report, be approved for use in developing and considering Community Asset Transfers.

**78 Stimulating Growth in Affordable Housing**

The Director of City Development and the Director of Environment and Neighbourhoods submitted a joint report which outlined a proposed approach towards housing investment, combining a range of funding sources and investment models. Further to this, the report sought a number of approvals from the Board in order to facilitate the development of such an approach.

The Board provided its support for the proposals set out within the submitted report.

**RESOLVED –**

- (a) That the development of an investment programme, as illustrated within the submitted report, be approved, through a contribution of £9,400,000 over three years from the Housing Revenue Account, a contribution of £1,500,000 from the New Homes Bonus and the use of Right To Buy receipts, currently estimated to be £1,900,000 over three years.
- (b) That an injection of £1,500,000 and £800,000 into the capital programme from New Homes Bonus and Right To Buy receipts respectively, be approved.
- (c) That the development of the investment programme be delegated to the Directors of City Development and Environment and Neighbourhoods, in consultation with the Executive Member for Development and the Economy.

**DATE OF PUBLICATION:**

7<sup>TH</sup> SEPTEMBER 2012

**LAST DATE FOR CALL IN  
OF ELIGIBLE DECISIONS:**  
(5.00 P.M.)

14<sup>TH</sup> SEPTEMBER 2012

(Scrutiny Support will notify Directors of any items called in by 12.00 p.m. on 17<sup>th</sup> September 2012)

Draft minutes to be approved at the meeting  
to be held on Wednesday, 17th October, 2012

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**Report of: Director of City Development**

**Report to: Executive Board**

**Date: 17 October 2012**

**Subject: Garforth Leisure Centre**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): Garforth & Swillington	<input checked="" type="checkbox"/> Yes <input 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 checked="" 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 checked="" type="checkbox"/> No

### Summary of main issues

1. Full Council has previously resolved that officers pursue a community asset transfer of Garforth Leisure Centre to the Schools Partnership Trust (SPT), giving the Director of City Development authority to approve the transfer subject to a satisfactory business plan being submitted by SPT.
  
2. Full Council had also agreed that the centres' hours be reduced from 103 hours to 31 whilst the transfer was pursued, however funding was provided by area committee initially to support additional hours, allowing the centre to open for 58.5 hours.
  
3. The ongoing discussions with the Schools Partnership Trust has provided the opportunity for the Council to review the operational performance of Garforth Leisure Centre and learn valuable lessons for the future about the Community Asset Transfer process. The leisure centre is now operating on a more financially sustainable basis on the extended 58.5 hours, and therefore there is an opportunity to reconsider the original Full Council decision to work with the School Partnership Trust to explore the development of a community asset transfer proposal.

## **Recommendations**

4. Executive Board is requested to approve the following:
  - (i) That the further work proposed to explore a community asset transfer of Garforth Leisure Centre to the School Partnership Trust be discontinued
  - (ii) That the Garforth Leisure centre be retained under Council management on 58.5 hours per week.
  - (iii) That the Council seeks to enter into partnership with the Schools Partnership Trust (and other interested parties) with the aim of seeking to extend the opening hours beyond 58.5 hours.



## **1 Purpose of this report**

- 1.1 To outline the current position in relation to full council resolution (of 30/03/11) that officers explore a community asset transfer (CAT) of Garforth Leisure Centre to the Schools Partnership Trust (SPT).
- 1.2 To make new proposals based on the status of the community asset transfer process and the current operational performance of Garforth Leisure Centre.

## **2 Background information**

- 2.1 As was reported to the Executive Board in September the Sport and Active Lifestyles Service has made some excellent progress in meeting major budget challenges whilst at the same time attempting to maintain the number of visits to its leisure centres. Between 2010/11 and 2011/12 the service has managed to realise savings amounting to £2million whilst at the same time maintaining a high quality service, illustrated in part by the fact that visits to all leisure centres during that period marginally increased from 4.199m to 4.207m per annum..
- 2.2 Executive Board will recall that as part of a range of the original budget saving measures, Full Council (on 23/02/11) approved that the opening hours of Garforth Leisure centre be reduced to 31 hours and that officers should explore the option of a community asset transfer to the School Partnerships Trust. This was to be one of the first Community Asset transfers that the Council would consider, reflecting the Councils ambition to explore alternative ways of maintaining services to the public within increasingly challenging budget conditions.
- 2.3 Garforth Leisure centre is a “dry site” i.e. it does not have a swimming pool, with the nearest swimming pool being located at Kippax Leisure centre a few miles away. The centre contains a sports hall, bar and catering area as well as a Bodyline Gym and a number of squash courts. It hosts a range of different activities both sporting and non-sporting and also includes Scribblers nursery/playgroup.
- 2.4 Since the resolution of Council, the Sport and Active Lifestyles Service has been working extremely hard to ensure that the leisure centre meets its budget targets as well as attempting to offer a reasonable level of service whilst the community asset transfer was explored with officers from the SPT. Area Committee agreed to provide some initial funding to support additional hours. This funding allowed officers to increase hours from 31 to 58.5, enabling the centre to open on the most popular public sessions. The funding was provided on the understanding that the community asset transfer process would be implemented relatively swiftly. The current opening hours are outlined below;
  - 1. Monday and Wednesdays 08.30-22.00
  - 2. Tuesdays and Thursdays 16.00-22.00\*
  - 3. Friday 08.30-20.00
  - 4. Saturday 09.00- 13.00

5. Sunday 10.00- 14.00

\* local group opens the centre in the mornings

2.5 Discussions with SPT have been ongoing in order to help them provide a satisfactory business plan to the Council. The process has highlighted a number of complex issues that would need to be resolved, including how to deal with the large number of card based memberships. It has also provided opportunities for the Council to learn from the Community Asset Transfer process. Officers are aware that discussions between SPT and other interested partners have been held and site visits have been made over the past 6 months as SPT explored ways of providing a financially sustainable public offer

2.6 When the Area Committee funding for additional hours expired, City Development Directorate continued to meet the additional costs, however it should be noted that the financial performance of the leisure centre has improved significantly during the last 6 months.

### **3 Main issues**

3.1 The operating position of Garforth Leisure Centre has remained under constant review by the Sport and Active Lifestyles Service in order to keep costs low and maintain throughput and income. This has been considered vitally important to ensure that in the event of a Community asset transfer proceeding the existing customer base should be maintained throughout the potential transfer period, in order to give SPT the best possible chance of success. The service has successfully managed this process despite there being a major staff restructure exercise during the latter part of 2011 and early 2012 as well as the uncertainty that the Community asset transfer process generated for the staff based at Garforth Leisure centre. Despite this challenging position the operating performance has improved considerably and based on 58.5 hours of opening the leisure centre is performing financially better than the savings originally projected to be achieved within the original full council budget paper. The leisure centre's net cost has now reduced to nearly breakeven ( although some additional staffing would be required should the 58.5 hours be made permanent). This compares to 2010/11 net operating costs of £227,000 (based on 103 hours) and 2011/12 forecast net operating costs of approximately £24,000 (based on 31 hours from).

3.2 This is mainly due to:

1. Implementation of a service wide staff restructure
2. A review of the programme of activities and when best to open the site based on the 58.5 hours
3. Working in partnership with on site groups e.g. scribblers playgroup
4. Increasing the number of users in the hours open (currently 2100 per week).

3.3 Ongoing discussions with SPT have continued to show that they remain interested in operating the leisure centre, and officers understand that they have been exploring a partnership with a local third sector organisation/squash club. The

length of time taken for SPT to develop detailed proposals has been a valuable learning point.

- 3.4 Given the improved operating performance of the leisure centre and the potential to still work in a form of partnership with the SPT (and other partners) it is proposed that the original policy decision to consider a Community Asset Transfer should be reconsidered.
- 3.5 By now not pursuing a Community Asset Transfer and retaining the service in house the council will be able to offer continuity in the service offer and importantly be able to continue to offer the Bodyline product to customers, an area that potentially presented some practical concerns in terms of the impact of a community asset transfer. Again another useful learning point.
- 3.6 Officers have considered a number of options, namely;
1. Continue pursuing a community asset transfer with the schools partnership Trust
  2. Seek expressions of interest from another interested party as part of a community asset transfer
  3. For the Council to retain ownership, retain the Bodyline offer and core hours and offer the Schools Partnership Trust (and other interested parties) the opportunity to work in partnership with the Council, potentially hiring space and/or opening up currently closed hours.
- 3.7 The preferred option is option 3, namely;

The Council operates at 58.5 hours and seeks to develop further its partnership with SPT and any other interested stakeholders. This model could allow a further extension of hours should the terms of the partnership be financially viable.

- 3.8 Given the above options it is therefore proposed that rather than explore a community asset transfer, the council instead seeks retains control based on 58.5 hours of public opening (plus access as agreed with the playgroup). The Council will then offer to work with the SPT (and other interested parties) to discuss a potential partnership with the council that also seeks to provide additional hours to the public over and above the current 58.5 hours. This option is preferred on the basis that the original financial pressures have been addressed through the efficiencies introduced by the service and further partnership working can be achieved outside of progressing a community asset transfer.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 Ward members have been consulted regarding the decision and have shown support for option 3. They have also asked that partnerships with additional stakeholders are explored that may provide additional hours for the site.

- 4.1.2 Unions have been engaged throughout the transfer negotiations and been made aware of the decision and have voiced no concerns.
- 4.1.3 Leisure Centre Staff have been updated throughout the transfer process and have been met by managers to discuss this proposal. Again, they have voiced no concerns.
- 4.1.4 Stakeholders and users of the leisure centre have been consulted both before transfer negotiations and through the process. The main affected group was Scribblers playgroups, who were at risk of losing their time with the hours being reduced. Following negotiations with the Centre Managers, they are now keyholders and have retained their original timeslot. This will be unaffected by the decision.

## **4.2 Equality and Diversity / Cohesion and Integration**

- 4.2.1 An Equality Impact Assessment was completed in March 2011. This covered both the reduction in hours and the possibility of a transfer.
- 4.2.2 The conclusions regarding reduced hours from the original EIA included:
- The initial reduction in hours, although not ideal, still ensures continuity of service at the site for all users.
  - The reduction in hours that is proposed for the interim period until the trust takes over is seen as a closure by stealth and will always cause some groups to be displaced
  - Local people should be kept informed of progress

These points remain unchanged. Therefore, a screening form has been completed to accompany this report which proposes permanent reduced hours (noting these are at 58.5 hours, not the 31 proposed with the original EIA)

## **4.3 Council policies and City Priorities**

- 4.3.1 City Development has as a priority to “Develop the city’s cultural events and facilities including changes to sports centres and libraries”, and a key performance measure is “To maintain visits to sports centres”. This report directly addresses these priorities.
- 4.3.2 The overarching vision for 2030 is that Leeds will be the best city in the UK. This means all Leeds’ communities will be successful, including those who are currently less active and suffer poorer healthy life expectancy. The provision of Garforth Leisure centre and increasing the hours of operation permanently to 58.5 hours supports this goal.

## **4.4 Resources and value for money**

- 4.4.1 The controllable revenue budget for Sport & Active Lifestyles is now £6.2 million a year; net expenditure having been reduced by £2 million in 2011/12. Careful management and timing meant that visits to council leisure centres actually increased slightly in 2011/12 compared to 2010/11, as customers switched to

newly opened facilities at Armley and Morley and adapted positively to reduced hours at Garforth, Bramley and Middleton.

- 4.4.2 Average net cost per visit to council leisure centres fell from £1.34 in 2010/11 to £1.07 in 2011/12. Leeds has the third lowest cost of sport per head of population of the 8 core cities of England (CIPFA\Resources Directorate July 2012), with the best / highest level of adult participation (Sport England 22nd June 2012).
- 4.4.3 The impacts of permanently increasing the hours at Garforth to 58.5 hours are forecast to be £24k per annum, allowing for some adjustments for staff costs. . The financial implications are therefore in line with existing budget provision and at a level equivalent to the original financial estimates forecasted for opening for 31 hours per week. Some repair and maintenance spending will be required given minimal levels have been allocated in recent months. The centre is generally in reasonable condition but requires some customer facing improvements.

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

- 4.5.1 Sport is a discretionary, rather than a statutory, service of the council.
- 4.5.2 This report has no confidential elements and it is open to call-In.

#### **4.6 Risk Management**

- 4.6.1 The proposals are considered low risk. The Sport budget as a whole continues to be exposed to the impact of customer demand on income generation and therefore the service has to be responsive to the interrelationship between the quality and range of leisure centres, the activities available and the price that people are prepared to pay. The service mitigates this risk through market insight and constant monitoring of trends.
- 4.6.2 As reported to Executive Board in September, further investigations are to be carried out relating to links to public health which will include further investigations into the Be Active scheme in Birmingham which aims to boost levels of physical activity by groups who traditionally don't take part in sport or fitness related activity. If adopted such an approach could reinforce the role of leisure centres in their communities, potentially redefining their role and securing their future viability.

### **5 Conclusions**

- 5.1 As time has progressed the operational performance of Garforth Leisure centre has improved to such an extent that the council can now afford to operate the leisure centre itself without seeking to transfer to the Schools Partnership Trust under a community asset transfer. The Council will continue to work with the Schools Partnership Trust in an effort to explore ways to enhance where possible both the operational performance and the public hours available at the centre.
- 5.2 The lessons learned during the proposed Community Asset Transfer will be taken on board in any future plans both within the service and the Council.

## **6. Recommendations**

Executive Board is requested to approve the following:

- (i) That the proposal to explore the potential of a community asset transfer of Garforth Leisure Centre to the School Partnership Trust be discontinued.
- (ii) That the Garforth Leisure Centre be retained under Council management on 58.5 hours per week.
- (iii) That the Council seeks to enter into partnership with the School Partnership Trust (and other interested parties) with the aim of seeking to extend the opening hours beyond 58.5 hours.

## **7. Background documents<sup>1</sup>**

7.1 There are no relevant Background Documents associated with this report.

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<sup>1</sup> 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.

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.

<b>Directorate: City Development</b>	<b>Service area: Sport &amp; Active Lifestyles</b>
<b>Lead person: Helen Evans</b>	<b>Contact number: 22 43184</b>

<b>1. Title: Garforth Leisure Centre</b>
Is this a:
<input type="checkbox"/> <b>Strategy / Policy</b> <input checked="" type="checkbox"/> <b>Service / Function</b> <input type="checkbox"/> <b>Other</b>
<b>If other, please specify -</b>

<b>2. Please provide a brief description of what you are screening</b>
<hr/> <p><b>Summary of main issues</b></p> <ol style="list-style-type: none"> <li>1. Full Council had previously resolved that officers pursue a community asset transfer of Garforth Leisure Centre to the Schools Partnership Trust ( SPT), giving the Director of City Development authority to approve the transfer subject to a satisfactory business plan being submitted by SPT.</li> <li>2. Full Council had also agreed that the centres' hours be reduced from 103 hours to 31 whilst the transfer was pursued, however funding was provided by area committee initially to support additional hours, allowing the centre to open for 58.5 hours.</li> <li>3. The CAT process has taken considerably longer than anticipated with SPT unable to provide a business plan by August 2012. However, as a consequence of good operational management Garforth leisure centre is now operating on a financially sustainable basis on the extended 58.5 hours, therefore bringing into question the benefits of pursuing a Community Asset Transfer at this point in</li> </ol>

time.

**Recommendations**

4. That the proposed community asset transfer of Garforth leisure centre to the School Partnership Trust be discontinued
5. That Garforth Leisure Centre be retained under council control on 58.5 hours per week.

**3. Relevance to equality, diversity, cohesion and integration**

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

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

When considering these questions think about age, carers, disability, gender reassignment, race, religion or belief, sex, sexual orientation and any other relevant characteristics (for example socio-economic status, social class, income, unemployment, residential location or family background and education or skills levels).

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

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

**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)

This proposed strategy (way forward) is specifically designed to help reduce health inequalities, one of the Council's (and Sport's) key aims. It highlights the fact that although Leeds is probably the most active big city in the UK, there are still large pockets of unhealthy inactivity in the less-advantaged communities in the city. This strategy is trying to target these areas, building on recent positive improvements.

- **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)**

- **Actions**

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

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

As demonstrated above, these considerations are integral to the strategy report, so a separate impact assessment is not required.

As specific proposals are developed there may be a need for consultation, further screening and specific impact assessments, as appropriate.

Date to scope and plan your impact assessment:	n/a
Date to complete your impact assessment	n/a
Lead person for your impact assessment (Include name and job title)	n/a

**6. Governance, ownership and approval**

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

<b>Name</b>	<b>Job title</b>	<b>Date</b>
Mark Allman	Head of Sport & Active Lifestyles	10 <sup>th</sup> September 2012

**7. Publishing**

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

screening document will need to be published.

Please send a copy to the Equality Team for publishing

<b>Date screening completed</b>	Draft 9 <sup>th</sup> September 2012
<b>Date sent to Equality Team</b>	Draft 11 <sup>th</sup> September 2012
<b>Date published</b> (To be completed by the Equality Team)	

**Report of Director of City Development**

**Report to Executive Board**

**Date: 17 October 2012**

**Subject: Tour de France: The Grand Départ in Yorkshire**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input checked="" type="checkbox"/> Yes <input 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: 10.4(3) and 10.4(5) Appendix number: 1 and 2	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**Summary of main issues**

1. Welcome to Yorkshire, in partnership with Leeds City Council and other Councils has submitted a proposal to the organisers of the Tour de France - ASO (Amaury Sport Organization) about bringing The Grand Départ to Leeds and early stages of The Tour de France to the region.
  
2. The Grand Départ is by far the biggest, most publicised, of all the Tour locations except for the finish in Paris. The actual start of the race is just one part of what goes on at the site of the Grand Depart. In the days before, there are presentations of the teams to the public, displays, cycle shows, market stalls, competitions and cultural activities for all ages. There is a strong family flavour to events as well as opportunities for the cycling enthusiasts. It has the potential to bring significant inward investment to the city and offers a catalyst to sporting organisations and cycling clubs with the potential for a much better cycling offer across the region. It affords a unique opportunity to provide a step change in the international perception of Leeds as a city with ambition and as a place to visit and do business as well as leaving a legacy for cyclists for many years to come.
  
3. This report provides an update on progress to date, the bidding process and potential costs and benefits of staging the Grand Départ.

**Recommendations**

4. With the concurrence of the Leader of the Council, to give delegated authority to the Chief Executive, to enter into an agreement with Welcome to Yorkshire to enable

Leeds City Council to confirm its commitment to staging the Grand Départ within the parameters outlined in confidential Appendix 2.

## **1 Purpose of this report**

- 1.1 This report describes a proposal to host the “The Grand Départ” of The Tour de France in Yorkshire. It outlines the associated opportunities and implications and seeks agreement to enter into agreement with Welcome to Yorkshire to bring the Tour to Leeds and to contribute to the costs.

## **2 Background information**

### **2.1 The Race**

- 2.1.1 The Tour de France is an annual multiple-stage bicycle race. Almost all the stages are held in France, though occasionally (and increasingly) two or three stages are held in nearby countries.
- 2.1.2 It is the third largest sporting event in the World after the Olympic Games and the FIFA World Cup. It was first organized in 1903 and is run by the Amaury Sport Organization (ASO).
- 2.1.3 The race occurs in July and consists of 21 day-long segments (stages) over a 23-day period (there are two rest days).
- 2.1.4 Whilst the route changes each year, the format of the race stays the same with the appearance of at least two time trials (individuals racing against the clock), the passage through the mountain chains of the Pyrenees and the Alps, and the finish on the Champs-Élysées.
- 2.1.5 Riders take part in sponsored trade teams. As well as the prize for the overall winner there are a number of contests within the race – for the Team prize, the “King of the Mountains” prize, the Best Young Cyclist prize, the “Points” prize, for example. (And, of course, the Lanterne Rouge – the race’s slowest rider!)

### **2.2 The “Grand Départ”**

- 2.2.1 This is the name given to the start of the first stage of the Tour. It is now hosted by a different city each year. This year it was hosted by Liege; in 2013 it will be hosted by Porto Vecchio in Corsica.
- 2.2.2 The actual start of the race is only one aspect of what goes on at the site of the Grand Départ. In the days before the start there are presentations of the teams to the public, displays, cycle shows, market stalls and competitions. There is a festival atmosphere with cultural activities for all the family, attractions for the cycling enthusiasts and lots of peripheral activities for those not sports enthusiasts.
- 2.2.3 The Grand Départ is by far the biggest, and most publicized, of all the Tour locations except for the finish in Paris.

## **2.4 Logistics and “hosting”**

- 2.4.1 The Tour involves moving, accommodating and feeding over 4,500 people each day. All the start and finish infrastructure has to be quickly taken down, transported to its next location and re-erected. Facilities for journalists and television crews, and transmission need to be moved on.
- 2.4.2 A total of 2,400 vehicles will be following the race, including race director with support, team vehicles, medical and general support.

## **2.5 Why now and why Leeds?**

- 2.5.1 In this year’s Tour, Britain had its first ever winner in Bradley Wiggins with Chris Froome gaining second place. Mark Cavendish meanwhile is the current rider with the most number of stage victories and perhaps the most exciting sprinter of all. In the recent Olympics Bradley Wiggins won again and Chris Froome got Bronze. Also Lizzie Armitstead (Otley) won silver and David Stone (Rawdon) got Gold and Bronze in the Paralympics. All are strong supporters and advocates for bringing the Tour de France to Leeds. Cycling has captured great public interest in the UK. Attracting the Tour de France will act as a catalyst to create a coherent cycling strategy for the city. The focus of this will be encouraging more people to cycle more often.. It will identify safe routes, encourage cycling as a family as well as sporting activity and as a result help people live healthier lifestyles. It will also offer an opportunity to build on the volunteering opportunities which worked so well this year.
- 2.5.2 Leeds has long and close links with cycling, hosting the Tour of Britain, The Milk Race and televised city centre races.
- 2.5.3 In addition to the above, Leeds will have an increased profile in 2013. The Trinity development will open in March 2013, which is currently the largest shopping centre development on site in Europe. Later in the year the city will host matches for the Rugby League World Cup and the Leeds Arena will also hold its opening season of events, with the operators targeting a place in the Top 5 venues in the world within 2 years.
- 2.5.4 Milestones like those highlighted above will help to reinforce Leeds recovery from the economic downturn. However, to maintain this momentum and demonstrate Leeds’ credentials as a major UK city, with an international profile, consideration needs to be given to how the city intends to build on this success. Hosting an event with the world-wide profile of the Tour de France provides such an opportunity.
- 2.5.5 Hosting the Grand Départ in 2007 generated an estimated £73 million of economic benefit to London and £15 million to Kent. A further £35 million was generated in publicity (over 20,000 pieces of media coverage). Over 3 million spectators attended the event across London and Kent with more than half of these coming from outside London and another 10% travelling to London from overseas. Day visitors spent £26.15 in London and £18.82 in Kent.

2.5.6 Given the basic requirement of up to 10,000 bed nights of accommodation for teams and media for between 7 and 10 days and the increased interest in cycling and the Tour in the UK any bid would seek to surpass the benefits to London in 2007. Some of the key areas of expenditure include up to £1.8m on accommodation, £6m in retail (non food) spend per stage and up to £6.2m in food and catering spend per stage. The media equivalent value would be approximately £15m.

### **3 Main issues**

3.1 In the context of the background highlighted above, there are a number of issues associated with the hosting of the Tour-de-France that Leeds City Council would need to consider, namely:

- Bidding process
- Cost and logistics
- Legal agreement between Leeds City Council and Welcome to Yorkshire
- Working with other local authorities.

#### **3.2 The bidding process**

3.2.1 Unlike some other international events there is no set timetable for the bidding process. On that basis there is the potential for Welcome to Yorkshire to be advised that their bid has been successful at short notice. Should this eventuality occur then Leeds City Council will need to be in a position to confirm its support within a short timeframe to ensure that the opportunity is not lost.

3.2.2 In view of this situation it is proposed that the Chief Executive is given delegated authority to enter into the necessary agreement with Welcome to Yorkshire should it become apparent that the ASO wish to progress the Yorkshire proposal. The Chief Executive would be delegated to enter into such an agreement with Welcome to Yorkshire , with the concurrence of the Leader of the Council.

#### **3.3 Understanding the costs**

3.3.1 As a major international sporting event there will clearly be financial implications to the Council in hosting the Tour-de-France. There are three types of costs: hosting the tour; costs associated with delivering the event and ensuring a strong legacy. Leeds will act as administrative body and guarantor for all the authorities with some involvement in the stages. On that basis the Chief Executive has recently written to each of the local authorities in question to seek their commitment in principle to providing the financial support required as outlined in confidential Appendix 1.

3.3.2 The intention is that hosting costs will be shared across authorities in relation to impact and opportunity the event offers.

3.3.3 With respect to the cost of delivering the event, this includes route preparation, cleansing, event management and venue hire. Some of these costs are capital in

nature, particularly highway resurfacing. A breakdown of the anticipated costs is again outlined in the confidential Appendix 1.

- 3.3.4 Due to the fact that Welcome to Yorkshire are participating in a competitive and live bidding process, with other cities in Europe, the costs associated with running the event are marked as confidential at this stage on the basis that their publication to other bidders could have a negative impact on the success of the bid.
- 3.3.5 Included in the costs is a contribution towards the legacy element of the proposal. As part of our joint working with other local authorities, it is currently proposed that York City Council will take the lead on the legacy elements of the bid. From a Leeds perspective, the Council will use the event as a means of promoting cycling as a sustainable mode of transport, as a means of promoting healthy lifestyles and to support our ambition to become a child friendly city.

### **3.4 The legal agreement**

- 3.4.1 As outlined earlier, Welcome to Yorkshire will be the contracting body with ASO and they in turn will issue contracts with each local authority the route passes through. The final wording of the contract with Welcome to Yorkshire is still to be completed, but will largely reflect the obligations that they will have to provide to ASO. The agreement will therefore be based on the Heads of Terms that are outlined in the Confidential Appendix which outlines the obligations that the Council will need to meet. Again, the terms of this agreement have been marked as confidential on the basis that they relate to a live and competitive bidding process with other European cities.

### **3.5 Working with other local authorities**

- 3.5.1 Authorities across Yorkshire have been in consultation about how they will work together to maximize the impact of the bid.
- 3.5.2 Leeds have agreed to chair a coordinating group of local authority Chief Executives.
- 3.5.3 Early meetings with British Cycling have taken place led by York who have agreed to lead on legacy.
- 3.5.4 Highways chief officers across the county are working together and just awaiting detail on the route before identifying any issues.
- 3.5.5 The Regional Intelligence Unit will lead on establishing processes to monitor and measure the social and economic impact of the Grand Départ in Leeds and the stages across Yorkshire.
- 3.5.6 The authorities will also work together to develop a festival of cycling to sit alongside the Tour to enable local people and visitors to get the most out of their stay in the region.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

4.1.1 The cycling community have been involved as much as possible in encouraging local people to back the bid and show ASO the support that cycling has in the region. 150,000 people have signed the online petition reflecting the huge interest in cycling and appetite for the Tour to come the Leeds and Yorkshire. If the bid is successful then consultation and engagement will be core to the delivery. The consultation will include cycling clubs, communities on the route and those involved in the event along with elected members.

### **4.2 Equality and Diversity / Cohesion and Integration**

4.2.1 The Grand Départ offers the city many opportunities to engage with a wide range of local people. Fundamental to the event will be the opportunity to develop a cycling strategy which will focus on access to cycling for all. A full Equality impact assessment will be completed if the submission is successful.

### **4.3 Council policies and City Priorities**

4.3.1 Attracting The Tour de France to Leeds will underline the city as a venue for global events which is a key element of being The Best City. It will support the health and family agenda, encourage greater take up cultural opportunity.

### **4.4 Resources and value for money**

4.4.1 The estimated resource implications of hosting the Grand Départ are outlined in the Confidential Appendix attached to this report.

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

4.5.1 The information contained in Appendices 1 and 2 is exempt under Access to Information Rules 10.4 (3) and 10.4 (5) respectively, as they contain information relating to the financial or business affairs of any particular person (including the authority holding that information). It is considered that the public interest in maintaining the content of Appendix 1 and 2 as exempt outweighs the public interest in disclosing the information. Appendix 1 relates to costs which are confidential due to the competition to attract the Tour. Appendix 2 includes the Heads of Terms of any contract between Welcome to Yorkshire and Leeds City Council.

### **4.6 Risk Management**

4.6.1 Risks associated with delivery of the event are wide ranging and similar to other major events the city is well used to delivering. The fundamental issue is to manage the costs to avoid overspending. To achieve this it is proposed that the Council will provide dedicated resources to the event should Welcome to Yorkshire's bid be successful. The Council has significant event experience including its work on London 2012 which it will look to marshall to ensure that the management of the event is well executed and remains in budget.



Further risks are highlighted in Confidential Appendix 1.

## **5 Conclusions**

- 5.1 The Grand Départ has the potential to bring significant inward investment to the city and offers a much needed catalyst to cycling. It will create a great spectacle and bring global focus to the city. It affords a unique opportunity to provide a step change in the international perception of Leeds as a city with ambition and as a place to visit and do business.

## **6 Recommendation**

- 6.1 With the concurrence of the Leader of the Council, to give delegated authority to the Chief Executive, to enter into an agreement with Welcome to Yorkshire to enable Leeds City Council to confirm its commitment to staging the Grand Départ within the parameters outlined in confidential Appendix 2.

## **7 Background documents<sup>1</sup>**

- 7.1 None

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

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## Report of the Director of Adult Social Services

### Report to Executive Board

**Date: 17th October 2012**

**Subject: Strategy for governance in integrated working with Health**

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 checked="" 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 checked="" type="checkbox"/> No

### Summary of main issues

1. This report deals with the means by which more integrated commissioning and providing arrangements between NHS commissioners and providers of services and their Local Authority counterparts will be encouraged and supported in the future. The report sets out the intention to use the powers contained in the 2006 Health Act, principally sections 75, 76<sup>1</sup> and 256<sup>2</sup>, to use the legal flexibilities contained within those sections to ensure good governance and accountability for the use of public funds in the pursuit of joint improvement .
2. This sets out the intention to have one overall Section 75 Agreement to cover all joint commissioning arrangements between Leeds City Council Adult Social Care and NHS Leeds or its successors in title.
3. The report also sets out how other dedicated Section 75 agreements will be used to ensure good governance and accountability between providers of NHS care for specific services and their Local Authority counterparts, principally between Leeds Community Healthcare, Leeds and York Partnership Foundation Trust and Adult Social Care provided services.

<sup>1</sup> S76 allows the local authority to transfer money etc to a CCG etc and is the mirror opposite of s256. Leeds City Council has never used it but it is available to us.

<sup>2</sup> The overarching agreement will not cover ss76 and 256

4. The adoption of robust legal agreements for joint working in the provision of care and support ensures a consistency of approach within the terms of the constitution of the Local Authority and makes efficient use of officer and legal services time. It also ensures we have a robust approach to the governance of services provided by both health and social care staff working as part of joint team arrangements.
5. The basis for the agreement centres upon promoting effective partnership working with the aim of the more effective and efficient use of resources in order to meet the health and social care needs of the citizens of Leeds.

## **Recommendations**

That the approach to Section 75, S76 and Section 256 agreements for the governance and pooling of Health and Social Care resources be endorsed.

That the process for the Director of Adult Social Services to approve future agreements under the delegations afforded to her within the Council's Constitution, Officer Delegation Scheme (Executive Functions) be noted.

That the agreements will be subject to formal review every three years and monitored annually during this time to assure their continuing relevance and effectiveness be noted.

### **1. Purpose of This Report**

- 1.1 The purpose of the report is to seek the endorsement of Executive Board to the direction of travel in our approach to partnership arrangements with NHS bodies in Leeds.
- 1.2 Recent years have seen a healthcare system emerging in the City that has expanded in size and in complexity. The NHS 'Family' of organisations has effectively split into essentially two types, Commissioners of care on the one hand, three Clinical Commissioning Groups responsible for the effective planning and purchase of healthcare services. On the other hand NHS organisations who are principally concerned with the actual provision of care, these include; Leeds and York Partnership Foundation Trust, Leeds Community Healthcare and Leeds Teaching Hospital Trust.
- 1.3 There are a significant number of overlaps between that which the NHS and local Authority commissions (or wishes to commission) and that which is directly provided to people with health and social care needs. In order to provide a cogent governance structure for the oversight of joint initiatives and to ensure that financial and organisational risks are identified and addressed, officers from NHS organisations and the local authority have developed a suite of agreements which it is intended will be used into the future to manage all joint commissioned or jointly provided endeavors<sup>3</sup>.

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<sup>3</sup> There are a number of joint commissioning programmes where the local authority and the PCT work jointly and draw down contracts from the same framework arrangement but these are not caught by the s75 agreement.



## **2. Background Information**

- 2.1 S256 of the National Health Service Act 2006 (NHS Act 2006) permits a PCT to transfer to the local authority sums of money or resources which, in the view of the NHS, furthers their statutory objectives to provide better and more efficient health services or prevent ill-health. The local authority will then procure services alongside their own which helps to meet that objective. There is no transfer of statutory functions.
- 2.2 S76 is a mirror image of S256 in that it permits a local authority to transfer monies or resources to a PCT (or CCG as of 1 April 2013) towards expenditure incurred by the NHS in relation to their statutory functions. Again there is no transfer of statutory functions.
- 2.3 However, unlike a S256 and S76 agreement, a S75 agreement allows one of the partners to delegate its statutory duties to the other. In Leeds the PCT, for example, has delegated its statutory duty to ASC for the assessment and provision of services to people with a learning disability who are in need of a care package which would be funded by the NHS under the continuing health care legislation. The local authority assessment and commissioning teams have developed specialist knowledge and expertise in identifying needs and how those can best be met, most cost effectively. The delegation of NHS statutory functions to the Council allows the statutory partners to better integrate their services, cost effectively to achieve a seamless and client focused service.
- 2.4 Section 75 of the NHS Act 2006 provides that health bodies and health related Local Authority services can pool money and integrate resources and management structures. These powers are intended to support partnership working and result in service improvements through the joining up of existing services or the development of new initiatives.
- 2.5 These agreements can be pooled budget arrangements for the commissioning of services, lead commissioning by one organisation on behalf of another or integrated provider agreements. The agreement to be used depends on whether we are commissioning the service e.g. Learning Disability services and Joint Equipment services or working together to provide a service, for example Mental Health Assessment services, and the intermediate care service to be provided from Harry Booth House.
- 2.6 In Leeds we have a number of partnership arrangements already in place between Health and Social Care and through the Transformation Programme we have been looking at how to progress further opportunities for joint working going forward. It should also be noted that the development of further opportunities will be a key responsibility of the Health and Wellbeing Board in the future.
- 2.7 In the past we have had a number of separate agreements in place governing jointly commissioned services. Moving forward we are proposing to implement new agreements which provides a legal framework and a more robust approach to governance.

### **3. Main Issues**

- 3.1 Leeds has a very long history of using 'Health Act Flexibilities' primarily in Learning Disability services where a joint commissioning service has commissioned care using a budget pooled between the NHS and Local Authority for the past 12 years. However, in recognising the rapidly changing organisational landscape for NHS organisations and the significantly harsher financial climate, officers had determined that the agreements that had served well in the past were unlikely to do so in the future.
- 3.2 The revised agreements have the benefit of a contemporary overview of current (rather than historic) national policy and guidance, providing a clear rationale and governance for our partnerships. The design of an overall S75 agreement to be adopted by commissioners for joint commissions of service is that this provides a written, formalised and robust baseline from which to develop partnership relationships on the context of ongoing organisational change.
- 3.3 The documents which are specific to the joint commissioning terms and conditions (including the management of pooled fund agreements) have been drafted by Adult Social Care officers working with legal advice and in co-operation with the three emerging Clinical Commissioning Groups who will be counter-signatories to the agreements.
- 3.4 The overall commissioning agreement under Section 75 of the National Health Service Act 2006 sets out the arrangements in particular: to establish the lead commissioner; establishing and maintaining the pooled budgets within the agreement; establishing and maintaining a charging policy and protocol ensuring that the Council retains the power to charge eligible service users for certain functions whilst ensuring that the delivery of health care through NHS functions remain free at the point of delivery; gives detailed arrangement for financial contributions from both parties and the arrangements for the management of the fund; the governance arrangements for the oversight of the partnership arrangements and the standards of service and monitoring.
- 3.5 With the overall S75 agreement having taken care of overall governance and risk sharing arrangements, all that remains is the addition of a service schedule specific to the particular activity under commission, for example, one schedule specific to the Learning Disability service, one for the intermediate care service.
- 3.6 Each service schedule requires (for consistency) a minimum data set. This will contain a descriptor of the partnership including the aims and objectives, specific governance and reporting arrangements (including terms of reference for partnership boards and reference groups), details of financial contributions, which will include any pooled budget arrangements and staff or other resources which are committed against the agreement. Performance management arrangements will also be included within the specific schedules as will functions of staff that support the delivery of the partnership.
- 3.7 Section 75 agreements between the Local Authority in its role as a provider of support and care services and their NHS counterparts, will operate in precisely the same way covering the specifics of day to day operation and risk sharing and in

particular covering: the governance, monitoring and strategic planning arrangements; inspection arrangements; financial arrangements ensuring that whilst there is no Pooled Fund arrangement both parties agree to adhere to reporting on expenditure and that financial officers attend relevant meetings of the Partnership Board; staffing roles for the staff managed under the agreement; dispute and complaints processes.

- 3.8 This process toward greater integration of both commissioning and provided services will continue to run alongside the lesser used Section 256 of the 2006 Health Act. There are some circumstances in which NHS commissioners will wish the local authority to commission services on their behalf and, rather than enter into a pooled fund arrangement, will simply transfer the value of the service under commission for the local authority to administer. These arrangements will continue where appropriate as part of this developing approach. These types of agreement cover in particular: the conditions of transfer of monies; ensuring that the annual sum shall be used for the specified purpose; the arrangements for authenticating, accounting and auditing; the governance and meeting arrangements to discuss the provision of services.
- 3.9 The establishment of agreements with our Health partners under the National Health Service Act 2006 provides a good practice framework for future working by ensuring a consistent approach across the city and providing stability in the transitional timescale from PCT to Clinical Commissioning Groups (CCGs) under the 2012 Health and Social Care Act. Under this legislation NHS commissioning responsibilities will be overseen by the NHS Commissioning Board (NHSCB). Some acute and most community based commissioning will be delegated to the CCGs by the Board. Working relationships with the NHSCB will be developed through the Health and Wellbeing Board.

## **4. Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1. The work of these agreements has been led by Adult Social Care and the three emerging Clinical Commissioning Groups (CCGs) and rigorous reporting procedures have been followed including consultation and communication with the Executive Member for Adult Social Care, Partnership Boards, the voluntary sector, Learning Disability Commissioning Executive and the Clinical Commissioning Group Collaborative. The agreements could be modified for application to other services in the authority in due course.

### **4.2 Equality and Diversity / Cohesion and Integration**

- 4.2.1. An Equality Impact screening assessment will be carried out on each individual agreement as it is prepared and processed prior to approval. Following the screening, a full assessment will be carried out as required.

### **4.3 Council Policies and City Priorities**

- 4.3.1. The direction of integration is in line with current City Council and Adult Social Care priorities and the NHS drivers for Partnership and Change. The Vision for Leeds

2011-2030 states that 'Leeds will be the best city for Health and Wellbeing, Leeds will be a healthy and caring city for all ages where people are supported by high quality services to live full, active and independent lives'. On a more specific level a formal approach to partnership agreements will strengthen partnership arrangements, increase the optimum use of resources and will support increased personalisation.

- 4.3.2. This initiative contributes to National Indicator 142, the percentage of vulnerable people supported to achieve independent living.
- 4.3.3. This contributes to the City Priority Plan 2015 by supporting people to live safely in their own homes and increases the opportunities for more significant choice and control in relation to health and social care services.
- 4.3.4. This contributes to the Council Business Plan 2011-2015, Adult Social Care Directorate Priorities and Performance Measures by ensuring more people with poor health remain living at home longer.
- 4.3.5. This initiative supports adults whose circumstances make them vulnerable to live safe and independent lives.
- 4.3.6. This further provides easier access to joined up health and social care services underpinned by Valuing People principles amongst other substantial policy drivers and Self Directed Support.

#### **4.4 Resources and Value for Money**

- 4.4.1. The extension of joint commissioning and joint provision of services between the Local Authority and NHS organisations presents significant opportunity to deliver more effective and efficient public services in the City in which outcomes are maximized for Leeds citizens by better use of the 'Leeds £'. However, all organisations need to be assured, through good governance, that their resource contribution generates the anticipated benefits and efficiencies required by their own sponsors.
- 4.4.2. An example of this working in practice is the pooled budget for people with Learning Disability which is managed by the Local Authority on behalf of all commissioners and is valued at £63M in this financial year. Over the past 2 years more than £3M of efficiencies have been made by more effective contract negotiation and management, these have enabled both the Local Authority and their Health commissioning partners to manage demand for services within their existing resources and provide a regular and detailed account of the outcomes achieved for people using this budget.
- 4.4.3. The recent Winterbourne View Hospital Serious Case Review significantly highlighted the need for responsible commissioners to take a much more proactive stance in the promotion of good governance and accountability to protect people whose circumstances make them especially vulnerable. It can be seen that the quality assurance, contract monitoring and compliance measures deployed under

the pooled fund arrangement offers enhanced protection to those people whose care is funded through the pool.

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

- 4.5.1. The process for formulating the agreements (S75 Commissioner/ Provider & S256) has been undertaken with detailed advice, support and assurance from the Council in house legal services team and their NHS lawyer colleagues to ensure full compliance with the requirements of the Health Act 2006.
- 4.5.2. All agreements are subject to approval by the Director of Adult Social Services, Leeds City Council, under her powers of Delegated Decision making after appropriate consultation with the Executive Lead Member. The first tranche of agreements will be the overall S75 Commissioning agreement (which will have attached as schedules the updated agreements around the Learning Disability joint commissioning service, Leeds Equipment Service and the arrangements governing the joint commission of the South Leeds Intermediate Care Centre (formerly Harry Booth House). In addition, the provider S75 agreements for the provision of care in relation to the former Harry Booth House and the joint provision of a range of mental health services will also be approved by this means. A S256 agreement will also be made to enable £340K to be transferred to the Local Authority for the administration of some services to carers on behalf of the NHS.
- 4.5.3. It is proposed that all such decisions to produce new schedules for the overall commissioning agreement or to produce new agreements between provider functions will be made by the means highlighted above. However, because the scale and nature of agreements will vary into the future some may not be subject to call-in. The agreements highlighted at 4.5.2, by virtue of their value will be subject to call-in.
- 4.5.4. We have assessed the Partnership agreements against the 'Advisory note for Directors - Partnerships Governance' tool and can confirm that it meets the requirements stated within.
- 4.5.5. In terms of elected members, governance and scrutiny, The Director of Adult Social Services via the Executive Lead Member will continue to remain statutorily accountable for both the commission and provision of service and the constitution of the Council needs no amendment by the approach set out in this report. However, Members will be aware of the potential for significantly more extensive integration of Council and NHS services, taken to their fullest this would require further reports to the executive seeking authorisation to proceed.
- 4.5.6. Colleagues in Internal Audit have confirmed that they are satisfied that the Section 75 agreement meets their requirements around governance.

#### **4.6 Risk Management**

- 4.6.1. In many respects S75/256 agreements are mechanisms for identifying, mitigating and sharing risks between Health and Local Authority bodies. By having such agreements in place, whether between providers or commissioners, organisations

are making explicit in a legally binding agreement between them, how they will improve outcomes for people.

- 4.6.2. At the same time the agreements articulate how risks and benefits are to be shared between the organisations and how statutory duties are to be discharged. The agreements seek to limit organisational and reputational risk alongside legal and, of course, financial. Members can be assured that the content of the agreements as described at point 3 above ensure due diligence for the Council.
- 4.6.3. Operating or commissioning services jointly in the absence of such agreements is therefore inherently risky, potentially exposing one of the partners to the endeavor to greater than acceptable financial or organisational exposure.

## **5. Conclusions**

- 5.1 This report has set out the intent that Section 75 and Section 256 agreements will be used to ensure good governance and accountability between commissioners and providers of NHS care and their Local Authority counterparts. The adoption of robust legal agreements for joint working in the commission and provision of care and support ensures a consistency of approach and makes efficient use of officer and legal services time. It also ensures we have a robust approach to the governance of services provided by both health and social care staff working as part of joint team arrangements and financially efficient effective arrangements for demonstrating improved outcomes for people.

## **6. Recommendations**

- 6.1 That the approach to Section 75, S76 and Section 256 agreements for the governance and pooling of Health and Social Care resources be endorsed
- 6.2 That the process for the Director of Adult Social Services to approve future agreements under the delegations afforded to her within the Council's Constitution, Officer Delegation Scheme (Executive Functions) be noted.
- 6.3 That the agreements will to be subject to formal review every 3 years but monitored annually during this time to assure their continuing relevance and effectiveness be noted.

## **7. Background Documents<sup>4</sup>**

None

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<sup>4</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

## Report of the Director of Resources

### Report to Executive Board

Date: 17th October 2012

### Subject: Financial Health Monitoring 2012/13 – Month 5 report

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

### Summary of main issues

1. The purpose of this report is to inform members of the financial health of the authority after five months of the financial year in respect of the revenue budget and the housing revenue account.
2. Action is taking place across all areas of the Council to ensure that the budget is delivered and it is clear that significant savings are being delivered in line with the budget, but nevertheless at this stage of the financial year an overall overspend of £1.8m is projected compared to £2.0m reported at month 4. Detailed directorate reports are included at Appendix 1.
3. Members are asked to note the projected financial position of the authority after five months of the financial year together with the impact on reserves should directorate spending not be maintained within approved estimates.
4. After five months the HRA is projecting a surplus of £0.7m.

### Recommendations

5. Members are asked to note the projected financial position of the authority after five months of the financial year 2012/13.

## 1. Purpose of this report

- 1.1 This report sets out for the Board the Council's projected financial health position for 2012/13 after five months of the financial year.
- 1.2 Budget Monitoring is a continuous process throughout the year, and this report reviews the position of the budget after five months and comments on the key issues impacting on the overall achievement of the budget for the current year.

## 2. Background information

- 2.1 Members will recall that the net budget for the general fund was set at £563.1m, supported by the use of £6.9m of general fund reserves and the level of general fund reserves at 31<sup>st</sup> March 2013 was estimated to be £17.1m.
- 2.2. Following the closure of the 2011/12 accounts, an underspend of £1.5m was achieved and the year end reserves position was £25.5m. No significant events have occurred prior to the sign off of the 2011/12 accounts by external audit, as reported to the Corporate Governance and Audit Committee on 28<sup>th</sup> September 2012.

## 3. Main Issues

- 3.1 After five months of the financial year an overspend of £1.8m is projected, as detailed in Table 1 below.

Table 1

(Under) / Over Spend for the current period							Previous Month (Under) / Overspend £000
Directorate	Director	Staffing £000	Other Spend	Total Expenditure £000	Income £000	Total Under /Overspend £000	
Adult Social Care	Sandie Keene	99	902	1,001	(954)	47	10
Children's Services	Nigel Richardson	(908)	3,773	2,865	(2,688)	177	162
City Development	Martin Farrington	23	1,046	1,068	(122)	946	1,232
Environment & Neighbourhoods	Neil Evans	(309)	(133)	(442)	1,195	753	624
Resources	Alan Gay	747	6,565	7,312	(7,429)	(117)	(52)
Legal Services	Catherine Witham	(114)	55	(59)	59	0	0
Customer Access and Performance	James Rogers	0	0	0	(1)	(1)	0
<b>Total</b>		<b>(462)</b>	<b>12,206</b>	<b>11,745</b>	<b>(9,939)</b>	<b>1,805</b>	<b>1,976</b>

- 3.2 Full details of directorate variations and proposed actions to help achieve a balanced budget are attached at Appendix 1.
- 3.3 The position reflects continuing pressures in Environment and Neighbourhoods and City Development with little change from last month. However, the projected overspend on void properties reported at month 4 has been funded from



contingency fund pending the agreement of options and actions to address the issue going forward.

- 3.4 It should be noted that the delivery in full of all budgeted savings and income targets does still carry a degree of risk and directorates have been reminded of the need to achieve a balanced budget at the year end.

#### **4. Corporate Considerations**

##### **4.1 Consultation and Engagement**

- 4.1.1 This is a factual report and is not subject to consultation

##### **4.2 Equality and Diversity / Cohesion and Integration**

- 4.2.1 The Council's revenue budget for 2012/13 was subject to Equality Impact Assessments where appropriate and these can be seen in the papers to Council on 22nd February 2012.

##### **4.3 Council Policies and City Priorities**

- 4.3.1 The 2012/13 budget targeted resources towards the Council's policies and priorities. This report comments on the financial performance against this budget.

##### **4.4 Resources and Value for Money**

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

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

- 4.5.1 There are no legal implications arising from this report. In accordance with part 4 (f) of the Council's Constitution (Budget and Policy Framework Procedure Rules) Executive Board shall be entitled to vire across budget headings subject to value limits set out in the Financial Procedure Rules. There are no requests this month.

##### **4.6 Risk Management**

- 4.6.1 The Council has prepared and maintained a financial risk register for a number of years. The register details the risk and consequences, existing controls to mitigate against the risk, the value in monetary terms of the risk, review dates and progress towards managing the risk within existing resources. The register is prepared before the start of each financial year and is monitored on a regular basis. The scoring matrix is as follows:

Probability		Impact	
Score	Description	Score	Description
1	Rare	1	Insignificant £0-£499k
2	Unlikely	2	Minor £500-£999k
3	Possible	3	Moderate £1000-£1499k
4	Probable	4	Major £1500-£1999k
5	Almost Certain	5	Highly Significant Over £2m

### Corporate Rating

P	I	Total Score	Corporate Rating
1	1	1	Low
1	2	2	Low
2	1	2	Low
3	1	3	Low
2	2	4	Low
4	1	4	Low
5	1	5	Low
1	3	3	Medium
2	3	6	Medium
3	2	6	Medium
4	2	8	Medium
5	2	10	Medium
2	4	8	High
1	4	4	High
1	5	5	High
2	5	10	High
3	3	9	High
3	4	12	High
4	3	12	High
5	3	15	High
3	5	15	Very High
4	4	16	Very High
4	5	20	Very High
5	4	20	Very High
5	5	25	Very High

4.6.2 The register shows that at the end of month 5 there are still no very high risks, three high risks and no increasing risks, as follows:-

Risk	Key Budget Impacted	P	I	Rating
Capital receipts available to pay credit arrangements	Cross Cutting -All	2	5	High
Efficiencies and savings to delivered to repay the Reserve funding from 2011/12 (£1,589k)	E and N Strategy & Commissioning – S People	2	4	High
Section 278: Risk that due to economic climate, receipts may not pick up.	Cross Cutting - All	2	4	High

4.6.3 Two risks have been changed from the position at month 4. The risk of the fostering budget not being sufficient to meet demand within Children’s Services has now been assessed as a medium risk and the procurement savings within Adult Social Care will not now be realised in the current year and the risk has been deleted.

## 5. Recommendations

5.1 Members of the Executive Board are asked to note the projected financial position of the authority after five months of the financial year.

## **6 Background documents<sup>1</sup>**

6.1 There are no background documents relating to this report.

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<sup>1</sup> 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.

Directorate      **Adult Social Care**

			<b>(Under) / Over Spend for the current period</b>										Previous Month		
Traffic Light	Service	Chief Officer	Staffing £000	Premises £000	Supplies & Services £000	Transport £000	Internal Charges £000	Payments to External Bodies £000	Transfer Payments £000	Capital £000	Appropriations £000	Total Expenditure £000	Income £000	Total Under /Overspend £000	(Under) / Overspend £000
G	Access & Inclusion	Chief Officer Access and Inclusion	(383)	2	(48)	303	25	501	(1,099)	0	0	(698)	(219)	(917)	(939)
R	Strategic Commissioning	Deputy Director Strategic Commissioning	63.0	0	120	0	56	489	0	0	0	728	(56)	672	506
G	Resources	Chief Officer Resources & Strategy	(86)	(5)	0	0	(3)	0	0	0	0	(94)	(174)	(268)	(285)
R	Operational Services	Chief Officer Learning Disabilities	505	36	(229)	49	757	100	(151)	0	0	1,065	(505)	560	728
G	<b>Total</b>		<b>99</b>	<b>33</b>	<b>(157)</b>	<b>351</b>	<b>835</b>	<b>1,090</b>	<b>(1,250)</b>	<b>0</b>	<b>0</b>	<b>1,001</b>	<b>(954)</b>	<b>47</b>	<b>10</b>

# ADULT SOCIAL CARE DIRECTORATE: 2012/13 BUDGET – PERIOD 5 REPORT

## 1.0 Introduction

This report sets out the financial position for the Adult Social Care directorate for Period 5.

## 2.0 Overall Summary

The Adult Social Care Directorate is projecting a balanced position overall at Period 5. The delivery in full of all budgeted savings continues to carry some risk and cannot yet be confirmed, but work is ongoing to achieve these as far as possible. In addition, the directorate continues to seek contingency savings so that the impact of any shortfall can be mitigated.

## 3.0 Explanation of the Projection

The main variations are explained below:

- **Community Care Packages – (£0.2m)**  
Work has progressed well on the review of residential and nursing placement fees. Although there will be some shortfall in the budgeted reduction in fees, placement numbers approved in 2012/13 have been in line with the budget. The budgeted growth in the number of people choosing to receive a cash payment to organise their services is not yet evident in the expenditure trends, but this is offset by higher than budgeted numbers of people using independent sector home care.
- **Transport – £0.7m**  
The Passenger Transport Service is projecting some increased costs for Adult Social Care. There has been an initial review of the client data supporting the projections and further investigation is underway. High cost transport packages are being reviewed and some reductions in the use of escorts have been identified, with further reviews ongoing. The achievement of some budgeted savings has not yet been confirmed and this is also under review to identify any further actions that need to be taken.
- **Income – (£0.9m)**  
This mainly reflects the ongoing trend of higher income collection through the impact of the centralised billing team that became operational in 2011/12 and lower than budgeted voids in older people's residential homes.

Directorate Children's Services

(Under) / Over Spend for the current period															
Traffic Light	Service	Chief Officer	Staffing £000	Premises £000	Supplies & Services £000	Transport £000	Internal Charges £000	Payments to External Bodies £000	Transfer Payments £000	Capital £000	Appropriations £000	Total Expenditure £000	Income £000	Total Under /Overspend £000	Previous Month (Under) / Overspend £000
A	Partnership Dev & Business Support	Chief Officer of Partnership Development & Business Support	(84)	1	112	(3)	12	22	0	0	0	60	(10)	50	66
R	Learning, Skills & Universal Services	Deputy Director of Learning, Skills & Universal Services	(940)	78	33	(29)	201	856	0	0	0	198	44	242	(163)
A	Safeguarding, Targeted & Specialist Services	Deputy Director of Safeguarding, Targeted & Specialist Services	572	89	208	(5)	38	1,508	81	0	0	2,489	(2,451)	38	571
G	Strategy, Performance & Commissioning	Chief Officer of Strategy, Commissioning & Performance	(456)	0	325	(1)	249	0	0	0	0	117	(271)	(154)	(312)
R	<b>Total</b>		<b>(908)</b>	<b>168</b>	<b>678</b>	<b>(39)</b>	<b>499</b>	<b>2,385</b>	<b>81</b>	<b>0</b>	<b>0</b>	<b>2,864</b>	<b>(2,688)</b>	<b>177</b>	<b>162</b>

## CHILDREN'S SERVICES: 2012/13 BUDGET – PERIOD 5 REPORT

### 1. Overall Budget Position

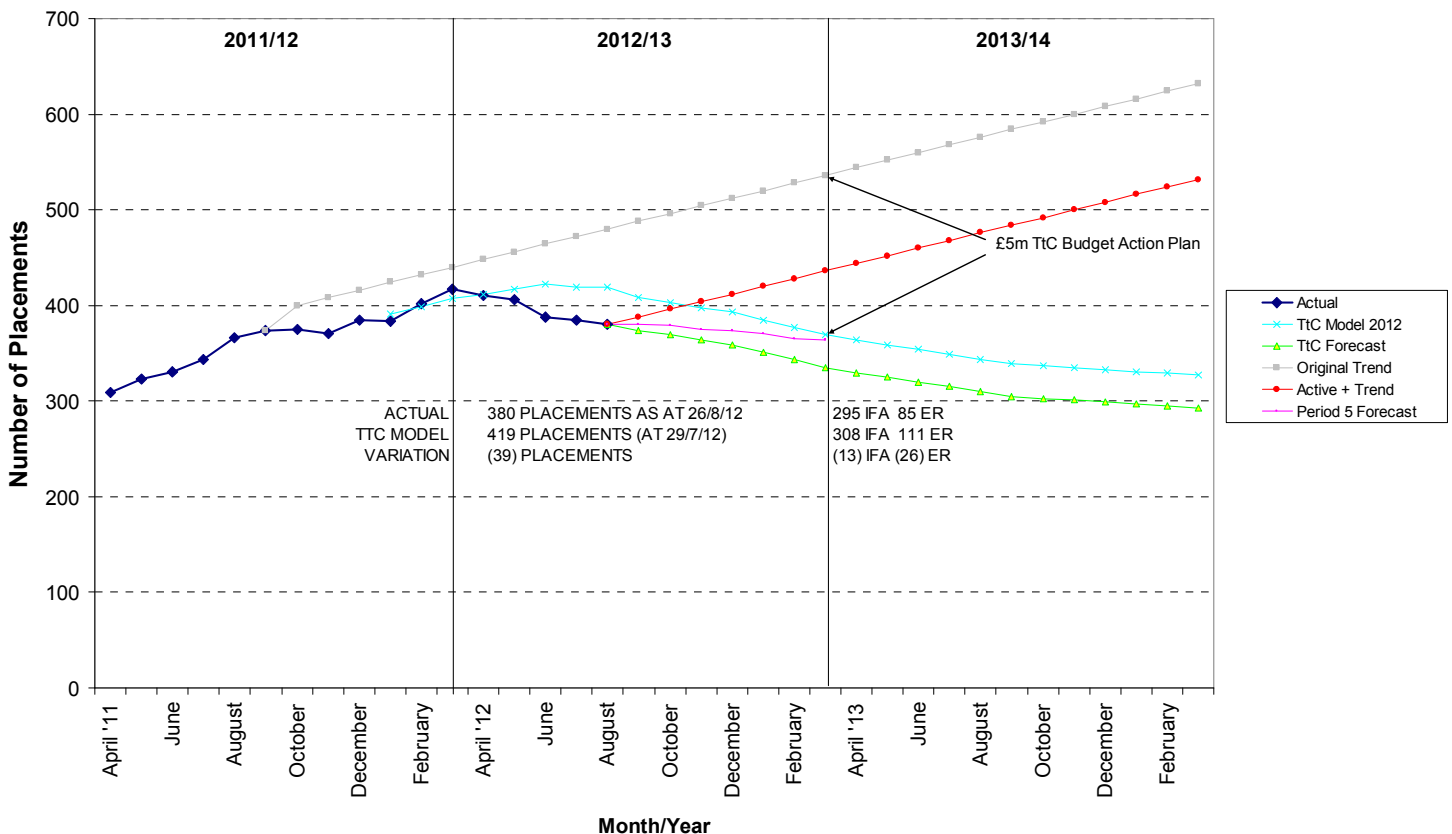
1.1 As at period 5, the forecast outturn variation for the Children's Services Directorate is a projected overspend of £177k against the net managed budget of £132m. This represents a marginal adverse movement of £15k from period 4.

### 2. Looked After Children

2.1 At the end of August 2012, there were 85 children & young people in externally provided residential placements and 295 children & young people in placements with Independent Fostering Agencies. These placement numbers compare favourably against the 2012/13 Turning the Curve financial model with overall externally provided placement numbers being -39 [-26 residential and -13 fostering] less than that anticipated in the model. This reduced placement activity reflects the progress made to date and translates through to an end of year forecast underspend of £1.4m across both budget headings. This represents a favourable movement of £0.7m from the previous period and the graph below shows the trend and projections around externally provided placement numbers.

**Actual/Forecast Number of External Placements**

W/E 26/8/2012



2.2 The forecast underspend on the externally provided placement numbers continues to be mitigated in part by a forecast overspend of £462k for the in-house fostering

service which reflects the position that in-house placement numbers have remained buoyant, at an average of 700 placements per week, in the first five months of the financial year which is positive news. In addition, the projection reflects an increase in the age-related fostering allowances paid in respect of 0-4 and 5-10 year olds which now brings all our fostering allowances in line with the Department for Education recommended minimum levels. The forecast also recognises an increase in the number of Family Placement placements placed with fee-paid carers as well as additional costs around our support for Care Leavers [£110k], section 17 payments [£173k] and Direct Payment [£81k].

### **3. Other Issues**

- 3.1 Overall, the staffing budgets are forecast to underspend by £908k. This includes a projected saving of £155k on the former Education Leeds pension costs. The forecast variation on the £97m basic staffing budget is £6m which reflects the current number of staffing vacancies across the Directorate. At the end of August the forecast spend on agency staffing is £6.5m, which represents a £4.8m overspend. The majority of the agency staff are deployed in the social care fieldwork teams. The forecast spend on overtime is £1.36m which is £0.28m above the budget and due to the need to maintain 24/7 cover for vacancies and sickness in the in-house residential homes and the East Moor secure unit.
- 3.2 In December 2011, the Government announced additional resources totalling £448m over 2012/13, 2013/14 and 2014/15 as part of its commitment to turn around the lives of 120,000 of England's most troubled families. The period 5 projection recognises the recently confirmed £2.3m allocation for the Families First (Leeds) programme which will need injecting into the 2012/13 budget. In addition, the projections incorporate the £0.8m allocation for Leeds in respect of the Youth Contract for 16/17 year olds as part of the Government's £126m investment over the next three financial years.



**Directorate City Development**

Trafic Light	Service	Chief Officer	(Under) / Over Spend for the current period											Total Under / Overspend £000	Previous Month (Under) / Overspend £000
			Staffing £000	Premises £000	Supplies & Services £000	Transport £000	Internal Charges £000	Payments to External Bodies £000	Transfer Payments £000	Capital £000	Appropriations £000	Total Expenditure £000	Income £000		
R	Planning and Sustainable Development	Chief Planning and Sustainable Development Officer	132	(25)	34	38	(13)	0	0	0	0	166	54	220	206
R	Economic Development	Chief Economic Development Officer	53	170	(133)	1	6	0	0	0	0	96	115	211	158
R	Asset Management	Chief Officer Asset Management	92	41	73	(12)	6	0	0	0	0	200	473	673	1,047
G	Highways and Transportation	Chief Officer Highways and Transportation	(116)	270	599	191	43	0	0	0	0	988	(972)	16	16
R	Libraries, Arts and Heritage	Chief Libraries, Arts and Heritage Officer	(114)	112	173	13	9	22	0	0	0	215	107	322	291
R	Recreation	Chief Officer Resources and Strategy	386	395	(354)	16	(71)	0	43	0	0	415	285	700	698
G	Resources and Strategy	Chief Officer Resources and Strategy	(257)	(350)	(259)	(1)	0	0	0	0	0	(868)	(250)	(1,117)	(1,117)
G	Regeneration Programmes	Chief Officer Asset Management	(122)	0	2	0	0	0	0	0	0	(120)	66	(54)	(45)
G	Employment and Skills	Chief Officer Employment and Skills	(32)	5	2	0	0	0	0	0	0	(25)	0	(25)	(23)
R	<b>Total</b>		<b>23</b>	<b>617</b>	<b>136</b>	<b>247</b>	<b>(20)</b>	<b>22</b>	<b>43</b>	<b>0</b>	<b>0</b>	<b>1,068</b>	<b>(122)</b>	<b>946</b>	<b>1,232</b>

## CITY DEVELOPMENT DIRECTORATE: 2012/13 BUDGET – PERIOD 5 REPORT

### 1.0 Introduction

This report sets out the financial position for City Development Directorate for Period 5.

### 2.0 Overall Summary

The Period 5 position for City Development Directorate shows a projected overspend of £0.946m. This is a decrease of £286k on the Period 4 position. The main changes are an increase in the projected overspend for Economic Development of £53k, mainly due to a reduction in the projected saving on supplies and services spend and an increase of £31k on the projected overspend on Libraries, Arts and Heritage due to a reduction in the saving on staffing, offset by £380k funding of the void properties overspend from the contingency fund.

The overall projected position already assumes that the Directorate will implement actions to make further savings to address some of the anticipated budget issues in 2012/13. There is a risk that these savings are not fully delivered and also that additional budget pressures emerge. The Directorate will continue to review service spending plans to minimise the overspend.

### 3.0 Explanation of the Projected Overspend

The projected variances by service is shown below:

	£000s
Planning and Sustainable Development	220
Economic Development	211
Employment and Skills	(25)
Asset Management	673
Regeneration	(54)
Highways and Transportation	16
Libraries, Arts and Heritage	322
Sport and Active Recreation	700
Resources and Strategy	<u>(1,117)</u>
	<u><b>946</b></u>

Asset Management and Sport are both still projecting significant overspends. In Asset Management this is primarily due to a shortfall against the advertising budget of £400k. In Sport the main issue is an overspend on the energy budget of £432k and additional staffing costs of £386k mainly arising from staff in managing workforce change following the service restructure with an end date in most cases of December 2012. Additional staffing costs are also expected from an outstanding job evaluation liability which now seems likely to be resolved.

As mentioned above, the projection assumes further savings will be identified and £1.1m of these anticipated savings are currently shown in Resources and Strategy. The need to deliver this level of savings along with some of the ongoing potential budget risks, particularly with achieving income targets in the current economic climate, mean that it will be a challenge for the Directorate to deliver the current budget projection. However, all uncommitted spending plans are being reviewed and saving options being agreed with services.

Budget adjustments have been and will continue to be submitted to adjust budgets to address specific budget issue and as a result the subjective analysis of the variations will change over time.

The major projected variances are detailed below:

<b><u>Major Projected Variances and savings Plan</u></b>	£000s
Energy costs (Sport and Highways)	757
Advertising income shortfall	400
Sport income	268
Markets income	156
Staffing	23
Other net variations	202
	1,806
<b><u>Savings Plan:</u></b>	
Premises target savings	(350)
Supplies and services target savings	(260)
Additional income target	<u>(250)</u>
<b>Total</b>	<b><u>946</u></b>

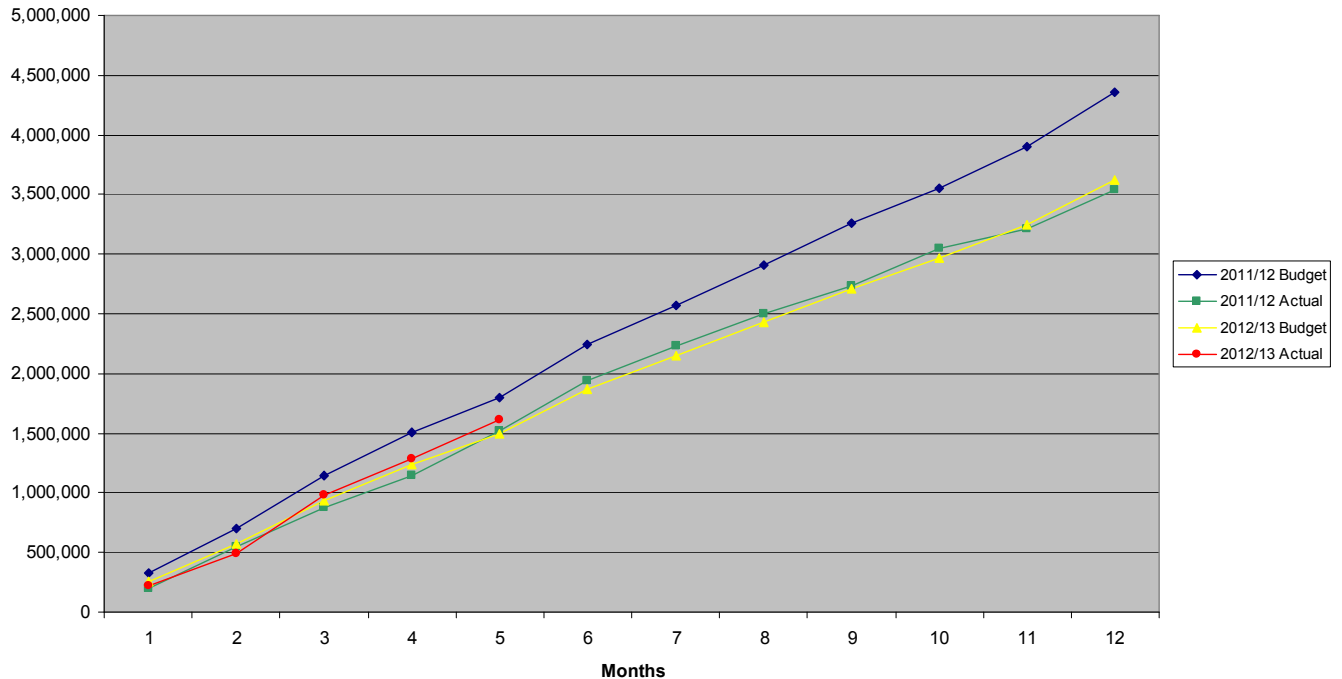
### **Income**

Overall, it is projected that income will be £0.1m above budget. Since Period 4 some budget adjustments have been made to take account of additional income in Highways and Transportation and this explains the reduction in the overall income projection since Period 4. The current position on income is largely due to shortfalls against the advertising income target, sport income and other income from charges such as Markets income, as detailed above. These income shortfall are offset by additional income from rechargeable work and grant income in Highways and Transportation of £0.97m. This additional income will also result in additional expenditure being incurred and budget adjustments will be submitted as the income is secured.

## Planning and Sustainable Development Income

The income target for planning and building fees has been reduced in the 2012/13 budget by £0.5m reflecting the shortfall in 2011/12. The graph below shows the current position.

Cumulative 2011/12 & 12/13 Building and Planning Fees



Planning income is £186k above the phased budget but building fee income is £34k below the phased budget. There is also a projected shortfall of £250k against other income received by the service.

The Government has recently announced that it is proposing an increase in planning fees in the autumn of approximately 15%. It is projected that overall planning and building fees will exceed the budget by £250k as a result of the improved trend and the anticipated fee increase, however, it is assumed that this additional income will be mostly used to offset the shortfall against other planning income targets.

## Economic Development

The current projection is that there will be a £156k shortfall against the income target for the Market's Service of £3.7m.

## Staffing

Overall an overspend of £23k is projected. The 2012/13 budget included a £2m reduction in staffing expenditure across the directorate. This is in addition to savings

of £6m achieved since 2010/11. Staffing numbers in the directorate have continued to reduce since 2011/12 and are expected to fall further during the year. However, there are a number of staff in managing workforce change procedures and their costs are still being incurred by the directorate, those in Sport being as a result of a service restructure, there is also an outstanding job evaluation liability which is reaching a resolution and will result in additional cost being incurred. Regeneration, Highways and Transportation, Libraries, Arts and Heritage and Employment and Skills are projecting an underspend on staffing. The directorate will continue to closely manage staffing levels and recruitment across all services.

### **Other Expenditure**

Supplies and Services budgets are expected to spend in line with the budget. However, the projection assumes that additional running cost savings of £0.8m will be delivered and that these will help offset the budget pressures identified in this report.

The two major expenditure pressures are energy costs and the cost of maintaining and securing void properties. Energy costs in Asset Management, Sport and Highways and Transportation are expected to overspend by £0.76m. The overspend in Highways and Transportation is on the Street Lighting electricity contract and is due to higher than anticipated tariff charges being set after the budget was agreed and increased charges following a revision of the asset inventory. As part of the Street Lighting contract this significant increase in energy costs will trigger a reduction in contract payments which will help offset the overspend on energy and a budget adjustment has now been submitted to increase the Street Lighting energy budget from the contract savings. The remaining overspend on the electricity contract in Highways is £0.18m. In Sport the overspend reflects the 2011/12 outturn position where the savings assumed in the 2011/12 budget could not be fully delivered. The service is actively implementing energy saving schemes but these include the need for a payback and are unlikely to fully meet the savings assumed in the budget.

The cost of maintaining and securing void properties was a major budget pressure in 2011/12. The number of void properties being managed by Corporate Property Management (CPM) has increased significantly over the last two years as the Council has been rationalising its property portfolio across a number of services. Whilst the budget was increased in 2012/13 and CPM is proactively working to reduce the cost of void properties through demolitions and disposals, and the projected overspend of £380k has now been funded from the contingency fund. There is a risk that this could be higher if additional properties are handed over from other Council directorates to CPM to manage without additional budget being made available. A detailed report is being prepared with options and actions to address the issue going forward.

Directorate **Environment & Neighbourhoods**

Traffic Light	Service	Chief Officer	(Under) / Over Spend for the current period											Previous Month	
			Staffing £000	Premises £000	Supplies & Services £000	Transport £000	Internal Charges £000	Payments to External Bodies £000	Transfer Payments £000	Capital £000	Appro- priations £000	Total Expenditure £000	Income £000	Total Under /Overspend £000	(Under) / Overspend £000
G	Health and Environmental Action	Chief Environmental Services Officer	125	3	0	56	7	0	0	0	0	192	1	193	127
G	Car Parking Services	Chief Environmental Services Officer	(187)	(30)	24	0	84	0	0	0	0	(109)	59	(50)	(50)
R	Community Safety	Chief Community Safety Officer	(129)	20	20	39	(7)	0	0	0	0	(58)	115	57	59
A	Strategy and Commissioning	Chief Regeneration Officer	23	8	2	0	0	0	0	0	0	33	(8)	25	28
R	Statutory Housing	Director of Environment and Neighbourhoods	(34)	13	62	64	0	6	0	0	0	111	79	189	165
G	General Fund Support Services	Chief Officer Resources and Strategy	(29)	0	0	0	0	0	0	0	0	(30)	0	(30)	(30)
R	Waste Management	Chief Environmental Services	456	16	41	(257)	(63)	0	0	0	0	192	178	370	324
G	Safer Leeds Drugs Team		0	0	0	0	0	0	0	0	0	0	0	0	0
G	Parks & Countryside		(534)	(180)	(114)	118	(63)	0	0	0	0	(772)	772	(0)	0
R	<b>Total</b>		<b>(309)</b>	<b>(150)</b>	<b>35</b>	<b>18</b>	<b>(42)</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(442)</b>	<b>1,195</b>	<b>753</b>	<b>624</b>

## **ENVIRONMENT & NEIGHBOURHOODS: 2012/13 BUDGET – PERIOD 5 REPORT**

### **1.0 Introduction**

This report sets out the financial position for Environment and Neighbourhoods at Period 5.

### **2.0 Overall Summary**

The overall projected position for the Directorate is an overspend of £753k, of this £511k is within Environmental Services and £242k within Neighbourhood Services.

### **3.0 Explanation of the Projected Overspend**

#### **3.1 NEIGHBOURHOOD SERVICES +£242k**

#### **3.2 Community Safety +£57k**

There is a pressure within CCTV due to staffing (£77k) and lower than budgeted levels of income (£187k). However, additional income from the HRA is expected for the Leeds Anti-Social Behaviour Team (LASBT) service based on currently activity levels (£72k). Savings due to vacant posts within Signpost and the Management Team further reduce the overall pressure for the service.

#### **3.3 Strategic Housing +£190k**

The Leeds Asylum the contract is due to expire at the end of September, leaving the service £30k short of the budgeted target. The projection forecasts a reduction in the income due for selective licensing and advertising (£57k). An increase in the numbers within temporary accommodation will result in additional costs (£86k).

#### **3.4 Resources, Strategy & Commissioning -£5k**

A variation due to costs associated with staff in managing work force change has been offset by running cost savings across all functions.

#### **3.5 ENVIRONMENTAL SERVICES +£511k**

#### **3.6 Waste Management +£370k**

Within Refuse Collection there is a projected overspend of £222k relating to ongoing route back up (staff and vehicle costs) and additional cost of sickness cover. Staff currently in Managing Workforce Change are projected to cost £127k. The rise in the price of fuel is projected to result in a £70k overspend.

Within Waste Strategy and Policy an overspend of £54k is projected. No variation in disposal costs is currently forecast. Income from electricity generation at

Gamblethorpe closed landfill site is now projected at £80k below the budget. This is due to gas levels falling more quickly than had been anticipated.

### **3.7 Environmental Action +£191k**

The costs of staff in Managing Workforce Change are projected at £41k and spend on front line Cleansing costs is now forecast to be around £65k above budget.

The budget had assumed that a saving of £150k could be delivered from closer working with the Parks and Countryside service following its transfer to this Directorate. The service transferred in July and whilst proposals to develop closer working are being developed, it is considered unlikely that this saving will be realised in this financial year.

Following the retendering of the weedspraying contract, savings of £160k are anticipated this year.

The rise in the price of fuel is projected to result in a £23k overspend.

### **3.8 Car Parking (£50k)**

Savings from vacant posts are forecast to be (£187k). Income is expected to be lower by £138k largely as a result in the reduction in income receivable from parking offences.

### **3.9 Parks & Countryside - nil**

A number of potential income pressures to the service are being monitored. A price rise for Bereavement Services will be implemented shortly but the original savings target may not be achieved. Work is ongoing to identify alternative sources of income in the likelihood that income pressures relating to section 106 or capital schemes arise. However, staffing savings are expected to offset the income shortfalls and the projection at period 5 assumes that the other targeted actions in the budget will be delivered and that there will be no overall variance.

## **Housing Revenue Account (HRA)**

### **Summary/Movement from previous period**

At the end of Period 5 the HRA is projecting a surplus of £695k - an increase of £115k from Period 4. This movement is due to the following:

- Increase in projected dwelling rents due to RTB sales to date being lower than anticipated (£105k)
- Additional income from garage plots (£40k)
- ALMO IT SLA now agreed (£226k)
- Increase in contribution to Swarcliffe Sinking Fund as a result of lower interest rates £250k
- Other minor variations £6k



**Directorate Resources**

			<b>(Under) / Over Spend for the current period</b>											<b>Previous Month (Under) / Overspend</b>	
Traffic Light	Service	Chief Officer	Staffing £000	Premises £000	Supplies & Services £000	Transport	Internal Charges £000	Payments to External Bodies £000	Transfer Payments £000	Appro- priations £000	Total Expenditure £000	Income £000	Total Under /Overspend £000	Previous Month (Under) / Overspend £000	
R	Financial Management	Chief Officer Fin Management	210	0	(35)	4	0	0	0	0	179	(80)	100	100	
G	Business Support Centre	Chief Officer Fin Management	36	(1)	29	1	0	0	0	0	66	(234)	(168)	(179)	
A	Financial Development	Chief Officer Fin Development	(15)	0	1	0	0	0	0	0	(13)	53	40	18	
G	Revenues and Benefits	Chief Revenues and Benefits Officer	261	2	76	28	4	0	5,092	0	5,463	(5,463)	0	0	
R	Information Technology	Chief ICT Officer	645	0	(112)	0	(118)	0	0	0	415	(290)	125	182	
G	Human Resources	Chief Officer HR	(107)	(16)	7	9	10	0	0	0	(99)	(2)	(101)	(126)	
G	Audit & Risk	Chief Officer Audit and Risk	(178)	2	(17)	(1)	0	0	0	0	(194)	41	(154)	(95)	
G	CORS Directorate	Chief Officer Resources and Strategy	13	0	(15)	0	0	0	0	0	(2)	1	(1)	7	
G	Public Private Partnership Unit	Chief Officer PPPU	148	0	3	0	0	0	0	(10)	141.8	(142)	0	0	
G	Procurement		(156)	0	(6)	0	51	0	0	0	(111)	(197)	(308)	(308)	
G	Democratic and Central Services	Chief Officer Democratic and Central Services	(48)	257	208	(6)	0	0	0	0	410	(410)	1	0	
G	<b>Total Excluding Commercial services</b>		<b>809</b>	<b>243</b>	<b>140</b>	<b>34</b>	<b>(53)</b>	<b>0</b>	<b>5,092</b>	<b>(10)</b>	<b>6,256</b>	<b>(6,722)</b>	<b>(466)</b>	<b>(401)</b>	
R	Commercial Services	Chief Officer Commercial Services	(62)	(10)	(1)	1,152	(24)	0	0	0	1,056	(707)	349	350	
G	<b>Total</b>		<b>747</b>	<b>233</b>	<b>139</b>	<b>1,187</b>	<b>(76)</b>	<b>0</b>	<b>5,092</b>	<b>(10)</b>	<b>7,312</b>	<b>(7,429)</b>	<b>(117)</b>	<b>(52)</b>	

**Directorate Legal Services**

		<b>(Under) / Over Spend for the current period</b>											<b>Previous Month (Under) / Overspend</b>		
Traffic Light	Service	Chief Officer	Staffing £000	Premises £000	Supplies & Services £000	Transport £000	Internal Charges £000	Payments to External Bodies £000	Transfer Payments £000	Capital £000	Appropriations £000	Total Expenditure £000	Income £000	Total Under /Overspend £000	(Under) / Overspend £000
G	Legal Services	City Solicitor	(114)	0	29	0	26	0	0	0	0	(59)	59	0	0
G	<b>Total</b>		<b>(114)</b>	<b>0</b>	<b>29</b>	<b>0</b>	<b>26</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(59)</b>	<b>59</b>	<b>0</b>	<b>0</b>

**Directorate Customer Access and Performance**

		<b>(Under) / Over Spend for the current period</b>											<b>Previous Month (Under) / Overspend</b>		
Traffic Light	Service	Chief Officer	Staffing £000	Premises £000	Supplies & Services £000	Transport £000	Internal Charges £000	Payments to External Bodies £000	Transfer Payments £000	Capital £000	Appropriations £000	Total Expenditure £000	Income £000	Total Under /Overspend £000	(Under) / Overspend £000
G	Customer Access	Chief Officer Customer Services	(1)	0	0	0	0	0	0	0	0	(1)	0	(1)	0
G	Localities and Partnerships	Chief Officer LIP	(50)	(0)	12	0	0	0	0	0	0	(38)	(1)	(39)	(39)
G	Intelligence and Improvement	Chief Officer Business Transformation	0	0	(12)	0	0	0	0	0	0	(12)	0	(12)	(12)
A	Corporate Support	Assistant Chief Executive	50	0	(1)	0	0	0	0	0	0	50	0	50	50
G	Area Management	Area Leader	0	0	0	0	0	0	0	0	0	0	0	0	0
G	<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1)</b>	<b>(1)</b>	<b>0</b>

## CENTRAL AND CORPORATE FUNCTIONS: 2012/13 BUDGET – MONTH 5 REPORT

### 1.0 Introduction

This report sets out the financial position for Central and Corporate Functions for period 5 of 2012/13.

### 2.0 Overall Summary

The Central and Corporate budget reflects savings and efficiencies amounting to £6m (on top of £15.7m achieved in 2011/12) with some of the action plans representing a considerable challenge for services to deliver.

The position at month 5 is little changed from last month, whilst there are some variations at individual service level, the overall projection is that a balanced budget will be delivered by year end.

### 3.0 Explanation of the projected underspend

#### **RESOURCES (£117k underspent)**

The budget contains the following challenges in terms of delivering savings and efficiencies:

- Pay savings amount to £3.1m of which £1.7m are based on the assumption of further leavers and turnover during the year.
- Procurement related savings of £0.6m
- Additional income of £1.3m.

The overall projection since last month has improved by £65k mainly due to delays in planned recruitment.

The main issues by service are:

#### **Commercial Services**

The current projection is an overall surplus of £8,378k against the budget of £8,727k and the following briefly explains the situation by unit:

- Property Maintenance Group are projecting a pressure of £50k; £4,508k surplus against an OE of £4,558k. The main reason for the pressure is the difficulty around meeting the targets for additional income contained in the budget.
- Education Catering & Schools Cleaning are projecting additional surplus of £100k. This is mainly due to Education Catering income in respect of Primary School Meals and reflects an uptake of 6.7% for both paid and free. The projection also assumes 2 High School Catering contracts transfer to other providers from 1<sup>st</sup> September.

- Fleet Services are projecting a pressure of £400k; £946k surplus against an OE 12-13 of £1,346k. The underlying pressure reflects the increased cost of tyres, funding of two extra spare vehicles for the Refuse service and fixing spare hire charges to Refuse which carries some risk.
- Within Passenger Services additional spend on private hire has been incurred in direct response to client demand. The relevant services (Adult Social Care and Schools) are aware of the additional cost involved.

### **Democratic and Central Services**

It is still assumed that either additional funding for the referendum will be received from Government or the net shortfall will be met from the Council's contingency fund.

### **ICT**

The projections last month assumed that 14 posts will be filled and the number of contractors reduced. 8 appointments have now been made and the number of 'contractors' reduced accordingly. In addition, £350k of the projected overspend on pay relates to roll out of the 'Essential Services Programme' but it is assumed that this cost will be capitalized.

The projections also assume a (probable) refund of £120k from Virgin Media.

### **Procurement Unit**

The 'underspent' position reflects the anticipated draw down of £158k from the Regional Improvement and Efficiency Partnerships (RIEP) balance, plus £150k rebate as a result of the Council's associate membership of the Yorkshire Purchasing Organisation.

## **CUSTOMER ACCESS AND PERFORMANCE (balanced position)**

No significant variations in spend or income are apparent at month 5 and the Directorate have plans in place to ensure that the budget is brought in on-line.

## **LEGAL SERVICES (balanced position)**

Following on from the significant reduction in legal spend last year, Legal Services are continuing with proactive work to reduce the Council's total legal bill. This includes significant savings that will be made through the 'WYLAW', which is progressing the West Yorkshire Districts' legal shared services agenda.

The current forecast break even is dependent on Service departments working with Legal to identify priorities and areas of work that can be discontinued. Potential pressures include work from Children's Services, City Development and on going work on Equal Pay.

## Report of Director of Resources

### Report to Executive Board

Date: 17<sup>th</sup> October 2012

Subject: Financial Strategy 2013 to 2017

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 checked="" 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 checked="" type="checkbox"/> No

### Summary of main issues

1. The purpose of this report is to update Members on the development of the Council's financial strategy. Work is on-going to develop a medium term financial plan covering the next four financial years from 2013/14 to 2016/17.
2. At present national spending totals are available covering the next two financial years only, however many commentators now expect that the period of economic austerity will continue for at least four more years and therefore a financial plan covering this period is being developed.
3. 2013/14 sees the introduction of significant changes to the way in which Government provide funding for local government through the introduction of the Business Rates Retention Scheme. A Technical Consultation on the scheme was published on the 17th July 2012 which provides further information on the scheme, and also raises a number of significant issues which may impact upon the Council's future funding. There are also concerns as to how the changes will impact upon the future distribution of grant funding in that the system is largely driven by the ability to generate additional growth in business rates, rather than an assessment, however imperfect, of need.
4. It is clear that the Council will need to deliver significant savings over the next four years and it is critical that it continues to ensure that the shape of the budget in four years time is determined by a clear focus on outcomes to deliver our ambitions and by the Council and its partners working together.

### Recommendations

5. Members are asked to note the contents of this report and the response to the technical consultation, and note that a further report on the development of the Council's financial strategy will be submitted to the December 2012 meeting of the Board as part of the Council's Initial Budget proposals for 2013/14.

## **1 Purpose of this report**

- 1.1 The purpose of this report is to update Members on the development of the Council's financial strategy. It is clear that the public sector will continue to face a significant financial challenge for a number of years coming. Work is on-going to develop our approach to medium term financial planning which takes account of anticipated funding levels and the Council's ambitions for the city. A key dependency to this work is to understand our funding envelope going forward.
- 1.2 2013/14 as well as being the 3<sup>rd</sup> year of the Government's 4 year deficit reduction plan as set out in its 2010 Spending Review, also sees the introduction of significant changes to the way in which funding is provided for local government, through the Business Rates Retention Scheme. DCLG published a Technical Consultation on the scheme on 17<sup>th</sup> July 2012 which raises a number of significant issues.
- 1.3 Based upon the information provided through the consultation, together with analysis undertaken by the Local Government Association, we have been able to update our forecast of what our funding envelope may look like for the next four years. It should be noted however that there remains a significant degree of uncertainty as to this forecast which will be dependent on future government spending decisions.

## **2 Background information**

- 2.1 To date the Council has been able to respond successfully to the present financial environment, achieving savings of more than £90m in 2011/12 and setting a budget to bridge a funding gap of £55m for 2012/13. In 2010 it was forecast that a reduction in staffing numbers of 2,500 – 3,000 over the next four years would be required, and as at the end of March 2012, around 1,800 ftes had left the Council, which excluding school based staff represents a 12.5% reduction in the Council's workforce.
- 2.2 The scale of the challenge that the Council has faced in 2011/12 and 2012/13 has required the Council to respond quickly and has limited our ability to take a more strategic approach to the prioritisation of resources. Whilst a pragmatic approach has to date delivered a robust budget, it has previously been accepted that going forward if we are to deliver the required reductions, and at the same time deliver the Council's contribution to the Best City outcomes, there is a need to develop and refine a more strategic and longer term approach to the Council's financial strategy, which will in turn inform the annual budget setting process.
- 2.3 Recognising the above, we are developing a 'Budget Plus' approach for our financial planning, taking a strong focus on our ambitions, and using an internal service challenge process to help generate ideas and change. It is also important in considering our plans to take account of our relationship with different partners across the city and the contribution they make towards the achievement of the city's ambitions. We have adopted a four year timescale in order to provide a more appropriate timeframe for change.
- 2.4 A key dependency to this work is to understand our funding envelope going forward. This is especially complex as 2013/14 sees the introduction of the Business Rates Retention Scheme. The Business Rates Retention scheme is a complex funding mechanism under which local authorities will be able to retain some of the benefit of growth in local business rates. It has also been designed in the context of the Government's deficit reduction plans. DCLG published a detailed Technical Consultation on the Business Rates Retention Scheme on 17<sup>th</sup> July 2012. As part of this consultation new local government

spending control totals have been published for 2013/14 and 2014/15, which raise a number of issues, outlined below, and have a significant bearing on our understanding of the available funding envelope going forward.

2.5 Appendix 1 provides a detailed overview of the consultation paper, but the key points are as follows:-

- (a) Local government spending totals for 2013/14 and 2014/15 have been amended for
  - a number of specific grants transferring into formula grant
  - funding for central education functions transferring out of formula grant into a new specific grant.
- (b) the local government spending totals for 2013/14 and 2014/15 have been reduced for a number of reasons including an assumed 1% cap on pay awards and annual amounts top sliced in respect of New Homes Bonus.
- (c) There are a number of proposed changes to the formula grant process.
- (d) The data used in the calculation of formula grant is to be updated to include the 2011 Census data.

### 3 Main issues

3.1 Whilst many aspects of the consultation paper are by their nature technical, it does raise a number of issues which will have an impact upon the Council's future grant funding, and these have been reflected in our response to the consultation which is attached at Appendix 2. The main issues include:

3.1.1 **Local Government Spending totals for 2013/14 and 2014/15** – there is clearly a general concern about the further reductions in funding implicit in these figures. The Comprehensive Spending Review set out reductions of 0.8% in 2013/14 and 5.8% in 2014/15 compared to the 2012/13 settlement. These reductions have now been revised to 5.8% in 2013/14 and 8.6% in 2014/15. The table below sets out the explanations for these changes.

	2012/13 £m	2013/14 £m		2014/15 £m	
CSR	23,385	23,196	-0.8%	21,856	-5.8%
1% Pay Award Cap		-240		-497	
New Development Deals		-20		-20	
Fire Grants		-49		-50	
Neighbourhood Planning		-15		-20	
Capitalisation (accounting)		-100		-100	
Safety Net		-245		-245	
New Homes Bonus		-500		-800	
	23,385	22,027	-5.8%	20,124	-8.6%

3.1.2 **Pay Awards** – The Government announced in the Autumn Statement in 2011 that there should be a 1% cap on public sector pay awards. They further stated that as the local government settlement had been built up assuming a 2% pay award, a further reduction in funding would be implemented to take account of this cap.

- 3.1.3 **Capitalisation** – Each year the Government have given approval to requests from individual local authorities to capitalise expenditure which would normally be treated as revenue. This approval does not involve the transfer of any funding to local authorities, but is simply giving approval to additional borrowing. However despite this fact, the settlement figures for 2013/14 and 2014/15 have been adjusted downwards to reflect these approvals.
- 3.1.4 **New Homes Bonus** – The New Homes Bonus (NHB) was introduced by the Government in 2010/11 as “a powerful, simple and transparent incentive which meant that those local authorities which promote and welcome growth can share in the economic benefits, and build the communities in which people want to live and work”. The Government provides additional funding or a 'bonus' for new homes by match funding the additional council tax raised for new homes and empty properties brought back into use, with an additional amount for affordable homes, for the following six years.

In the 2010 Spending Review the Government committed £950m to NHB (£200m in 2011/12 and £250m a year for the following three years) with the balance to come from top-slicing formula grant. For 2012/13, NHB allocations totalling £431m were made, of which £176m was top-sliced from 2012/13 formula grant to help pay for it.

The Technical Consultation states that the Government’s estimate of the amount required to fund the cost of the NHB at its maximum is £2bn. The latest proposal is that in the early years of the scheme, rather than removing the full £2bn, only sufficient money would be removed to fund the cost of NHB in that year. The amount to be held back is estimated at £500m in 2013/14 and £800m in 2014/15, with any surpluses to be returned to local authorities.

This adjustment could have a significant distributional impact as the funding will now be distributed throughout the country on the basis of housing growth rather than the needs based Local Government funding formula.

The Government’s £2bn projection equates to 1.4m properties based on the national average for a Band D property. In order to recover the Council’s share of the £2bn withheld, which is estimated at £30.6m, the Council would have to bring nearly 21,000 properties back into use over the 6 year period, which is equivalent to 3,500 properties per annum.

- 3.1.5 **The LACSEG transfer** – at £1.218bn, we consider that the scale of this transfer is too high. Reductions to Formula Grant for academies have been challenged in 2011/12 and 2012/13 and the transfer has been subject to a rebate and review. This latest calculation is based upon budgeted expenditure for 2011/12 but fails to take adequate account of subsequent reductions in expenditure by local authorities which have been greater than those assumed by the Government.
- 3.1.6 **Formula Grant Methodology Changes** – there are a number of methodology changes which will impact upon the distribution of Formula Grant. These relate to both the Relative Needs and Relative Resources components that make up the national totals and also the formulas used to distribute them between authorities. Within the national spending totals the Relative Needs Formula (RNF) has been reduced in respect of Children’s Services and Concessionary fares and we anticipate that both these changes will be detrimental to the Leeds position, although adjustments to the Relative Resources and Central Allocation blocks will offset this. Many of the formula grant methodology changes including those to



concessionary travel and rural services will shift resources from metropolitan to shire areas, but the change to the size of relative resource block and the central allocation will largely compensate for this. In addition, the new arrangements will fix the needs element at 2012/13 levels and will not take account of any changes in need due to deprivation, ageing populations, more school pupils and any other demographic factors until the first reset in 2020.

3.1.7 **Scaling of RSG** – there is a concern that RSG for 2014/15 is to be calculated by using the assumed business rate aggregate for that year. In setting the aggregate the Government will take into account both inflation **and** their estimate of growth in rateable values arising from new properties, etc. This means that the amount of RSG will be scaled back not just by inflation but also by the amount assumed for “real” growth in rateable values. It follows that only local authorities that are able to grow their business rates by more than the Government’s assumptions will see any benefit in 2014/15. Authorities that achieve growth in-line with, or below, inflation will see their funding reduce further. This will penalise all but the highest-achieving local authorities and seems contrary to the principles of the new funding regime.

3.1.8 **Population Data** – Population figures indicators will feed into the calculation of start-up funding levels, but the most important factor is how populations have changed compared to other similar authorities. Although the population of Leeds has increased since the 2001 census, the 2011 census does show a significant reduction in comparison to previous estimates, whereas the populations of other similar authorities have gone up or only suffered a marginal decline relative to previous estimates. These changes in population will almost certainly have a negative impact upon Leeds’ start-up funding and further work is needed to try to establish how big the effect will be.

3.1.9 **Council Tax Support Grant** – The Government’s assumptions are that claimant numbers will fall, whilst all the evidence is that numbers continue to rise in Leeds. The effect of this is that the Council will either need to reduce discounts to claimants where they can, or identify further funding from mainstream budgets.

3.1.10 **Business rates baseline** – The Government propose that there should be a total reset of the system every 7 years, however there is a concern that this is too short a period and would not allow authorities to make long term investment decisions based on business growth. This could also create perverse incentives in respect to any development occurring in the period approaching the reset, as any benefit may potentially be lost. Authorities will only benefit should growth exceed Government expectations. The use of these stretched targets does increase the transfer of risks to local authorities, and it is important for Government to appreciate that managing this risk may mean individual authorities increasing their level of reserves.

### 3.2 The Council’s Funding Position

3.2.1 In the 2012/13 budget report to Council in February we forecast that our resource envelope would reduce as follows:

	£m
2013/14	25.0
2014/15	17.8

3.2.2 At this moment in time we do not know our grant settlement for any years beyond the current year, and the Government have informed authorities that the provisional grant

settlement will not be announced until late November/early December 2012, and it is not clear at this stage whether it will cover both years, i.e. 2013/14 and 2014/15 of the current Spending Review period or whether it will be confined to just one year. Most commentators are now of the view that there will be further real term reductions in public sector spending for both 2015/16 and 2016/17, and this was confirmed by reductions for these years published as part of the Government's 2011 Autumn Statement. These indicative spending totals would normally be translated down to departmental totals through a Spending Review which should take place during 2013. However, the recent speculation is that it may either be delayed or may not cover a full four year period.

3.2.3 Whilst there may be significant uncertainty as to what our future Government grant settlement might be, it is however important that we inform our budget preparations by forecasting the scale of resource reduction that we will face over the next four years. In undertaking this exercise a number of assumptions have been made:

- a) National totals for local government for 2013/14 and 2014/15 as reflected in the consultation paper.
- b) Indicative public spending totals for 2015/16 and 2016/17 as announced in the 2011 Autumn Statement, consistent with LGA forecasts, and with the assumption that they are proportionately translated down to local government.
- c) That the working of the new funding regime and split between RSG and business rates reflects our understanding as outlined in Appendix 1.
- d) That the transfer in and out of specific grants is cost neutral, or that any reductions are reflected in reduced spending.
- e) Council Tax freeze grant awarded in 2012/13 is withdrawn

3.2.4 Further assumptions have been made in respect of realistic growth in business rates and the Council Tax base and around the Council maintaining an adequate level of reserves. The table below provides an assessment of the reduction in resources available over the next 4 years. It should be noted that this takes no account of inflationary and service cost pressures.

	Variation to Base				Cumulative to 2016/17 £m
	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	
Total Reduction in Resources	-14.8	-16.3	-25.8	-6.1	-63.0
Percentage Reduction	-1.9%	-2.1%	-3.4%	-0.8%	-7.9%

## 4 Corporate Considerations

### 4.1 Consultation and Engagement

4.1.1 This is a factual report and is not subject to public consultation, but it should be noted that the Council's budget proposals will be subject as usual to public consultation.

### 4.2 Equality and Diversity / Cohesion and Integration

4.2.1 This report does not have any specific implications for equality, and diversity nor for cohesion and integration, but it should be noted that the Council's budget process is subject to equality impact assessment as appropriate.

### **4.3 Council policies and City Priorities**

4.3.1 This report in itself does not have direct implications for Council policies and City Priorities, but is recognised that ensuring that the Council's spending is in line with these policies and priorities continues to be crucial.

### **4.4 Resources and value for money**

4.4.1 This is a financial report and as such all financial implications are detailed in the main body of the report.

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

4.5.1 There are no legal implications arising from this report.

### **4.6 Risk Management**

4.6.1 The Council's current and future financial position is subject to a number of risk management processes. 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 a financial risk register is maintained that details the risk and consequences, existing controls to mitigate against the risk, the value in monetary terms of the risk, review dates and progress towards managing the risk within existing resources. The register is prepared before the start of each financial year and is monitored on a regular basis.

## **5 Recommendations**

5.1 Members are asked to note the contents of this report and the response to the Technical Consultation attached at Appendix 2.

5.2 Members are also requested to note that a further report on the development of the Council's financial strategy will be submitted to the December 2012 meeting of the Board as part of the Council's Initial Budget proposals for 2013/14.

## **6 Background documents<sup>1</sup>**

6.1 There are no background documents relating to this report.

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<sup>1</sup> 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.

## Business Rates Retention

### 1 Introduction

1.1 DCLG published a Technical Consultation on the Business Rates Retention Scheme on 17<sup>th</sup> July 2012. The three principal parts of the consultation focus on:

- establishing the start-up funding allocations and baseline funding levels;
- setting up the scheme; and
- operating the scheme.

1.2 The consultation asks 83 separate questions, but many appear to be simply seeking assent to the methodologies proposed rather than genuinely seeking views on possible options. The closing date for responses is 24<sup>th</sup> September 2012.

### 2 Establishing the start up funding allocations and baseline funding levels.

2.1 The start-up funding allocations for each local authority will be arrived at by running the 2012/13 formula grant process (with certain amendments) against the 2013/14 local government spending control totals.

2.2 The control totals have been reduced since the 2010 Spending Review as follows:

	2012/13 £m	2013/14 £m		2014/15 £m	
CSR	23,385	23,196	-0.8%	21,856	-5.8%
1% Pay Award Cap		-240		-497	
New Development Deals		-20		-20	
Fire Grants		-49		-50	
Neighbourhood Planning		-15		-20	
Capitalisation (accounting)		-100		-100	
Safety Net		-245		-245	
New Homes Bonus		-500		-800	
	23,385	22,027	-5.8%	20,124	-8.6%

These reductions are in respect to:

- The 2011 Autumn Statement decision to enforce a 1% pay increase cap;
- New Development Deals (£20m per year for 6 years);
- Fire Grants for national resilience;
- Neighbourhood Planning grants (£15m to £20m, but under review);
- Support for capitalisation. Although the Government do not provide any grant to support capitalisation, they justify adjusting the control totals for capitalisation on the grounds that it “scores as revenue expenditure in the national accounts and so impacts directly on the deficit reduction programme.”<sup>2</sup>
- Extra funding for the safety net for authorities who suffer reductions in business rates beyond a set percentage;

<sup>2</sup> Business Rates Retention Technical Consultation, Chapter 3, paragraph 13 (page 20)

- The annual cost of the New Homes Bonus scheme (£500m, £800m, but after 2014/15 rising to £2 billion each year). In the early years any excess NHB is to be returned to local authorities as a specific grant pro-rata to their start-up funding.
- 2.3 There are a number of specific grants also transferring into the formula grant system. They include: -
- continued funding for the 2011/12 Council Tax freeze, (Leeds figure for 2012/13 £6.7m)
  - Council Tax Support Grant, (Leeds figure for 2012/13 £47.5m)
  - Early Intervention Grant (except for funds to provide free education to 2 year-olds), , (Leeds figure for 2012/13 £32.7m)
  - Learning Disability & Health Reform Grant, (Leeds figure for 2012/13 £10.2m) and
  - Homelessness Prevention Grant, (Leeds figure for 2012/13 £1m).
- 2.4 Transferring out of the formula grant system into a specific grant is £1.218bn in respect to funding for central education functions in LACSEG, responsibility for which is transferring to DfE (Leeds estimated spend in 2012/13 £16.5m). This will be used as the basis for reducing funding from Local Authorities in respect to academy transfers
- 2.5 Taking all these into account, the local government spending control totals are increasing from £23,196m to £24,759m for 2013-14 and from £21,856m to £23,046m for 2014-15. This does not imply that there will be any extra funding for local government, just that more funding streams are to be distributed through the Business Rates Retention scheme.
- 2.6 Several changes are proposed to the formula grant process, which will provide the starting point for the new system. They are:
- changes to the concessionary travel formula;
  - a number of changes to sparsity adjustments to help rural areas;
  - restoring the Relative Resource Amount to the same absolute level as in 2010/11 which means changing the percentage from -26.6% to -31.3%, with the Relative Needs Amount being held at 83.0%, and the Central Allocation being increased from 46.6% to 48.3% to compensate.
- 2.7 The consultation paper models the effects of these changes if they had been applied to the 2012/13 settlement. Some of the changes would move funding away from Leeds, but the adjustment to Relative Resources and the Central Allocation would more than compensate for that. The combined effect would be to increase our formula grant by £1.0m before damping, but after damping there would be a £0.4m reduction. The table below compares our position to that of the other Core Cities.

	2012/13 Settlement	Change before Floor Damping				Combined effect after Floor Damping
		Concess'ry Travel	Rural Services Adjustments	Changes to Relative Resources	Combined Effect of Methodology Changes *	
	£m	£m	£m	£m	£m	£m
Birmingham	646.5	-3.1	-8.6	9.6	0.2	-1.5
Bristol	175.8	-1.1	-4.2	3.8	-2.8	-1.3
<b>Leeds</b>	<b>294.8</b>	<b>-2.7</b>	<b>-5.2</b>	<b>7.3</b>	<b>1.0</b>	<b>-0.4</b>
Liverpool	317.8	-2.1	-4.1	3.6	-1.5	-1.0
Manchester	330.4	-3.7	-4.3	6.7	-0.2	-1.1
Newcastle	160.7	0.0	-2.5	3.2	1.6	-0.5
Nottingham	173.1	-0.1	-2.8	4.8	1.9	0.1
Sheffield	265.7	-0.5	-4.1	5.9	2.6	0.0

\* The combined effect does not equal the total of the individual changes because of the way elements of formula grant have been constrained during the calculation process

- 2.8 The data used in the calculation of formula grant is to be updated as far as possible. The most important are population data. DCLG proposes using figures derived from the 2011 Census. The Census figures for Leeds has a population of 751,500 in 320,600 households, compared to a population of 788,686 in the latest previous estimates the ONS provided. This is a drop of over 37,000 or 4.71%, when compared to the population estimate included in our current formula grant, and is likely to reduce the start-up funding for Leeds, but this will depend upon our changes relative to others, and also the mix of the population change.
- 2.9 For each authority the funding will be split between “a start-up local share” (another name for “baseline funding”) and RSG in the same ratio as the national totals. In 2014/15, when the spending control totals reduce again, RSG will simply be scaled back for each authority to reflect the reduction. The baseline funding will remain the same (up-rated by inflation).

### 3 Setting up the Scheme

- 3.1 DCLG will begin by estimating how much business rates will be collected nationally in 2013/14. They will use the rateable value as at 30<sup>th</sup> September 2012 as the starting point, and then adjust that figure to give a notional net yield for 2013/14.
- 3.2 This national ‘estimated business rates aggregate’ will be split between central and local government, as expected, 50:50. The ‘local share’ is then divided up between each billing authority using “proportionate shares” derived from the business rates collected in each area over the period 2007/08 to 2011/12.
- 3.3 In each area, the “proportionate share” will then be divided between the billing authority and the relevant major precepting authorities. A metropolitan authority like Leeds will receive 98% of the proportionate share which will be the “Business Rates Baseline” that it will compare to its Baseline Funding to determine whether it has to pay a tariff, or receive a top-up. The remaining 2% of the area’s share will go to the Fire & Rescue Authority.



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Our ref MSW/FinDev/Res  
Date 24<sup>th</sup> September 2012

Dear Mr Lock

### **Business Rates Retention: Technical Consultation Response**

Leeds City Council welcomes the opportunity to comment on the Technical Consultation and I enclose our response as a separate document in your preferred format.

The present consultation follows on from the more general consultation last autumn and, quite rightly, concentrates on the more technical aspects of the proposed scheme. However, in submitting our response, we feel that it is important that we restate some of our reservations about the scheme and that we point out some of the drawbacks that seem to be emerging as more details become known. These are set out briefly below:

**Spending Control Totals for 2013/14 & 2014/15** – we are concerned that these have been set too low. Leeds has already delivered savings of £90m for 2011/12 and is on track to successfully bridge a funding gap of £55m for 2012/13. However, it is completely unrealistic to expect Leeds (or any other local authority) to continue to deliver savings on the scale implied by the amended Control Totals set out in the Consultation Paper. Year-on-year cuts of 12.2% for 2013/14 and 8.7% 2014/15 will have a profound impact upon service delivery and upon our capacity to support our most disadvantaged communities. They will also threaten our ability to encourage the economic recovery we are all seeking to achieve.

**Dilution of the Incentive Effect** – when the 2011 consultation came out it was envisaged that the local/central split would be around 80/20, whereas the present proposals are on the basis of a 50/50 split. Although this will ensure that risks are shared more equally with Government, it seriously dilutes the potential rewards for authorities that are successful in driving economic growth, and may act as a disincentive to others who would otherwise be seeking to encourage economic recovery through infrastructure investment.

A second linked issue is the balance of incentives between business rates and New Homes Bonus (NHB). NHB provides a 100% council tax bonus for every new home built whereas the rewards of business rates growth are to be shared with Government and partially clawed back through levies. We fear a widening of the North/South divide, with affluent authorities benefiting from high demand for new housing being able to surge ahead compared to those in some of the more industrial areas of the North.

**Complexity** – the current formula grant system has been widely criticised for its complexity and lack of transparency. It appears that the proposed system, whilst simple in concept, will be equally opaque and difficult to explain. This will do nothing to reduce the democratic deficit, and risks increasing the disconnect between councils seeking to make difficult but fair financial decisions and their electors, who will struggle even more to understand the financial context in which those decisions are being taken.

**Safety Nets** – we are disappointed that Government has not responded positively to the criticism of the proposed safety net threshold. The proposed range of 7.5% to 10% is simply far too high, and leaves local authorities open to financial “shocks” from year- to-year that could have a catastrophic impact upon service delivery. We argue elsewhere in the response that the threshold should be set much lower (perhaps 2% or 3%) and would urge Government to reconsider this issue.

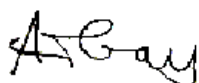
**Revenue Support Grant for 2014/15** – we are concerned that RSG is to be managed down to compensate for assumed growth in business rates between 2013/14 and 2014/15. The effect of this will be to reduce the opportunities for local authorities to benefit from growth during 2014/15 and to reduce the incentive effect. We believe that 2014/15 RSG should be calculated by reference to the 2013/14 business rates so the incentive effect is retained.

**Mandatory Charity Relief** – under the current system the cost of mandatory charity relief (over which local authorities have no control) is borne by the Government. Under the new scheme the cost of new charity relief applications will be shared equally between Government and local authorities. This will place a new burden upon local government and will act as a disincentive to local authorities seeking to expand the activities of the third sector within their areas. It also seems to be in direct opposition to the Government’s “Big Society” agenda.

**Council Tax Support Grant** – the amount to be transferred into the scheme is too low and assumes that claimant numbers are reducing whereas, in reality, as the economic downturn bites numbers are going up. Government needs to reassess the amount of this grant so that local authorities are better able to protect the most vulnerable.

I trust that these additional comments are helpful.

Yours sincerely,



Alan Gay  
Director of Resources



# Technical Consultation on Business Rates Retention

## July 2012

### Response Form

The Government would like your views on whether you agree with the options presented in the Technical Consultation on Business Rates Retention. This paper was published on the 17 July 2012, and can be found at the following address:

<http://www.local.communities.gov.uk/finance/brr/sumcon/index.htm>

For convenience, this preformatted response form contains all the questions in the main consultation document. Please click on the relevant check boxes to activate the 'X' that will indicate your preference. Space is available after each question if you wish to include any additional comments to support your choice. There is no limit on the size of these spaces and the boxes will resize themselves. We also welcome any additional comments and alternative proposals, and these can be made in the section available at the end.

All responses, whether using this preformatted response form, or otherwise should reach us by **5pm on 24th September 2012**.

We particularly welcome responses submitted electronically. Please e-mail responses to [BRRtechnicalconsultation@communities.gsi.gov.uk](mailto:BRRtechnicalconsultation@communities.gsi.gov.uk)

If you are not able to respond by e-mail, please post your response to

Andrew Lock  
Settlement Distribution and Policy Team  
Communities and Local Government  
Zone 5/J2  
Eland House  
Bressenden Place  
London SW1E 5DU

Alternatively, they may be faxed to 0303 4443294.

### Confidentiality

All information in responses, including personal information, may be subject to publication or disclosure under freedom of information legislation. If a correspondent requests confidentiality, this cannot be guaranteed and will only be possible if considered appropriate under the legislation. Any such request should explain why confidentiality is necessary. Any automatic confidentiality disclaimer generated by your IT system will not be considered as such a request unless you specifically include a request, with an explanation, in the main text of your response.

I would like my response to remain confidential (please cross)

Please say why in the box below.

## Business Rates Retention Consultation Response

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## Section 2 – Establishing the start up funding allocation and baseline funding levels

### Chapter 3: Local Government Spending Control Total

**Q1: Do you agree with the methodology set out above for calculating the local government spending control total?**

Agree

Disagree

Whilst we appreciate the need to tackle the national deficit, we firstly need to make the point that the Control Totals for local government have been set too low. Leeds has already delivered savings of £90m in 2011/12 and is on target to bridge a funding gap of £55m for 2012/13, and the further reductions for authorities (other than police and fire), equating to 12.2% for 2013/14 and 8.7% 2014/15, will inevitably have a severe effect upon services and upon the communities we support.

More specifically, we believe that the funding withdrawn in relation to the 1% pay cap should be retained within the sector. We are also concerned that funding has been withdrawn for New Development Deals and Capitalisation. These items are merely accounting adjustments that involve no additional expenditure by Central Government. Rather than top-slicing at the outset, in our view it would be better to wait until the actual borrowing has been quantified at the end of 2013/14, and then, if necessary make an adjustment to 2014/15.

**Q2: Do you agree with the methodology set out above for calculating Revenue Support Grant?**

Agree

Disagree

We agree with the proposal to calculate RSG for 2013-14 in the way set out in the consultation paper. However, we are concerned that for 2014/15 RSG is to be calculated having regard to the estimated business rates aggregate for 2014/15. The effect of this will be to reduce 2014/15 RSG by whatever amount Central Government assumes for growth in 2013/14. This will reduce and in many cases completely negate any benefits from growth at a local level and severely restricts the incentive for local growth. For authorities who do not manage to grow their rates at or above the levels assumed by Government, it will mean a further reduction in overall funding, on top of that caused by the reduction in spending control totals.

We believe that to encourage growth, the 2014-15 RSG should be calculated on the basis of the 2013/14 business rates aggregate and that local authorities should be able to retain the rewards of growth in their entirety.

## **Chapter 4: Concessionary Travel**

**Q3: Do you agree with the proposed approach of updating the Concessionary Travel Relative Needs Formula to use modelled boardings data?**

Agree

Disagree

We agree that the current formula for concessionary travel has a number of shortcomings, and that a revised approach is required. The new model appears to be reasonable, but we are concerned that the outputs appear to differ markedly from patterns of actual expenditure. A further concern is that the model appears to move resources away from metropolitan areas towards shire areas and London. In our view a better approach would be to base allocations on historic actual expenditure.

**Q4: Or, do you think it would be preferable to keep using the existing formula?**

Agree

Disagree

## Chapter 5: Rural Services

**Q5: Do you agree that we should increase the population sparsity weighting of super-sparse to sparse areas from 2:1 to 3:1 for non-police services?**

Agree

Disagree

Any further comments

We accept that extremely rural areas are under-compensated by the current sparsity adjustments and that some reform is needed. We are, however, concerned about the scale of the change proposed. The proposed 50% increase in the weightings has a significant distribution effect and would move over £65m from metropolitan areas and London to shire areas (before damping). In our view this transfer is too large; a more appropriate ratio would be 2.5:1.

**Q6: Do you agree that we should double the existing Older People's Personal Social Services (PSS) sparsity adjustment from 0.43% to 0.86%?**

Agree

Disagree

We accept that there is little point in simply moving resources from sparse to super-sparse areas and that a more fundamental approach is required. The exemplifications in the consultation are not entirely clear here, but it appears that the distributional effect, even before damping, would be minimal. However, the discussions within the Baseline Sub-Group seem to have been inconclusive and, indeed, BSG/12/04 states that "*there is no firm evidence on the actual additional costs associated with sparsity*". The change proposed appears to be quite arbitrary and we would welcome a more detailed explanation of how you have arrived at the new percentage.

**Q7: Do you agree that the proportion of the Relative Needs Formula accounted for by the population sparsity indicator under the District Level Environmental, Protective and Cultural Services block should be increased from 3.7% to 5.5%?**

Agree

Disagree

Again, it is difficult from the information available to readily understand the rationale for this change. The distributional effect appears to be more substantial (moving £38m from London and Metropolitan areas to shire areas before damping) and we would question how such a large adjustment can be justified.

**Q8: Should the County level Environmental, Protective and Cultural Services indicator be reinstated at 1.25%?**

Agree

Disagree

Although we concede that there may be some additional costs in relation to libraries and bus services in rural areas, the evidence seems weak and there seems to be no clear rationale for re-introducing an indicator that was discarded eight years ago.

**Q9: Do you agree that we should introduce a Fire & Rescue sparsity adjustment at 1%?**

Agree

Disagree

We accept that there may well be common-sense arguments for introducing such an adjustment, but we are disappointed that it has been proposed without any apparent evidence to support its introduction. This might be acceptable if the adjustment merely affected fire authorities, but the complexities of the formula grant system mean that it would also reduce allocations for authorities such as Leeds that do not have fire responsibilities.

In concluding our response to the questions in this chapter, we feel we need to express our concern about the scale of the overall effect of the proposed changes to rural services. The cumulative effect is to shift £157m (before damping) from London and metropolitan areas to shire areas. Even after damping the total is nearly £48m. At a time when urban authorities are experiencing unprecedented demand for services and severe cuts to specific grants, we would question whether such a large redistribution is justified.

## **Chapter 6: Taking account of Relative Needs and Relative Resources**

**Q10: Do you agree that we should restore the level of the Relative Resource Amount in 2013-14 to that for 2010-11?**

Agree

Disagree

The changes to the percentages for Relative Needs and the Central Allocation in 2011/12 tended to reduce the importance of Relative Resources and benefit authorities with relatively high council tax resources. The effect on individual authorities was often counter-intuitive because it depended on the balance between needs and resources so that authorities with high needs and high resources tended to benefit whereas authorities with lower needs and lower resources tended to see their funding reduce. Although we are surprised that neither of the options presented to the Baseline Sub-group have been pursued, we welcome the proposal to restore the Relative Resource Amount to its 2010/11 level. This will help to compensate some of the most disadvantaged areas with the lowest council tax bases.

**Q11: Do you agree that we should compensate for restoring the level of the Relative Resource Amount in 2013-14 to that for 2010-11 by increasing the level of the Central Allocation only?**

Agree   
Disagree

We are pleased that Ministers do not intend to make any adjustments to the Relative Needs amount to balance the change to the Relative Resource Amount. The increase to 83% for 2011/12 increased funding for high needs authorities and was widely supported. The increase to the Central Allocation percentage should impact more equally on authorities, but will be a concern for authorities like Leeds where the 2011 Census shows a reduction in population.

## **Chapter 7: Grants Rolled In Using Tailored Distributions**

**Q12: Do you agree that we should continue to distribute funding for the Grants Rolled In Using Tailored Distributions according to the methodology used in 2012-13?**

Agree   
Disagree

A number of concerns regarding the Tailored Distributions were raised at the time of the 2011/12 Settlement but, two years on, any further changes would add an unwelcome level of complexity to what is already going to be a very complex system. We therefore accept that the 2013/14 distributions should be on the same basis as 2012/13.

## **Chapter 8: Transfers and Adjustments**

**Q13: Do you agree that the October 2012 pupil census should be used in the final settlement for removing these services?**

Agree   
Disagree

We agree that the transfers should be based on the latest pupil numbers available, and we are prepared to accept a degree of uncertainty in the provisional settlement if the October 2012 figures can be used in the final settlement in January.

**Q14: If not, what methodology would you prefer to use?**

N/A

**Q15: Do you agree with the proposed methodology for removing funding for the education services currently in the Local Authority Central Spend Equivalent Grant?**

Agree   
Disagree

We strongly disagree with the proposal to base the transfer on the totals reported on the 2011/12 section 251 statement and then to deflate on the basis suggested. In our view, this significantly overstates the amount that local authorities are actually spending upon Central Spend Equivalent services in 2012/13 and the effect will be magnified for 2013/14. It takes no account of the impact of other service pressures, particularly in relation to social care, that are reducing the resources that local authorities are able to devote to Central Spend Equivalent services.

Also, the proposed deflation factors, which work out at 2.2% for 2013/14 and 2.1% for 2014/15 are far too low when the overall control totals (shown on page 22 of the Consultation) are dropping by 12.2% for 2013/14 and 8.7% for 2014/15.

**Q16: If not, what methodology would you prefer to use?**

We would prefer a transfer based on local authorities' forecasts of actual expenditure for 2012/13, deflated by the control total percentages quoted above.

**Q17: Do you agree that funding for Local Authority Central Spend Equivalent Grant should be removed after floor damping?**

Agree   
Disagree

We accept that the complications around the balance in funding between LEAs and Academies make a transfer after floor damping the most appropriate option.

**Q18: Do you agree with the proposed methodology for rolling in the 2011-12 Council Tax Freeze Grant?**

Agree   
Disagree

We agree that the methodology used in 2012/13 should continue.

**Q19: Do you agree with the proposed methodology for rolling in the Council Tax Support Grant?**

Agree   
Disagree

We have expressed our reservations about many aspects of the Council Tax Support scheme in previous consultations and at engagement events. In response to this particular question, we believe it is important that Council Tax Support Grant continues to be separately identifiable. To ensure that remains the case in future years, we would prefer funding for council tax support to be provided via specific grant. Billing and major precepting authorities will then be able to continue to compare their actual expenditure with the funding they receive.

**Q20: Do you agree with the proposed approach to continue to apply a damping floor to Early Intervention Grant allocations after the removal of the 2 year old funding and the top slice?**

- Agree
- Disagree

We accept that the removal of the damping floor at this stage would lead to turbulence and that the present arrangements should continue.

**Q21: Do you agree with the proposed methodology for rolling in the Early Intervention Grant excluding funding for free early education for two years olds?**

- Agree
- Disagree

We have concerns that the top-slice is too high but we agree that the proposed methodology seems reasonable and that a transfer after damping is preferable to aid transparency.

**Q22: Do you agree with the proposed methodology for rolling in Greater London Authority General Grant?**

- Agree
- Disagree

No comment

**Q23: Do you agree with the proposed methodology for rolling in a proportion of the Greater London Authority Transport Grant?**

- Agree
- Disagree

No comment

**Q24: Do you agree with the proposed methodology for rolling in Homelessness Prevention Grant?**

- Agree
- Disagree

In the absence of a proposed distribution methodology it is difficult to comment, but the proposal to transfer the grant after damping will at least ensure transparency for the first year. One concern relates to whether the grant can remain responsive to changing needs in future years.



**Q25: Do you agree with the proposed methodology for rolling in a proportion of the Lead Local Flood Authorities Grant?**

Agree

Disagree

In view of the uncertainty about responsibilities between authorities it may be better to leave this as a specific grant.

**Q26: Do you agree with the proposed methodology for rolling in the Department of Health Learning Disability and Health Reform Grant?**

Agree

Disagree

We accept that there is no compelling reason to change the basis of distribution from that used for 2012/13 and that the proposed methodology will ensure transparency.

## **Chapter 9: Population Data**

**Q27: Do you agree that the preferred population measure to use is the Interim 2011-based sub-national population projections?**

Agree

Disagree

As a general principle, we believe that the data used should be the most recent available. As you will be aware, Leeds 2011 Census data showed a relatively large drop in population, and discussions with ONS are continuing. Without seeing the datasets it is difficult to comment further.

**Q28: Do you agree with the hierarchy of alternative datasets which would be used if there are problems with availability of any of the data?**

Agree

Disagree

We accept that in the current circumstances a hierarchy is necessary and that the proposed approach seems reasonable.

## Chapter 10: Taxbase data

**Q29: Do you agree that we should aim to use the council tax base projections as the council tax base measure in order to be consistent with our proposed approach to the population?**

Agree

Disagree

We are not convinced that there is a need to link council base data and population and we would be content for council tax projections to be used.

**Q30: Do you agree that we should switch to the November 2012 council tax base data should population estimates have to be used?**

Agree

Disagree

See our response to Q29.

## Chapter 11: Other Data Indicators

**Q31: Do you agree that we should use data from the Inter-Departmental Business Register in the Log of Weighted Bars indicator?**

Agree

Disagree

The proposed approach appears to utilize a reliable and more up- to-date dataset.

## Chapter 12: Distribution of Revenue Support Grant

**Q32: Do you agree with the proposed methodology for distributing Revenue Support Grant in 2014-15 by scaling the 2013-14 authority-level allocations of Revenue Support Grant to the level of the 2014-15 control total for services funded through the rates retention system?**

Agree

Disagree

We agree that the proposed methodology is reasonable and provides an acceptable mechanism for calculating authority-level RSG allocations for 2014/15. However, as we explained in our response to Q2, we are concerned that 2014/15 RSG is to be calculated having regard to the estimated business rates aggregate for 2014/15. The effect of this will be to reduce 2014/15 RSG by whatever amount Central Government assumes for growth in 2013/14. This will reduce and in many cases completely negate any benefits from growth at a local level and severely restricts the incentive for local growth

## Chapter 13: Floor Damping

**Q33: Do you agree with the proposed approach for calculating floor damping in 2013-14?**

Agree

Disagree

We have always had reservations about the need for floors and ceilings in the calculation of formula grant and would prefer damping to be withdrawn. The proposals seem very complex and quite arbitrary, but we accept that the effects of the reductions in funding will be different for different tiers and, if damping does have to be retained, the proposed approach appears reasonable.

**Q34: Do you agree with the proposed approach for allocating floor damping bands in 2013-14?**

Agree

Disagree

We agree that floor damping bands should be frozen at the same levels as for the 2011/12 and 2012/13 settlements.

**Q35: Do you agree with the proposed approach to splitting 2012-13 formula grant between the service tiers?**

Agree

Disagree

The approach appears to be both complex and rather opaque, but without full access to the Government's formula grant model, it is difficult to identify an acceptable alternative approach.

**Q36: If not, what methodology do you think we should use?**

See response to Q35

## Chapter 14: New Homes Bonus

**Q37: Do you agree that the funding for capitalisation and the safety net should be held back from the surplus New Homes Bonus funding rather than as a separate top-slice?**

Agree

Disagree

As we have indicated in our response to Q1, we do not agree that funding for Capitalisation should be held back. Capitalisation involves no additional expenditure for Central Government and, rather than holding back or top-slicing, in our view it would be better to wait until the actual borrowing has been quantified at the end of 2013/14, and then, if necessary make an adjustment to 2014/15.

We favour the new approach as set out in the Alternative Option paper (see our response to Q84) so do not agree with the option to hold back funding for the safety net from surplus New Homes Bonus funding. We would also question the amount to be top-sliced for the safety net. An amount of £250m for the first year of the scheme appears excessive, particularly as Ministers will have access to the latest September 2012 rateable value totals when calculating the aggregate business rates for 2013/14, on which the safety nets will largely depend. At the very least, the amount should be reduced if Ministers decide to set the safety net threshold higher than 7.5%.

**Q38: Do you agree that the remaining funding should be distributed back to local authorities prorata to the *start-up funding allocation*?**

Agree

Disagree

Please see our response to Q84.

## **Chapter 15: Police Funding**

**Q39: Do you agree with the proposal for setting out the method of calculation of the 2013-14 formula grant element of police funding allocations in a separate document?**

Agree

Disagree

We are not clear why the police allocations need to be set out in a separate document. In our view they could simply be appended to the main Local Government Finance Report

**Q40: Do you agree with the proposed methodology for funding local policing bodies in 2014-15?**

Agree

Disagree

We accept the approach proposed.

## Section 3 – Setting up the business rates retention system

### Chapter 2: Determining the estimated business rates aggregate

**Q41: Do you agree with our proposal not to adjust the estimated business rates aggregate (England) to take into account transitional arrangements?**

Agree

Disagree

Transitional reliefs and payments are entirely outside the control of local authorities and we agree that local authorities should continue to be fully compensated for the effect of the transitional arrangements.

**Q42: Do you agree with our proposal to adjust the estimated business rates aggregate (England) to take into account small business rate relief?**

Agree

Disagree

We agree with this proposal, but we would request that if Ministers are considering extending small business rates relief beyond March 2013, that an announcement is made in the Autumn Statement (i.e. before the draft Settlement) rather than later when local authority budgets have been set.

**Q43: Do you agree with our proposal to adjust the estimated business rates aggregate (England) to take into account mandatory reliefs in this way?**

Agree

Disagree

Again, this is reasonable and acknowledges that local authorities have no control over mandatory reliefs.

In relation to mandatory charity relief, we are concerned that from 2013/14 onwards the cost of all new mandatory charity relief applications will no longer be borne by the NNDR Pool but will be shared equally between central and local government. There is an obvious risk that authorities will lose income as a direct result of schools converting to academies, but there is also a wider risk that it will be a disincentive to local authorities in supporting the third sector. As such, it appears to be in direct opposition to the Government's "Big Society" agenda.

**Q44: Do you agree with our proposal to adjust the estimated business rates aggregate (England) to take into account discretionary reliefs in this way?**

Agree

Disagree

The approach appears reasonable.

**Q45: Do you agree with our proposal to adjust the notional gross yield figure to take account of Enterprise Zones, New Development Deals and renewable energy schemes in this way?**

Agree

Disagree

We agree that the notional gross yield should be adjusted as proposed. All three of these schemes rely for their success on business rates being retained locally.

**Q46: Do you agree with our proposal to adjust the notional gross yield figure to take account of costs and losses in collection in this way?**

Agree

Disagree

We agree that this approach is reasonable and transparent.

**Q47: Do you agree with our proposal not to adjust the *estimated business rates aggregate (England)* to reflect the deferral scheme?**

Agree

Disagree

We agree that it would not be appropriate to make any adjustment for the deferral scheme.

**Q48: Do you agree with our proposal to adjust the *estimated business rates aggregate (England)* to take into account losses on appeal in this way?**

Agree

Disagree

We agree that there is a need to take account of losses of appeal in calculating the aggregate. The effect of those losses is difficult to predict and the proposed approach, which uses the same methodology as in the distributable amount calculation, and will take averages over the same period as the proportionate shares calculation, seems reasonable.

## Chapter 3: Determining proportionate shares

**Q49: Do you agree with our proposal to determine billing authorities' average contribution to the rating pool using *NDR3* forms between 2007-08 and 2011-12 (subject to a number of adjustments)?**

Agree

Disagree

This issue was the subject of extensive discussion at Systems Sub-Group meetings and appears to be a relatively simple and equitable basis for determining local shares of business rates.

**Q50: Do you agree with our proposal to adjust the incomes for 2007-08 to 2009-10 using a local revaluation factor calculated using the methodology set out?**

Agree

Disagree

We agree that the incomes for the earlier years need to be adjusted so that they are comparable to those after the 2010 revaluation and that the suggested approach appears to be the most appropriate and transparent way of achieving this.

**Q51: Do you agree with our proposal not to make an adjustment in the five year average for inflation?**

Agree

Disagree

We agree that any adjustment would be unlikely to have a material effect upon the proportionate shares and would complicate the calculation unnecessarily.

**Q52: Do you agree with our proposal to make an adjustment to the contribution to the pool sum in respect of the transitional arrangements in this way?**

Agree

Disagree

This proposal is consistent with the way the aggregate business rates is to be calculated. Any other approach risks distorting the system.

**Q53: Do you agree with our proposal not to make a further adjustment to the contribution to the pool sum for either mandatory rate relief, or for the small business rate relief scheme when calculating the proportionate shares?**

Agree   
Disagree

Mandatory reliefs and small business rates relief are reflected in the contributions to the pool and, although it would be possible to adjust for them, it would add to the complexity of the proportionate share calculation and it is not clear that it would provide any additional benefits.

**Q54: Do you agree with our proposal not to make a further adjustment to the contribution to the pool sum for reductions for empty property rates when calculating the proportionate shares?**

Agree   
Disagree

We agree that the impact of Empty Property Relief is relatively even across the country and is not likely to affect the proportionate share calculation significantly.

**Q55: Do you agree with our proposal not to make a further adjustment to the contribution to the pool sum for discretionary rate relief when calculating the proportionate shares?**

Agree   
Disagree

We agree with this proposal. Local differences in policies on discretionary rate relief will have only a marginal effect on the proportionate share calculation and an adjustment would add unnecessary complexity.

**Q56: Do you agree with our proposal not to make a further adjustment to the contribution to the pool sum for costs of collection when calculating the proportionate shares?**

Agree   
Disagree

Costs of collection are calculated using a well-established formulaic approach. The formula is applied consistently to all billing authorities and is unlikely to have a material impact upon the proportionate share calculation.



**Q57: Do you agree with our proposal to make an adjustment to the contribution to the pool sum in respect of losses in collection in this way?**

Agree

Disagree

We believe that the starting point for the new system should be as fair as possible and that authorities that have historically had poor collection performance should not benefit in their baselines for that poor performance. We therefore agree that amounts for bad or doubtful debts should be added back.

**Q58: Do you agree with our proposal to make an adjustment to the contribution to the pool sum in respect of deferral in this way?**

Agree

Disagree

We agree that the two deferral schemes have distorted contributions to the pool and could materially affect proportionate shares if no adjustments were made. We therefore agree that the schedule of payment amounts should be added back.

**Q59: Do you agree with our proposal not to make a further adjustment to the contribution to the pool sum for charges on property when calculating the proportionate shares?**

Agree

Disagree

We agree the amounts involved nationally are too small to make a material difference to the proportionate shares of authorities and that no adjustment is needed.

**Q60: Do you agree with our proposal not to make a further adjustment to the contribution to the pool sum for prior year adjustments and interest on repayments when calculating the proportionate shares?**

Agree

Disagree

Prior year adjustments and interest on repayments are already reflected in the contributions to the pool, so we agree that there should no further adjustment for these amounts when calculating proportionate shares.

## Chapter 4: Major precepting authority shares

**Q61: Do you agree with our proposal to confirm the county share at 20% - less the percentage share that will be paid to single purpose fire authorities where the county does not carry out that function?**

Agree

Disagree

We have no strong views on this, because as a metropolitan authority, the county share will not have a significant impact upon Leeds City Council. However, it appears from our initial modelling that a more equal division between counties and shire districts would result in more income being retained within the sector. The volatility of business rates within small districts may also prove difficult to manage.

**Q62: Do you agree with our proposal to set the single purpose fire authority share at 2%?**

Agree

Disagree

We see no compelling reasons why fire authorities should be included within the business rates retention scheme. They lack the levers to influence local growth and their inclusion will add unnecessary complexity to the scheme.

However, if they are to be included a 2% share (which falls at the midpoint of the options put forward) seems reasonable and will allow them to share in the benefits of business rates growth.

**Q63: Do you agree that county councils carrying our fire and rescue functions should receive the full 20% county share?**

Agree

Disagree

This appears reasonable.

## Chapter 5: Treatment of City Offset and the City Premium

**Q64: Do you agree with the Government's proposal to reflect the current arrangements for the City Offset by making an adjustment to the City of London's individual authority business rate baseline?**

Agree   
Disagree

We agree that this will be an effective way of maintaining the current City Offset and its value over time, as the business rate baseline is index-linked.

**Q65: Do you agree with the proposal to take account of the City Offset when calculating proportionate shares?**

Agree   
Disagree

It is important that the City Offset does not adversely affect the calculation of proportionate shares for other authorities. We therefore agree with the proposal that it should be taken into account when these calculations are made, and then added back in.

**Q66: Do you agree with the proposal to calculate the City of London's levy ratio by using its revised individual authority business rate baseline?**

Agree   
Disagree

In principle the proposed approach appears attractive, as the City Offset is meant to be equivalent to council tax, which for any other authority would be income outside the rates retention system, and, therefore, should be outside the business rate baseline for the purposes of the levy calculation. However the City of London will also experience a growth in income from any increase in its business rates tax base via the City Premium. We are not therefore convinced that the levy should be applied to the growth in 'ordinary' business rates using the adjusted business rates baseline. To prevent disproportionate benefit, we believe the Government should reconsider this proposal, particularly as using the adjusted business rate baseline will reduce the levy paid by the City of London and therefore the amount of safety net available to other authorities.

**Q67: Do you agree with the proposal to calculate the City of London's eligibility for the safety net by using its business rates income after the deduction of the City Offset?**

Agree   
Disagree

The City Offset is meant to compensate the City of London for low council tax. For all other authorities this would not be included as business rates income in the safety net calculation. In the case of the calculation of the safety net payments, because it follows a fall in income, the counter arguments identified in Q66 would not apply; we therefore support this proposal.

**Q68: Do you agree that the City Premium should be disregarded in the definition of business rates income used in the rates retention scheme?**

Agree

Disagree

## **Section 4 – The operation of the rates retention scheme**

### **Chapter 2: Information Requirements**

**Q69: Do you agree with our proposals for information requirements before the start of the financial year?**

Agree

Disagree

Much of the detail regarding the information requirements has been agreed at Systems Sub-Group meetings and we agree that the approach seems reasonable. We are concerned, however, that the apparent delay to the draft settlement (now, we understand, to be after the 5<sup>th</sup> December Autumn Statement) will give local authorities only about a week between the settlement and the date to provide NNDR1s to DCLG and major preceptors.

**Q70: Do you agree with our proposals for information requirements at the end of the financial year?**

Agree

Disagree

Again, the proposals have been discussed extensively and appear reasonable.

### **Chapter 3: Schedules of Payment**

**Q71: Do you agree with our proposals for the way in which a schedule of payment will operate for billing authorities?**

Agree

Disagree

We agree that there should be a single regular payment made between a billing authority and central government which would include the central share, tariff/top-up, and provisional transitional protection payments. Our view is that the current 24, fortnightly payments should remain in place, as this will provide consistency and will aid our treasury management function.

**Q72: Do you agree with our proposals for the way in which a schedule of payment will operate for major precepting authorities and what is your view of the number of instalments on which payments to/from precepting authorities should be made?**

Agree

Disagree

The arrangements should mirror those for billing authorities.

**Q73: Do you agree with our proposals for the way in which a schedule of payment will operate between billing and relevant major precepting authorities?**

Agree

Disagree

We agree with the proposal to give billing authorities and their major preceptors the freedom to agree their own schedule of payments. We also agree with the default arrangements that would apply in the unlikely event that the parties were unable to come to a suitable agreement.

## **Chapter 5: Collection and general funds**

**Q74: Do you agree with our proposals for the operation of the *collection fund*?**

Agree

Disagree

We agree with the proposals as outlined in the consultation, but we are concerned that they lack detail. We would welcome more detailed guidance at an early stage.

**Q75: And do you agree that the reconciliation payment due in respect of *transitional protection payments*, should be built in to the calculation of collection fund surpluses & deficits only once, when outturn figures are available?**

Agree

Disagree

This proposal will simplify the calculations of the payments to be made into and out of the collection fund, although the billing authority will have to take these reconciliations into

account when setting their following year's budget. Again, we would welcome further guidance.

**Q76: Do you agree with our description of the way in which the general fund will operate?**

Agree

Disagree

The description of the way in which the general fund will operate appears reasonable.

## **Chapter 6: The safety net and the levy**

**Q77: Bearing in mind the need to balance protection, incentive and affordability, and the associated impact on the amount of contingency that will need to be held back, in the early years where, within the range 7.5% - 10%, should the safety net threshold be set?**

Agree

Disagree

We accept that there is a need to balance protection, incentive and affordability within the scheme, but we feel that the proposed threshold whether 7.5% or 10% is much too high. In order to qualify for a safety net payment, we estimate that Leeds would have to suffer a reduction in gross business rates income of between £23m and £30m (translating into a reduction in retained income of between £11m & £15m). Such a loss, on top of the deficit reduction cuts, would have a catastrophic effect upon service delivery and upon our most disadvantaged communities.

We believe that the safety net should be set at a much more realistic level (perhaps 2% to 3%) and that Government must be prepared to underwrite the system to ensure that communities in areas suffering decline in business rates have a greater degree of protection.

**Q78: Bearing in mind the need to balance protection, incentive and affordability, and the associated impact on the amount of contingency that will need to be held back, do you agree with the Government's proposal to set the levy ratio at 1:1?**

Agree

Disagree

We agree that the levy rate should be set at 1:1. We believe that a 1:1 ratio will provide a degree of incentive whilst ensuring that authorities in the most economically buoyant areas of the country do not benefit disproportionately from business rates growth occurring independently of them. As we have said in our reply to Q77, we believe that the proposed safety net threshold is too high and that Government must be prepared to underwrite any excess cost of safety nets at least in the early years of the system.

**Q79: Do you agree with the approach set out in paragraphs 16 to 19 for defining a billing authority's net retained rates income for the purposes of the levy and safety net calculations?**

Agree   
Disagree

We agree with this approach, provided that the calculation of the estimated business rates aggregate fully takes into account the effect of appeals.

**Q80: Do you agree with the approach set out in paragraphs 20 to 22 for defining a major precepting authority's net retained rates income for the purposes of the levy and safety net calculations?**

Agree   
Disagree

The proposed arrangements will not apply directly to Leeds City Council, but appear reasonable.

**Q81: Do you agree with the approach set out in paragraphs 23 to 28 for safety net calculations and payments?**

Agree   
Disagree

Notwithstanding our reservations to the proposed safety net threshold, we agree with the approach for calculating safety nets and with the proposal to pay safety nets on account on the basis of NNDR1 predictions.

**Q82: Do you agree with the approach set out in paragraphs 29 to 32 for levy calculations and payments?**

Agree   
Disagree

We agree with the proposed method of calculating levy payments. We also agree that levy payments should not be made on account, but be calculated and paid after the year end on the basis of information supplied in the NNDR3 return.

## Section 5: Reconciliation payments in respect of financial year 2012/13

**Q83: Do you agree with our proposals for closing the 2012-13 national non domestic rating account?**

Agree

Disagree

We agree that the final reconciliation for the NNDR pool should mirror the previous years, whereby local authorities pay or receive payments to adjust for the difference between NNDR1 forecasts and their NNDR3 outturns.

We also believe that should the National Pool be in surplus after those reconciliation payments, then that surplus should be retained by local government and returned to billing authorities by means of section 31 grants.

## Chapter 14: New Homes Bonus – Alternative Option

**Q84: Would you prefer that (a) only sufficient funding to finance the New Homes Bonus in each year is removed, as well as funding for capitalisation and the safety net held back, rather than (b) the full £2 billion required for the entire period is removed, and the money held-back for capitalisation and the safety net is funded through the surplus, with the remainder of the surplus being paid back through section 31 grant in proportion to the start-up funding allocation?**

We have argued consistently that the removal of the £2bn a year (on top of the £250m a year already top-sliced in the 2010 Spending Review) was the wrong approach and we are pleased that Government has put forward this alternative option, which we fully support.

As we have indicated earlier in our response, we believe that there is no need to hold money back for capitalisation and we believe that the quantum to be held back for safety nets is too high, but we accept that the suggested sums to be held back in option (a) for NHB in 2013/14 and 2014/15 are reasonable provided that any excess is returned to local government as section 31 grant.

## Any Other Comments

Do you have any alternative proposals?

Please see our covering letter.

Do you have any other comments?

Please see our covering letter.





Report author: Mike Woods

Tel: 51373

## Report of Director of Resources

## Report to Executive Board

Date: 17<sup>th</sup> October 2012

## Subject: Leeds City Region Business Rates Pool

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 checked="" 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 checked="" type="checkbox"/> No

## Summary of main issues

1. Under the Government's Business Rates Retention proposals, for 2013/14 onwards, groups of local authorities will be able to join together to pool their retained business rate income under the scheme.
2. Ministers see business rates pooling as "*a new tool to better support economic priorities...to deliver new businesses and jobs*", but with the right combination of authorities it appears to also offer direct financial benefits to authorities forming a pool.
3. The possible financial benefits of a Leeds City Region (LCR) business rates pool were identified at an early stage, and the LCR City Deal included a commitment to form a regional pool with the additional yield arising to be used to support a new regional investment fund.
4. An initial expression of interest was submitted to Government on 27<sup>th</sup> July 2012 with Leeds as the lead authority and a follow-up document listing the member authorities as Leeds, Bradford, Calderdale, Craven, Harrogate, Kirklees, Wakefield and York was submitted on 10<sup>th</sup> September 2012.
5. The final proposal with agreed governance arrangements needs to be signed off by the chief executive and the S151 officer of each authority and sent to the Department for Communities and Local Government by 9<sup>th</sup> November 2012.
6. The November proposal will not be binding. Any member of the proposed pool will be still be able to withdraw once the 2013/14 funding figures become available in the draft Local Government Finance Settlement which is due in early December 2012.

## **Recommendations**

### 7. Members are asked to:

- a) Approve the inclusion of Leeds within the final pooling proposal to be submitted on behalf of the Leeds City Region.
- b) Approve in principle the governance arrangements appended to this report and delegate responsibility for finalizing detailed matters to the Director of Resources.
- c) Agree that Leeds should act as the “lead authority” for the proposed pool.
- d) Agree that a further report be presented in December once the 2013/14 funding details are known so that a final decision on whether to go ahead can be taken.

## **1 Purpose of this report**

- 1.1 The purpose of this report is to inform Members on the development of the proposed Leeds City Region business rates pool, to outline the benefits of pooling and to seek approval for Leeds to act as “lead authority” for the LCR pool.

## **2 Background information**

- 2.1 At present the business rates collected by local authorities is paid into a national pool and redistributed to individual authorities in proportion to their needs and resources through Formula Grant.
- 2.2 The Government is planning to introduce major changes to these arrangements for 2013/14 onwards. The centrepiece of the changes is a new Business Rates Retention scheme which is designed to give local authorities a new financial incentive by allowing them to keep a proportion of any growth in their business rates locally.
- 2.3 The main features of Business Rates Retention were set out in a report to the Board on 2<sup>nd</sup> November 2011. The scheme is complex and many details are still not clear, but one of the new provisions will be to allow local authorities to join together to pool their business rates income under the scheme.
- 2.4 DCLG published a pooling prospectus in May 2012 which invited interested groups of local authorities to submit very detailed “expressions of interest” by 27<sup>th</sup> July 2012. Following representations, the pooling prospectus was reissued and the expression of interest requirements were simplified.
- 2.5 Following discussions at regional level, an initial expression of interest was submitted to Government on 27<sup>th</sup> July 2012 with Leeds as the lead authority and a follow-up document listing the member authorities as Leeds, Bradford, Calderdale, Craven, Harrogate, Kirklees, Wakefield and York was submitted on 10<sup>th</sup> September 2012.

## **3 Main issues**

- 3.1 To ensure a degree of equalisation at the start of the Business Rates Retention scheme, the Government will calculate a “business rates baseline” and a “spending baseline” for each authority. Authorities whose business rates baselines exceed their spending

baselines will pay “tariffs” to Government whereas authorities whose spending baselines exceed their business rates baselines will receive “top ups”. It appears that Leeds will be a tariff authority under the scheme.

- 3.2 Tariff authorities that grow their business rates by more than RPI will have their rewards scaled back through a system of levies. The levies will be used to help pay for “safety nets” for those authorities that suffer large losses to their business rates income from year to year.
- 3.3 In a pooling arrangement, if a combination of tariff and top-up authorities join together such that they are in overall terms a net top-up, then any real growth in business rates will avoid the levy which the tariff authorities would have otherwise incurred individually. It is this which gives rise to a potential overall benefit to the pool. The Leeds City Region pool would consist of such a mixture of authorities and latest estimates suggest that if growth across the four tariff authorities (Leeds, York, Harrogate and Craven) was 1% above inflation then additional income of over £800,000 could be achieved for the pool through levy savings in the first year (see Appendix 1). If growth can be sustained then the levy savings could build up year-on-year to around £4 million a year by 2018/19. Having said that, the estimates need to be treated with caution because that level of growth may prove difficult to achieve and the actual additional income generated will depend upon the Government’s final decisions on the details of the scheme.
- 3.4 The Government were to consult on the pooling proposals during September and final pooling proposals were due by 19<sup>th</sup> October. However, DCLG have delayed their consultation and have extended the deadline for submitting final proposals and governance arrangements to 9<sup>th</sup> November. The creation of a LCR pool was included in the City Deal agreed with Government so it is anticipated that the pooling proposal will be supported and that DCLG will formally “designate” the LCR Business Rates Pool before the end of November.
- 3.5 The pooling proposal is not binding upon any member authority. Once the 2013/14 draft Local Government Finance Settlement is published in early December, if any member of the pool wishes to withdraw they will be free to do so. However, if an authority or authorities do decide to withdraw, the remaining members will not be able to continue without them. DCLG will dissolve the pool and, because there will be insufficient time for further consultation, no new pool could be set up until the following year.
- 3.6 The proposed governance arrangements for the LCR Pool, which have been informed by comments from DCLG and some other member authorities, are set out in Appendix 2. The governance arrangements stipulate that the income received by the Pool will be shared out so that no member authority would be worse off than they would be if treated individually under the Business Rates Retention scheme. The excess income arising from reductions in levy payments will, after allowing for agreed expenses, be allocated to the Investment Fund established by the Leeds City Region.
- 3.7 The preparatory work in relation to the Pool has all been carried out by Leeds City Council so it appears to be appropriate for Leeds to act as lead authority for the LCR Pool. There will be some resource implications, but the governance arrangements allow the expenses of administering the pool to be deducted from the additional income retained.

3.8 Although no major changes are anticipated, it is possible that further minor amendments to the governance arrangements may be necessary if further comments are received before the 9<sup>th</sup> November deadline. It is therefore proposed that the Director of Resources be given delegated authority to agree any minor changes that may be required. DCLG require that the final version submitted to them by 9<sup>th</sup> November is signed off by the chief executive and S151 officer of each authority.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

4.1.1 This is a factual report and is not subject to public consultation.

### **4.2 Equality and Diversity / Cohesion and Integration**

4.2.1 The LCR Pool would create a mechanism for providing extra funding to support the regional Investment fund. That fund will provide investment across the region, but there are no specific implications for equality, diversity, cohesion or integration. A screening assessment has been carried out and is appended to this report.

### **4.3 Council policies and City Priorities**

4.3.1 This report in itself does not have direct implications for Council policies or City Priorities, but supports the wider regional priorities contained within the City Deal, particularly those relating to the new Investment Fund.

### **4.4 Resources and value for money**

4.4.1 This is a financial report and the financial and resource implications are detailed in the main body of the report.

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

4.5.1 There are no legal implications arising from this report. The decision to be part of the LCR Business Rates Pool is non-binding, and can be reversed by any of the members once details of funding for 2013/14 becomes available in late November.

### **4.6 Risk Management**

4.6.1 The risks to Leeds are minimal because the governance arrangements specify that income received by the LCR pool will be shared out so that no member authority would be worse off than if they were treated individually under the Business Rates Retention scheme.

4.6.2 There remains a theoretical risk of a reduction in income for Leeds if one or more authorities in the pool suffered a substantial reduction in business rates income from year to year (See Appendix 2 section 8), but analysis suggests that the risk in the context of the LCR pool is low because the losses relating to one authority should be more than offset by levies saved in another.

## **5 Conclusions**

- 5.1 The proposed LCR pool appears to offer the prospect of significant financial benefits for the Leeds City Region, with little risk to Leeds.

## **6 Recommendations**

6.1 Members are asked to:

- a) Approve the inclusion of Leeds within the final pooling proposal to be submitted on behalf of the Leeds City Region.
- b) Approve in principle the governance arrangements appended to this report and delegate responsibility for finalizing detailed matters to the Director of Resources.
- c) Agree that Leeds should act as the “lead authority” for the proposed pool.
- d) Agree that a further report be presented in December once the 2013/14 funding details are known so that a final decision on whether to go ahead can be taken

## **7 Background documents<sup>1</sup>**

None

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

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# Appendix 1

## 2013/14 - Possible extra income generated within a Business Rates Pool

Business Rates growth above inflation	1.0%
---------------------------------------	------

	Individual Authorities										Total £m
	Bradford £m	Calderdale £m	Kirklees £m	Leeds £m	Wakefield £m	York £m	Harrogate £m	Craven £m	Pool £m		
Business Rates collected	146.53	60.69	112.92	371.99	121.18	97.44	61.70	18.43	990.87	990.87	990.87
Rates Retained by Authority	71.80	29.74	55.33	182.28	59.38	47.75	24.68	7.37	478.32	478.32	478.32
Business Rates Baseline	71.09	29.44	54.78	180.47	58.79	47.27	24.43	7.30	473.58	473.58	473.58
Funding Baseline	123.91	37.68	74.17	143.09	65.32	24.00	3.79	1.40	473.36	473.36	473.36
(Tariff)/Top up	52.82	8.24	19.39	-37.38	6.53	-23.27	-20.65	-5.90	-0.22	-0.22	-0.22
Retained income before levy	124.62	37.97	74.72	144.90	65.91	24.47	4.03	1.47	478.10	478.10	478.10
Levy	0.00	0.00	0.00	0.37	0.00	0.23	0.21	0.06	0.87	0.00	0.00
Retained income after levy	124.62	37.97	74.72	144.53	65.91	24.24	3.83	1.41	477.22	478.10	478.10

<b>Potential extra income from not having to pay levies</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.37</b>	<b>0.00</b>	<b>0.23</b>	<b>0.21</b>	<b>0.06</b>	<b>0.87</b>	<b>0.87</b>
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\* The above figures are subject to final Government decisions on funding and give an upper estimate. They should be treated as no more than indicative at this stage.

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**LEEDS CITY REGION BUSINESS RATES POOL**  
**DRAFT GOVERNANCE ARRANGEMENTS – NOVEMBER 2012**

**1. Title**

1.1 The Leeds City Region Business Rates Pool.

**2. Membership**

2.1 Bradford City Council, Calderdale Council, Craven District Council, Harrogate Borough Council, Kirklees Council, Leeds City Council, Wakefield Council and City of York Council.

**3. Commencement**

3.1 This governance document will come into force on 1<sup>st</sup> April 2013 and will continue until any one of the members formally leaves the Pool (see “Dissolving the Pool”, below).

**4. Rationale and Objectives**

4.1 The LCR Pool exists to benefit the individual members and to further the aims of the Leeds City Region as a whole as set out in the Regions City Deal “Unlocking our Economic Potential”.

4.2 The income received by the Pool will be shared out so that each member authority receives the same amount that they would if they were treated individually under the Business Rates Retention scheme. The only exception to this is set out in Section 8, below. Any excess income arising from reductions in levy payments will, after allowing for agreed expenses, be allocated to the Investment Fund established by the Leeds City Region. See City Deal for details.

4.3 Any variation to the arrangements set out in 4.2, above, will require the formal agreement of the Leadership Board.

**5. Leadership and Accountability**

5.1 The Pool will be led by a board of the leaders of the councils making up the Pool. The established City Region Leaders Board will act as the interim board until the Combined Authority is established in 2014. The board shall be responsible for:

- any changes to the purposes for which the income received by the pool should be used, but the principle that no authority should receive less than they would if treated individually, shall be maintained.
- agreeing the expenses to be deducted by the lead authority administering the Pool;
- considering any applications for other councils to join the Pool;
- any variations to the membership of the Board; and

- any other matters relating to the administration of the Pool including replacement of the lead authority.

- 5.2 For administrative convenience, the chair of the City Region Leaders Board will also act as chair of the City Region Pool (but see 5.1 above).
- 5.3 The Leaders will meet as and when required but no less than twice each year. The meetings will be timed to coincide with those of the City Region Leaders Board (usually every two months).
- 5.4 The quorum for the meetings will be no less than 5 members. Leaders will be able to nominate substitutes.
- 5.5 Members will have equal voting rights and voting will be by simple majority. In the event of a tie, the chair of the meeting will have a casting vote.
- 5.6 The Leaders Board will be supported by officers drawn from the lead authority.
- 5.7 The Leaders Board may establish any sub-groups or any officer forums that they believe to be appropriate.
- 5.8 Minutes of Leaders Board meetings will be published on the LCR website.

## 6. **Lead Authority**

- 6.1 The initial lead authority responsible for the administration of the Pool shall be Leeds City Council.
- 6.2 The lead authority will normally act as such for a full year and may only be replaced at the year end. A lead authority wishing to relinquish the role at the year end must give a minimum of four months notice.
- 6.3 The lead authority will be responsible for all matters in relation to the administration of the Pool including (but not limited to):
- all liaison with CLG and other government departments including the completion of all forms and returns associated with the Pool;
  - administration of payments to and from the Pool and all calculations relating to the collection fund for the Pool.
  - producing an annual report showing how income has been distributed and preparing periodic monitoring reports for Pool members;
  - calculation of the costs of administering the Pool which are to be deducted from the rewards of the Pool. If the excess income generated by the Pool was insufficient to cover the administrative costs of the Pool in any year, then the shortfall would be shared between the Pool members in proportion to their spending baselines.
  - The lead authority will ensure that the pooling arrangements, annual reports and other financial information is published and is freely available on the LCR website or elsewhere as appropriate;

## 7. Dissolving the Pool

- 7.1 If any member decides to leave the Pool the regulations require that the Pool will be dissolved. Pools can only be dissolved at the end of a year.
- 7.2 Any authority seeking to leave the Pool should inform DCLG and all other members of the Pool as soon as possible. Once the Pool has been established, this must be by 30<sup>th</sup> September in any year, to allow the remaining members time to seek designation of new pool for the following year (see 7.4, below).
- 7.3 The Lead authority will make the necessary calculations and submit the required returns associated with the dissolving of the Pool.
- 7.4 The remaining members of the Pool may choose to form a new Pool and, if they wish, include new members for the following year (subject to new designation by DCLG).

## 8. Treatment of Potential Losses in Income

- 8.1 Authorities that suffer large reductions in business rates income from year to year (more than 7.5% to 10%, but subject to confirmation) will be entitled to safety net payments. If such an authority is a member of a business rates pool, the safety net payment could be lost because the *loss across the pool* may not be as much as the 7.5%/10% threshold. Indeed, if growth across the rest of the pool was weak, it could be that the loss of safety net payments could be greater than the amounts gained from paying reduced levies and the pool could be in deficit for the year.
- 8.2 In these circumstances, the losses will be calculated by the Lead Authority and will be shared amongst the members of the Pool in proportion to their spending baselines for the year to which the safety net(s) would have applied.

*Resources Directorate  
Leeds City Council  
Revised 1<sup>st</sup> October 2012*

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# Appendix 3



## 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.

<b>Directorate:</b> Resources	<b>Service area:</b> Financial Development
<b>Lead person:</b> M. S. Woods	<b>Contact number:</b> 0113 395 1373

<b>1. Title: Leeds City Region Business Rates Pool</b>		
Is this a:		
<input checked="" type="checkbox"/> <b>Strategy / Policy</b>	<input type="checkbox"/> <b>Service / Function</b>	<input type="checkbox"/> <b>Other</b>
<b>If other, please specify</b>		

<b>2. Please provide a brief description of what you are screening</b>
The proposal for Leeds City Council to join with other authorities to form a Leeds City Region Business Rates Pool under the Business Rates Retention scheme

### 3. Relevance to equality, diversity, cohesion and integration

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

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

When considering these questions think about age, carers, disability, gender reassignment, race, religion or belief, sex, sexual orientation and any other relevant characteristics (for example socio-economic status, social class, income, unemployment, residential location or family background and education or skills levels).

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

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)

- **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)

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

**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
Maureen Taylor	Chief Officer (Financial Development)	5 <sup>th</sup> October 2012

**7. Publishing**

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

Please send a copy to the Equality Team for publishing

<b>Date screening completed</b>	5 <sup>th</sup> October 2012
<b>Date sent to Equality Team</b>	5 <sup>th</sup> October 2012
<b>Date published</b> (To be completed by the Equality Team)	



## Report of the Director of Resources

## Report to Executive Board

**Date: 17 October 2012**

## Subject: Community Right to Challenge

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 checked="" 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 checked="" type="checkbox"/> No

## Summary of main issues

1. Executive Board resolved on 7 March 2012 that a further report on the Community Right to Challenge be submitted to Executive Board detailing the regulations once they are published.
2. The Right to Challenge is part of the Localism Act 2011, regulations have been published and the provisions were implemented on 27 June 2012. This allows voluntary or community bodies, parish councils and employees to express an interest in running a council service. If accepted, the council must undertake a procurement exercise for the service in accordance with normal procurement rules.
3. The opportunity to further strengthen engagement with voluntary and community organisations is key to the council's approach to the Community Right to Challenge and the voluntary and community sector have been engaged in the council's approach to implementing the legislation. The council welcomes dialogue with organisations where they feel services can be improved or re-designed to best meet the needs of service users. The importance of engagement is emphasised in the Commission on the Future of Local Government report which promotes civic enterprise - enterprising councils; civic businesses and engaged citizens.

## Recommendations

1. To note publication of the regulations.

2. To endorse the proposed approach to decisions on Community Right to Challenge expressions as follows:
  - i. Public Private Partnerships Unit/Procurement Unit (PPPU/PU) and directorates jointly consider any expression
  - ii. relevant members are consulted and the Executive Board Member who is responsible for the service area that is being considered in the expression of interest may refer the expression to the Executive Board for a decision
  - iii. liaison is undertaken with Area Leadership
  - iv. a report is provided jointly by the PPPU/PU lead and the directorate, taking account of feedback
  - v. the Chief Officer PPPU and Procurement approves the report
  - vi. the relevant Director makes a decision on an expression, except where it is referred to Executive Board.
3. To note that the schemes of delegation will need to be amended to reflect the recommendation in 2 above.
4. To support the proposed approach of engagement.

## **1 Purpose of this report**

- 1.1 To provide an update on the Community Right to Challenge and to provide an opportunity to debate the way that the council implements the legislation.

## **2 Background information**

- 2.1 At the Executive Board meeting held on 7 March 2012 it was resolved that a further report on the Community Right to Challenge be submitted to Executive Board detailing the regulations once they are published.
- 2.2 The Localism Act 2011 regulations, relevant to the Community Right to Challenge, have been published and the measures were implemented on 27 June 2012. This introduces a new measure that allows voluntary or community bodies, parish councils and employees to challenge the provision of a local council service. The council must consider whether the expression would promote or improve the social, economic or environmental well-being of the area. Certain services are excluded from the legislation and an expression of interest can be rejected on certain grounds. 'Rejection criteria' include situations where a decision has been made in writing to decommission a service; where an applicant is not suitable to provide or assist in providing the service and where a service is already the subject of a procurement exercise. Links to the full rejection grounds are available on the council's intranet and internet. If an expression of interest is accepted then the council must undertake a procurement exercise for the service in accordance with normal procurement rules.
- 2.3 Active engagement with potential applicants (including voluntary and community organisations) is an important part of the local approach and engagement will build upon good practice that is already in place.
- 2.4 The Community Asset Transfer Policy and Framework has been approved at Executive Board on 5 September 2012 and this policy is separate to the

Community Right to Challenge. Where relevant, the implications of decisions in relation to the two processes will be considered as a whole.

### **3 Main issues**

- 3.1 The regulations have been published and provide the criteria of the requirements for an expression of interest, excluded services and rejection criteria. Links to the regulations are available on the council's intranet and internet.
- 3.2 On 23 July 2012 Scrutiny Board (Resources and Council Services) resolved that the views of the Board be incorporated into the Executive Board report, namely that of the Executive Board being the decision making body at the pre-procurement stage rather than the Director of Resources. Corporate Leadership Team considered the Community Right to Challenge proposed processes on 31 July 2012. Arrangements have been revised and are detailed in the recommendations of this report and at appendix A. These arrangements take into account the views of the Scrutiny Board and Corporate Leadership Team.
- 3.3 An important aspect of the Leeds City Council approach is engagement. To ensure that this aspect runs seamlessly through the process we have ensured that there is:
- A single point of contact for interested organisations. As a first point of call, organisations are directed to make contact on the Community Right to Challenge through a central telephone, email, postal address or text telephone at PPPU/PU. Information about the contact point is available on the internet and intranet sites and links to relevant guidance is included.
  - An opportunity for discussion and links to the relevant directorate where general enquiries on the Community Right to Challenge are made.
  - A user-friendly form made available on the council's intranet and internet.
- 3.4 Additional areas of engagement with voluntary and community organisations in developing the approach to the Community Right to Challenge include the following activities:
- the project team have engaged with voluntary and community organisations in the development of the council's processes
  - the Transforming Procurement Programme is engaging with the third sector in how the council delivers commissioning and procurement. Good practice such as third sector 'consultee panels' on procurements and close working with third sector infrastructure organisations on procurement 'open days' is being embraced
  - a mapping exercise has been completed from the locality perspective to better inform options on how engagement can be provided to local groups
  - the importance of engagement is emphasised in the Commission on the Future of Local Government report which promotes civic enterprise - enterprising councils; civic businesses and engaged citizens.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

4.1.1 A project team, which has included PPPU/PU, Area Support and Customer Access and Performance officers has been working on the requirements of the Community Right to Challenge. The team has linked with a range of stakeholders including third sector organisations; Third Sector Partnership Board; directorate commissioners; senior directorate management teams; service managers and members through consideration at Scrutiny Board (Resources and Council Services) and relevant briefings.

### **4.2 Equality and Diversity / Cohesion and Integration**

4.2.1 An Equality, Diversity, Cohesion and Integration Impact Assessment screening has been undertaken and it has been determined that a full Equality, Diversity, Cohesion and Integration Impact Assessment is not required. The screening assessment is attached at appendix B to this report.

### **4.3 Council policies and City Priorities**

4.3.1 Successful implementation of the Localism Act 2011 will support the council to deliver a number of its strategic objectives, particularly through the Locality Working agenda.

### **4.4 Resources and value for money**

4.4.1 There will be resource implications for the council in administering the scheme. The extent of this will be largely dependent on the interest in the scheme.

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

4.5.1 The process outlined in this report complies with the Community Right to Challenge provisions in the Localism Act 2011.

4.5.2 The decision is subject to call-in.

4.5.3 There are no access to information implications.

### **4.6 Risk Management**

4.6.1 A risk assessment has been undertaken at Corporate Commissioning Group and in Area Support and these will be considered at regular intervals at Corporate Commissioning Group.

## **5 Conclusions**

5.1 The Community Right to Challenge has been implemented and details of the legislation, regulations and an expression of interest form are available on the council's intranet and internet websites.

5.2 Members, Area Leadership, PPPU/PU and directorates will be engaged in any Community Right to Challenge decision.

- 5.3 Community Right to Challenge decisions on expressions of interest will be made by the Executive Board where the relevant Executive Board Member refers the decision.
- 5.4 For all other Community Right to Challenge decisions, Directors will be authorised to carry into effect decisions, subject to consultation with the Chief Officer PPPU and Procurement.
- 5.5 Engagement is key to the council's approach and we have focused on ensuring that those interested in service development and improvement can easily take forward discussions with us.

## **6 Recommendations**

- 6.1 To note publication of the regulations.
- 6.2 To endorse the proposed approach to decisions on Community Right to Challenge expressions as follows:
- i. PPPU/PU and directorates jointly consider any expression
  - ii. relevant members are consulted and the Executive Board Member who is responsible for the service area that is being considered in the expression of interest may refer the expression to Executive Board for a decision
  - iii. liaison is undertaken with Area Leadership
  - iv. a report is provided jointly by the PPPU/PU lead and the directorate, taking account of feedback
  - v. the Chief Officer PPPU and Procurement approves the report
  - vi. the relevant Director makes a decision on an expression, except where referred to Executive Board.
- 6.3 To note that the schemes of delegation will need to be amended to reflect the proposals in 6.2 above.
- 6.4 To support the proposed approach of engagement as referred to at paragraph 3.3 above.

## **7 Background documents<sup>1</sup>**

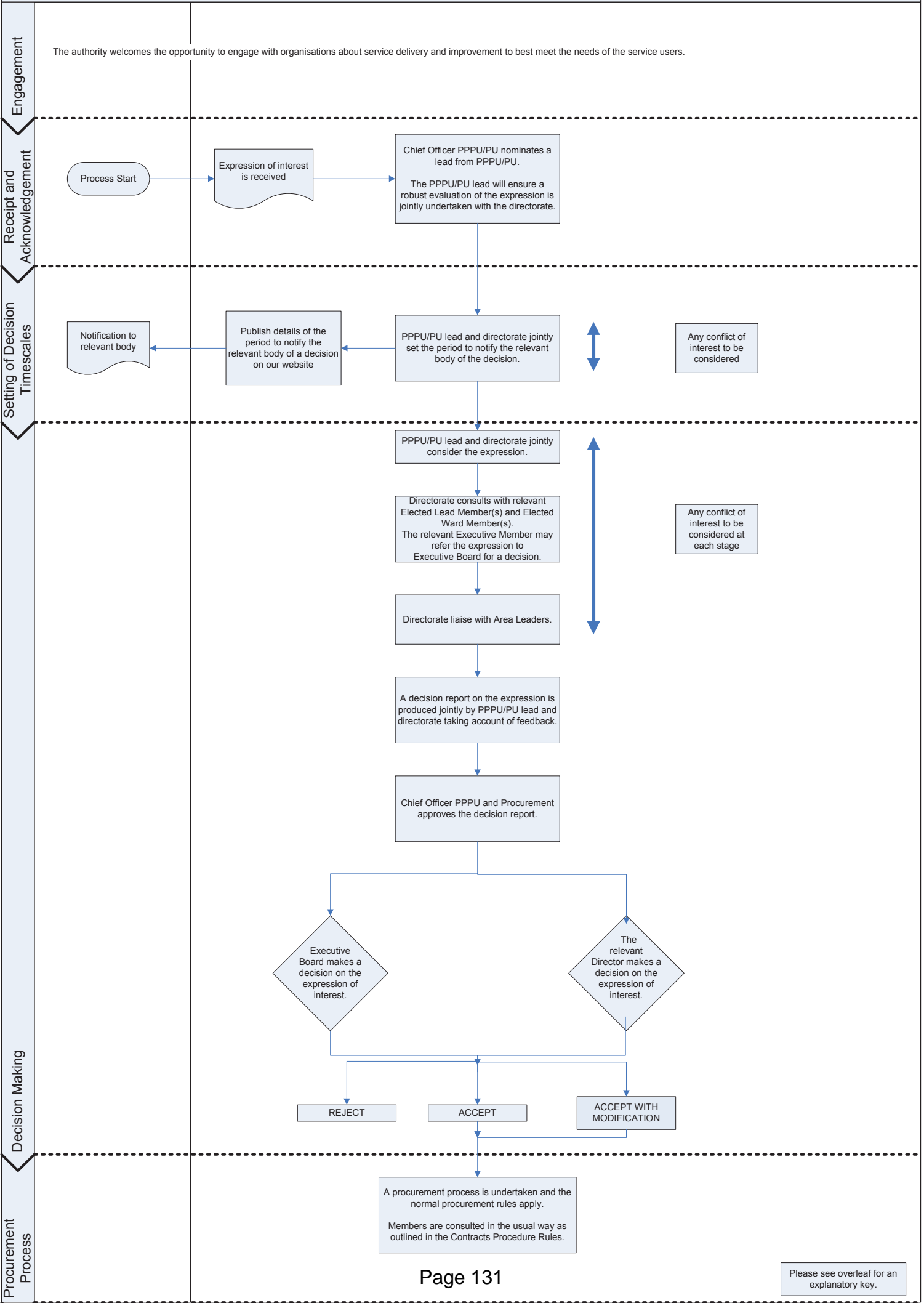
- 7.1 None

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<sup>1</sup> 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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# Community Right to Challenge – process outline



### Process Flow Key



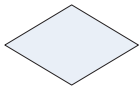
This is a process



This is a document



This starts and ends a process



This is a decision

### Word Key

**PPPU/PU**

Public Private Partnerships Unit /  
Procurement Unit

**Relevant body**

The term 'relevant body' is defined in the  
legislation and includes voluntary and  
community bodies, parish councils and  
employees.

**Expression of  
interest**

An expression of interest in a service must  
be in writing and a form is available on the  
council's internet.



# 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.

<b>Directorate: Resources</b>	<b>Service area: Procurement Unit / Public Private Partnerships Unit</b>
<b>Lead person: Catherine Farrell</b>	<b>Contact number: 271569</b>

**1. Title: Implementation of the Community Right to Challenge**

Is this a:

**Strategy / Policy**
                         
  **Service / Function**
                         
  **Other**

**If other, please specify**

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

This impact assessment will consider the equality impacts on the draft application process and associated documentation that applicants will complete when utilising their rights under the Community Right to Challenge provisions.

**Background Information**  
 The Localism Bill gained Royal Assent on 15<sup>th</sup> November 2011 and is now an Act of Parliament. The Act includes rights under the Community Right to Challenge provisions. It was implemented on 27th June 2012.

The Community Right to Challenge enables:

- voluntary and community bodies,
- charities,
- a group of two or more employees of the authority,
- parish councils, and
- any other person or body specified by the Secretary of State by

## regulations

the opportunity to express an interest in running a local authority service that they believe can be delivered more efficiently and effectively. The recently released regulations allow other organisations that do not fit into the above definitions to challenge under partnership or joint venture arrangements with one of the above bodies. If an expression of interest is successful then local services currently delivered in-house will be put out to tender.

The regulations specify the information to be included in an expression of interest and on what grounds an expression of interest may be rejected. All expressions of interest must be considered by the council. Regulations and guidance also detail a number of other requirements of the legislation including factors to be taken into account in the setting of application time periods.

In order to implement the provisions of the Community Right to Challenge, councils are required to develop a process whereby each expression of interest application will be given due consideration. It is unknown at this stage what level of interest there will be from relevant bodies and associated resource requirements on the council.

It should be noted that the regulations are a requirement of central government and the city council have a duty to implement them. However there is some flexibility within the regulations on how we implement them on an operational level to best meet the needs of the bodies and the council, for example we can decide the timeframes when expressions will be considered. We also have to work within the context of the procurement framework.

**1. Relevance to equality, diversity, cohesion and integration**

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

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

When considering these questions think about age, carers, disability, gender reassignment, race, religion or belief, sex, sexual orientation and any other relevant characteristics (for example socio-economic status, social class, income, unemployment, residential location or family background and education or skills levels).

Questions	Yes	No
Is there an existing or likely differential impact for the different equality characteristics?		X
Have there been or likely to be any public concerns about the policy or proposal?	X	
Could the proposal affect how our services, commissioning or procurement activities are organised, provided, located and by whom?	X	
Could the proposal affect our workforce or employment practices?	X	
Does the proposal involve or will it have an impact on <ul style="list-style-type: none"> <li>• Eliminating unlawful discrimination, victimisation and harassment</li> <li>• Advancing equality of opportunity</li> <li>• Fostering good relations</li> </ul>	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 regulations provide details around the purpose, benefits, implications and possible impacts of the Community Right to Challenge. We have used our experience to interpret them. The regulations set down what the council must do and what rights relevant bodies will have to express an interest in delivering council services.

Central government has undertaken an impact assessment of the right. The document is available on the Department of Communities and Local Government website. The key findings are extracted below:

**Statutory equalities duties** - No significant impact has so far been identified for any of the protected groups identified in the Equality Act 2010, however the equalities impacts of this policy will be kept under review.

**Competition** – We do not believe the community right to challenge will impact adversely on competition. Indeed the preferred option should increase competition by increasing the number of procurement exercises undertaken by local authorities. Local authority procurement exercises will continue to be free and fair.

**Small firms** – There is no foreseeable impact. Small firms should benefit from the minimum time period between expression of interest acceptance and the start of the procurement exercise to prepare for the bidding process.

Within the authority a number of consultation events have taken place across various directorates with senior managers and commissioners, which have also included involvement from an Area Improvement Manager. We have aimed to ensure that the process and associated documentation are fit for purpose, meet legal requirements and are accessible by all. Events have taken the form of meetings and 'check / challenge' events. Events have included:

- Corporate Commissioning Group – made up of senior commissioning colleagues representing procurement and commissioning services across the council's directorates. Community Right to Challenge is a standing item on the group meeting agenda so progress, issues and developing intelligence can be reported on and shared. This has raised the profile of Community Right to Challenge with senior commissioners. A risk workshop was held in February 2012 and two check /challenge sessions have been held.
- Procurement Unit and Public Private Partnerships Unit colleagues have met for a check /challenge event. This included representatives from a variety of teams across the units including finance, legal, technical, and strategic procurement.
- The Project Manager has attended various directorate management team

meetings to engage with senior managers across the organisation so they are aware of Community Right to Challenge issues arising and can input into discussions as required.

- The Project Manager meets regularly with the Programme Director of Transforming Procurement (the council's wider change programme) and colleagues in Asset Management who are working on the Community Right to Buy and Assets of Community Value to ensure a consistent and corporate approach is taken.
- We have held a directorate service provider meeting to discuss the legislation.

In addition to internal consultation and engagement, we have met with Third Sector Leeds which comprises of representatives from voluntary groups across Leeds and have been in contact with Leeds Community Foundation. This has provided an opportunity to discuss how Leeds City Council's approach to Community Right to Challenge may work in practice, how colleagues will be able to feed into the project as it develops (as appropriate) and how longer term relationships can be developed.

We have also contacted the Core City councils and all councils within the Yorkshire and Humber region to see how they are preparing to implement the right.

- **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)*

**Process development**

The legislation and draft regulations require some interpretation. The development of an application form will allow us to explain to potential applicants the information they may want to provide us in a simple way, which is easy to understand. Associated documentation such as a link to the government guidance document will assist applicants in understanding what they need to do.

**Communication**

It is critical to engage and raise awareness with stakeholders at all levels within the council and externally. A communication plan has been developed by the project team.

Consultation and engagement events have helped clarify roles and responsibilities, how the process will work on an operational level, and where support and guidance is available from should applicants require it.

It is important that officers understand how the Right fits into the corporate context and with other business objectives, for example, Community Right to Buy and Assets of Community Value, to ensure a consistent and corporate approach is taken.

As part of the legislation we have created a Community Right to Challenge webpage.

**Project management**

Having considered the key outcomes from central government's equality impact assessment there are no significant impacts on equality in the proposals. It is clear we



need to ensure our processes and associated documentation are accessible to all - mechanisms to ensure this have been built into our project management approach.

- **Actions**

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

**Process development**

A link to the government guidance.

Contact details allowing a relevant body to suggest improvements on how a service is delivered through an informal route. The project team will further investigate the possibility of securing a text phone.

Development of an expression of interest form which is to be simple to understand, written with Plain English in mind and in line with government guidance. Expressions will be submitted through the Supplier and Contract Management System (online) or to the PPPU/PU postal address.

**Communication**

The webpage has been made available. The webpage details what the right is about and how it works. We will publish the expression of interest form and a link to the guidance on the webpage.

Once the process and associated documentation have been approved, the project team will deliver a range of briefings to both staff members and senior managers in due course.

**Project management**

We will continue to work with the Area Improvement Manager as the project develops


We will report as required to senior council boards. A variety of project reports have already been submitted to Transforming Procurement Board, Corporate Commissioning Group and Executive Board as the legislation developed, this will continue as appropriate.

From the government's equality Impact assessment it is clear we need to monitor arrangements in place. During year 1 we will monitor who is applying to provide council services and whether they are then successful at tender stage and go on to deliver the service.

**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)	
------------------------------	--

<b>6. Governance, ownership and approval</b>		
Please state here who has approved the actions and outcomes of the screening		
<b>Name</b>	<b>Job title</b>	<b>Date</b>
David Outram 	Chief Officer CPU and PPPU	10/7/12

<b>7. Publishing</b>	
This screening document will act as evidence that due regard to equality and diversity has been given. If you are not carrying out an independent impact assessment the screening document will need to be published.	
Please send a copy to the Equality Team for publishing	
<b>Date screening completed</b>	9 <sup>th</sup> July 2012
<b>Date sent to Equality Team</b>	11th July 2012
<b>Date published</b> (To be completed by the Equality Team)	







Report author:  
James Flanagan,  
Regional Policy

**Report of: Assistant Chief Executive (Customer Access and Performance) and the Director of City Development**

**Report to: Executive Board**

**Date: 17<sup>th</sup> October 2012**

**Subject: Review of Governance Arrangements in West Yorkshire**

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

**Summary of main issues**

1. The Leeds City Region (LCR) 'City Deal' with the Government, concluded in July, includes significant devolved powers and funding covering: transport; an economic infrastructure investment fund; trade and inward investment; and skills and worklessness.
  
2. As a condition, the Government's requirement is that West Yorkshire local authorities put in place a Combined Authority for the area by spring 2014. In order to secure Government approval for a Combined Authority the West Yorkshire Local Authorities, including the Integrated Transport Authority (ITA), are required to undertake a review of specified functions to ensure these are sufficiently visible, stable and accountable, at the West Yorkshire level and also to consider whether a Combined Authority for West Yorkshire would be the most appropriate governance model moving forward.
  
3. The process of establishing a Combined Authority will require formal consideration by each local authority affected, including the ITA, which would be abolished with the introduction of a Combined Authority.
  
4. This report therefore seeks authorisation of the Executive Board for the review to be undertaken. A further report will also be prepared in due course, including a draft

scheme of governance for a Combined Authority, should the Review conclude that there would be likely to be an improvement in the following:

- the exercise of statutory functions relating to transport;
- the effectiveness and efficiency of transport; and
- the effectiveness and efficiency of arrangements to promote economic development and regeneration.

5. The process of moving forward with a Combined Authority for West Yorkshire is likely to take up to 18 months, which includes undertaking the statutory Review, submitting an agreed Scheme of governance to the Secretary of State, and an Order to enable its creation being approved by Parliament.

## **Recommendations**

1. Agreement that the Council should be party, together with other West Yorkshire Authorities (including the ITA), to a Review of governance arrangements relating to transport, economic development and regeneration in West Yorkshire pursuant to S108 of the Local Democracy, Economic Development and Construction Act 2009 and Sec 82 of the Local Transport Act 2008.
2. Authorise the Chief Executive in consultation with the Leader to commission the preparation of the Review, in consultation with the other West Yorkshire Authorities.
3. Authorise the Chief Executive in consultation with the Leader to commission the preparation (in consultation with the other West Yorkshire Authorities) of a draft Scheme for a Combined Authority for consideration by Executive Board and Council, if the Review recommends that a Combined Authority would be the most beneficial option for West Yorkshire.
4. Note the provisional timetable and next steps on the governance review process including, if appropriate, the submission of a draft Scheme to Executive Board and Council by January 2013 and a final scheme which takes account of consultation and submitted to the Secretary of State by July 2013, in order to be in a position by April 2014 to receive significant devolved powers and funding via the City Deal.

## **1 Purpose of this report**

- 1.1 The Leeds City Region (LCR) City Deal, concluded in July, includes significant devolved powers and funding. As a condition, the Government's requirement is that West Yorkshire local authorities put in place a Combined Authority for the area by spring 2014. In order to secure Government approval for a Combined Authority the West Yorkshire Local Authorities, including the Integrated Transport Authority (ITA), are required to undertake a review of specified functions to ensure these are sufficiently visible, stable and accountable, at the West Yorkshire level and also to consider whether a Combined Authority for West Yorkshire would be the most appropriate governance model moving forward.
- 1.2 This report seeks the authorisation of Executive Board for a review to be undertaken, and for a further report to be prepared in due course, including a draft Scheme of governance for a Combined Authority, should the Review conclude this is the most beneficial option for the area and that it satisfies the statutory tests.

## **2 Background information**

- 2.1 The LCR Partnership previously engaged in conversations with the last Government on the economic development and transport agenda, which culminated in the signing of a Multi-Area Agreement in 2008 and being awarded Pilot City Region Status in 2009.
- 2.2 The Minister for Cities (Rt Hon Greg Clark MP) has recently concluded negotiations with the English Core Cities and their associated Local Enterprise Partnerships (LEPs) in order to strike a number of local 'Deals' which will enable greater freedoms and flexibilities for cities to promote economic growth. This process started in September 2011 and gained momentum in December 2011 following the launch of the 'Unlocking Growth in Cities' policy document.
- 2.3 The LCR Leaders Board and LEP Board agreed to work together on the development of 'asks' covering: transport; an economic infrastructure investment fund; and trade and inward investment; and skills and worklessness.
- 2.4 West Yorkshire local authorities have worked closely with the Cities Unit in the Cabinet Office and a number of meetings were held in spring 2012, which aimed to progress negotiations, including a Ministerial level meeting in March 2012. At this meeting, Ministers emphasised the importance of putting in place sufficiently robust governance arrangements in the form of a Combined Authority. Our City Deal was formally signed off by the Government on 5<sup>th</sup> July 2012. Government has also recently consulted on national proposals to provide suitably robust local governance arrangements to administer devolved post 2014 major transport scheme funding.
- 2.5 The Deputy Prime Minister signed off implementation plans for the individual agreed City Deals at Number 11 Downing Street on 18<sup>th</sup> September 2012.

### **3 Main issues**

3.1 The following section provides for information a short summary of our main City Deal proposals; a description of the Combined Authority model; the process for its establishment; the area of the proposed Review; the Review scope; and the key elements of any governance Scheme:

#### **3.2 City Deal proposals**

3.2.1 **Transport:** a transformed transport system across the north:

- Our vision: a transformed transport system for the city region and the North of England to accelerate the growth of jobs, output and productivity.
- Our offer: to establish a Transport Fund of at least £1bn, and to commit to establishing a Combined Authority to manage the Fund. This could create a 2% uplift in LCR's economic output and in excess of 20,000 extra jobs in the medium term.
- Our asks: Government to grant freedoms to manage the Fund, and to match our commitment to a 10 year programme of investment.

3.2.2 **Investment:** Transforming our infrastructure – an LCR Investment Fund:

- Our vision: transformation of LCR infrastructure to deliver the right environment for business growth.
- Our offer: to pool funds of £200m over 10 years into a Leeds City Region Investment Fund; to establish a robust appraisal system for our investment priorities.
- Our asks: Government to give us the freedoms to move towards a single capital pot.

3.2.3 **Trade and inward investment:** Closing the LCR balance of payments gap:

- Our vision: to eliminate the LCR trade deficit and create a much more internationally-focused business sector.
- Our offer: to commit existing (and additional) LCR resources of up to £2m to deliver an agreed set of projects to increase exports and attract inward investment – projects to be delivered jointly with UK Trade and Industry (UKTI).
- Our asks: commitment from UKTI to match our resources (of up to £2m) and to work with us to deliver the proposed LCR Trade and Investment Plan.

3.2.4 **Skills and worklessness:** Skills pathways for a vibrant economy:

- Our vision: a NEET-free Leeds City Region; thousands of new opportunities for the young unemployed; a skills system that works for businesses in growing industries.

- Our offer: new 14-24 Apprenticeship Academy; new Apprentice Training Agencies (ATAs) and Apprenticeship Hubs; campaigns to encourage apprenticeships; a greater focus of mainstream skills provision on economic priorities.
- Our asks: approval to set up Academy and ATA/Hubs (latter costs £8m); confirmation of LEP leadership role to articulate employers' skills needs; £15m from Employer Ownership of Skills fund.

3.2.5 Following the conclusion of the City Deal in July 2012, devolution proposals relating to the additional policy areas of planning and low carbon are currently under development.

### 3.3 Combined Authority model

3.3.1 In order to secure the above devolved powers and funding in relation to transport budgets, the Government's requirement is for the creation of a Combined Authority to replace the governance arrangements currently in place, i.e. the West Yorkshire Integrated Transport Authority (ITA), and individual local authority responsibilities. It is envisaged this revised governance arrangement would provide wider, more integrated powers and functions, to deliver more effective and efficient transport and related economic development and regeneration across West Yorkshire. The process of establishing a Combined Authority will require formal consideration by each local authority affected, including the ITA.

3.3.2 The Combined Authority model allows groups of relevant Authorities to work closely together on a voluntary basis to deliver improvements in transport across their sub-regions and appropriate economic development and regeneration activity. They are intended to support improved strategic decision making on these issues. As the areas covered by functional economic market areas (illustrated by, for example, travel to work areas) are typically much larger than the areas of individual local authorities, there is considered to be scope for improvements to be made to economic outcomes through joint decision making and close coordination of delivery activity across these economic areas.

3.3.3 By establishing a Combined Authority, a group of relevant Authorities is able to create a sub-regional 'body corporate' with legal personality that can act across their combined area. This body will be able to take on functions and responsibilities for transport and appropriate economic development and regeneration functions operating at the West Yorkshire level providing a mechanism for governing and managing these activities across the sub-region. As a Combined Authority has a separate legal identity from the constituent authorities it will be able to hold budgets, employ staff and enter into contracts. The activities of the Combined Authority will be governed by its members, a majority of whom must be elected members of the constituent local authorities, ensuring its local democratic mandate.

3.3.4 Combined Authorities have a number of features including the following:

- provide a formal structure to lead collaboration between relevant authorities on sub-regional economic development, regeneration and transport;

- provide a stable mechanism for long-term, strategic decision making on economic issues across the whole of a sub-region;
- can take a strategic view of economic development and where investment should be made to support long-term, sustainable economic growth across the whole of a sub-region;
- enable trade-offs to be made at a strategic level, taking into account what is best for the area as a whole;
- provide a means of giving strategic direction to the development of a low carbon economy;
- provide a single body that can represent the needs and strengths of the sub-region to partners and investors;
- enable partnerships of authorities to demonstrate that they are committed to long-term joint working;
- provide a means of overseeing and steering significant programmes of work/ investment in the area;
- facilitate transparency, accountability and visible leadership for sub-regional areas;
- allow for the streamlining of sub-regional arrangements; and
- provide a means of fully aligning and coordinating transport planning and wider economic development and regeneration across a sub-region.

3.3.5 Notwithstanding the above, careful consideration will need to be given to the potential implications of a Combined Authority model on the existing transport, economic development and regeneration decision making powers within individual authorities. Members will be aware that many transport, economic development and regeneration issues often have a significant impact on a particular local area. On that basis, it is considered to be very important to ensure that any proposals for a Combined Authority model maintain an appropriate balance between the strategic needs and aspirations of the sub-region and how they may impact at a local level. In the context of localism this will be an important factor to consider as part of the proposed review, in addition to the scope of the transport, economic development and regeneration activities considered.

3.3.6 The following key conditions must be met in order for a Combined Authority to be established in an area:

- the area must consist of the whole of two or more local government areas. These could be the areas of county councils, district councils or unitary authorities.
- the area must be contiguous, i.e. an Authority may not be part of a Combined Authority unless it has an adjoining boundary, nor can a Combined Authority surround another authority that is not part of the Combined Authority.
- no part of the area can be part of the area of another Combined Authority,

i.e. Combined Authorities may not overlap or coexist across the same geographical area. It is also not possible for the area of a Combined Authority to overlap with the area of an ITA.

- The draft statutory guidance indicates that where the proposed Combined Authority affects the area of an existing ITA, the ITA should form part of the Review as it will be replaced by the Combined Authority for that area.

3.3.7 The area of West Yorkshire fulfils the above key conditions. The City Deal requires West Yorkshire local authorities to consider developing a Combined Authority in order to secure the benefits of significant devolved powers and funding.

### 3.4 **Process for establishing a Combined Authority**

3.4.1 The Local Democracy, Economic Development and Construction Act 2009 (LDEDC Act 2009) prescribes a statutory process for establishing a Combined Authority which must be followed. This includes a requirement for the Secretary of State to place a draft statutory Order before Parliament before the new body can be brought into being. The process for creating a Combined Authority is shown below in the flow chart and is described in further detail. The process is a challenging one, if, as anticipated as part of the City Deal, new governance arrangements are to be in place by Spring 2014, particularly as a significant part of the process is not under the control of the relevant local authorities.

3.4.2 Annex A contains a timeline which outlines the key decisions and estimated timescales involved in establishing a Combined Authority for West Yorkshire. This shows that the Combined Authority could be formally created by 1<sup>st</sup> April 2014.

3.4.3 The process falls into the following three broad steps.

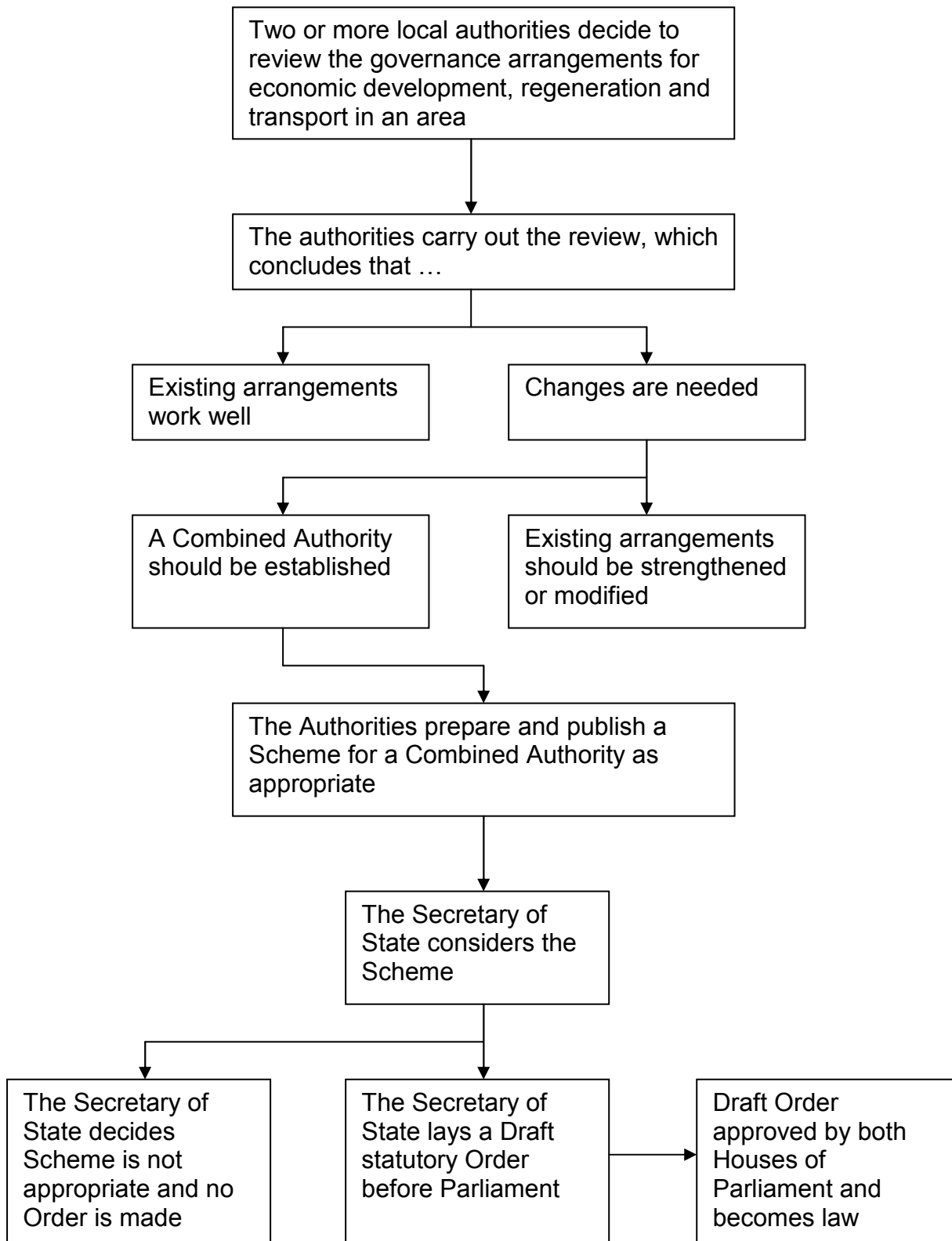
3.4.4 In the first instance, two or more relevant Authorities would need to agree to carry out a Review under section 108 of the LDEDC Act 2009 to assess the effectiveness and efficiency of existing arrangements for delivery of transport, economic development and regeneration in a contiguous area, and take a view as to whether there is scope to improve outcomes by making changes to these arrangements. A related review would also need to be carried out under Section 82 of the Local Transport Act 2008.

3.4.5 If the Review concludes that a Combined Authority would be likely to improve the exercise of statutory functions relating to transport, economic development and regeneration in the area, the effectiveness and efficiency of transport, and the economic conditions in the area, the West Yorkshire Authorities, including the ITA, would then need to draw up a draft Scheme for a Combined Authority. The Scheme would be required to set out the detail of its proposed constitutional and operating arrangements.

3.4.6 Once the Scheme is completed and published, the Secretary of State would consider whether creating a Combined Authority will meet the tests set out in the relevant legislation and will consult, including with the Authorities concerned. If the Secretary of State considers that creating a Combined Authority will be beneficial, i.e. reflecting the interests of local communities and securing effective and

convenient local government, a draft Order will be placed before Parliament. This must be approved by a resolution in each House before the Order which brings the new body into being may be made.

### Process for creating a Combined Authority





- 3.5.1 The proposed area of the governance review is the West Yorkshire sub region which comprises the local authority districts of Bradford, Calderdale, Kirklees, Leeds and Wakefield and aligns with the local transport authority area. It is therefore anticipated that all the West Yorkshire Authorities, including the ITA, whose area is covered by the statutory Review, will be involved in the Review process.
- 3.5.2 To ensure that links to wider governance arrangements and economic areas are captured, and including the wider City Region geography of Barnsley, York and North Yorkshire's district areas of Harrogate, Selby and Craven, for example, it is anticipated that the Review should explore the potential for a West Yorkshire Combined Authority, once established, to have a key role in working with City Region authorities outside West Yorkshire, and that the Review would explore the range of opportunities available. These may include strategic transport and areas of economic development activity, where the prospective benefit of the City Deal can be maximised.
- 3.5.3 It is anticipated that the Review may therefore help identify opportunities for partnership working such as with City of York Council which currently is unable to form part of a Combined Authority with West Yorkshire due to a statutory requirement for constituent authorities to have shared boundaries.

### **3.6 Arrangements for undertaking the review and preparing a draft scheme**

- 3.6.1 It is proposed that the Review and preparation of any draft Scheme of governance for a Combined Authority are commissioned by the West Yorkshire Chief Executives and the Clerk to the ITA. The work will be undertaken by a task group of officers from the West Yorkshire Authorities, including the ITA. Recognising the initial transport focus for a Combined Authority, it is proposed the group is led by the Chief Executive of Kirklees Metropolitan Council who has been nominated as the senior officer lead on delivering the transport element of the City Deal. The task group will be multi-disciplinary and provide expertise including on transport, economic development and the relevant legislation.

### **3.7 Review scope**

- 3.7.1 To fulfil the requirements of the City Deal, the Review will be required to test the proposition, including by drawing on evidence from stakeholders that the creation of a Combined Authority for the West Yorkshire area would be likely to improve:
- the exercise of statutory functions relating to transport;
  - the effectiveness and efficiency of transport; and
  - the effectiveness and efficiency of arrangements to promote economic development and regeneration.
- 3.7.2 The Act does not provide a definition of 'economic development and regeneration' However, it is recognised that there is a wide range of economic development and regeneration challenges across the City Region, however they are not all considered to fall in scope for Review because their solutions are essentially local and not sub regional in nature. For example, many of the challenges relate directly

to Leeds District, such as development and enhancement of the city centre and south bank, achieving economic growth and tackling deprivation, reducing unemployment, and supporting businesses and promoting enterprise in specific parts of the city..

- 3.7.3 However, some of our economic development and regeneration issues have cross-boundary significance, for example promoting inward investment and trade, developing a skilled labour market, and supporting business sectors such as textiles or financial services which have strong city region networks. It is this type of cross-boundary issue which is considered to be within the scope of the Review.
- 3.7.4 Specifically, the Review would need to consider the relevant systems, structures and procedures that are in place across the area to make decisions, set strategy, manage delivery, assess performance and report on progress. Analysis of options is required, such as leaving existing governance unchanged, strengthening or restructuring existing governance arrangements, and establishing a Combined Authority.
- 3.7.5 At the same time as the Review under the LDEDC 2009, a Review under the Local Transport Act (LTA) 2008 should be carried out, as there is significant overlap in the remit of both. One of the conclusions of the LTA Review, amongst others, would have to be a recommendation to transfer the functions and powers of the ITA to the Combined Authority, and then formally dissolve the ITA.
- 3.7.6 Any final report of the Review process which concludes that a Combined Authority would be the most beneficial option in terms of improved outcomes would in effect provide the business case for the new body corporate and inform the preparation of a draft Scheme of governance.

### 3.8 **Scheme of governance**

- 3.8.1 The draft Scheme of governance for a West Yorkshire Combined Authority would form the basis for the creation of the new body corporate and would contain information on:
- the area it will cover (whose local government areas must be contiguous), its membership, voting and any other constitutional arrangements;
  - its agreed functions (exercised by the Combined Authority or concurrently with constituent local authorities);
  - the way in which it will be funded, including the transport Levy and prudential borrowing powers for transport;
  - practical arrangements, including staffing, property transfer, structure including any executive arrangements, Committees, and advisory groups, and ensuring transparency, e.g. via scrutiny arrangements; and
  - the powers, functions and duties of the WY Passenger Transport Executive (PTE) and how these would be exercised and structured.

- 3.8.2 It will be important to ensure that any new sub regional arrangements are designed to ensure effective working arrangements with the constituent local Councils and their democratic arrangements to ensure there is a joined-up and collaborative approach.
- 3.8.3 With regard to next steps, it is proposed that if the findings of the statutory Review recommends the establishment of a Combined Authority, then a draft Scheme will be prepared for consideration by both Executive Board and Council prior to its wider consultation with stakeholders. Following this, a final draft Scheme will be brought back to both Executive Board and Council for approval before being submitted to the Secretary of State. Details of the Scheme would then be included in the draft statutory Order that is needed to create the new body.
- 3.8.4 Given the significant period of time between starting the review and the formal creation of a Combined Authority, it is proposed that the Review considers the establishment of an interim Shadow Combined Authority. Any proposed Shadow arrangements will also be considered by Executive Board and Council in due course.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.2 The draft statutory guidance states that relevant Authorities will need to engage partners and stakeholders very closely both to receive their input into the design of the Combined Authority and to determine how it will interact with these organisations. Whilst there is no requirement to carry out a formal public consultation on any draft Scheme of governance, the Authorities may wish to consider doing so, and the Secretary of State will wish to see evidence that the views of stakeholders have been sought and taken into account when preparing the Scheme. The proposed approach to consultation will be the subject of a future report.

### **4.2 Equality and Diversity / Cohesion and Integration**

- 4.2.1 Due regard will be had to Equality Impact Assessments undertaken where appropriate on any specific projects and areas of expenditure as and when these arise.

### **4.3 Council policies and City Priorities**

- 4.3.1 The 'City Deal' will bring powers and resources that will support [the Vision for Leeds; Children and Young Peoples City Priority Plan; Sustainable Economy and Culture City Priority Plan; the Housing and Regeneration City Priority Plan; and the Leeds Growth Strategy]. Also the LCR Transport Strategy, and WY Local Transport Plan.

#### **4.4 Resources and value for money**

- 4.4.1 Any advice to support the work of the Group outlined in section 3.6.1 would be commissioned in line with Standing Orders and within existing agreed Council / ITA budget headings.
- 4.4.2 It is not currently anticipated that that there will be a call on additional resources arising as a direct consequence of Executive Board's approval of the key recommendations of this report, i.e. the preparation of a Review and draft Scheme of governance.
- 4.4.3 In due course, the establishment of a Combined Authority may lead to efficiency savings through re-organisation and this will be covered as appropriate in future reports. It is also envisaged that capacity for the Combined Authority, if established, would primarily be drawn from the member Authorities and existing ITA and PTE.

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

- 4.5.1 There are no specific legal implications arising from this report. If, however, a Combined Authority is established in due course this will have a separate legal identity from the Council and the other constituent authorities and will have separate statutory powers and duties.

#### **4.6 Risk Management**

- 4.6.1 The devolution in relation to powers and funding on transport contained in the LCR City Deal are contingent upon the establishment of a Combined Authority. Failure to establish a Combined Authority may therefore constitute a risk to the economic recovery of the City Region.
- 4.6.2 In addition, the process for establishing a Combined Authority is not fully under this Council's control and its establishment against the timeline set out in this report is subject to approval by the other West Yorkshire Authorities, including the ITA, and also by both Houses of Parliament.
- 4.6.3 The recommendations of the Review should be consistent with the Council's commitment to accountability and decision making at the local level and this will be an important element to consider during the review to achieve an appropriate balance between sub-regional and local need.

### **5 Conclusions**

- 5.1 The LCR City Deal will bring significant powers to the City Region and provide resources that will assist the delivery of activity aimed at boosting the local economy, improving transport and boosting the employment prospects for young people.
- 5.2 The significant devolved powers and funding which the 'Deal' will bring will only be provided in full if sufficiently strong, stable and visible local governance is put in place, including to deliver our shared ambition on transport. Therefore this report

proposes that a Review is undertaken to test the business case or otherwise for a Combined Authority for West Yorkshire. A key part of this review will be to consider carefully the balance between devolution at a sub-regional level and existing decision making at an individual authority level. The scope of a Combined Authority model will also be an important consideration to consider as part of the proposed review.

## **6 Recommendations**

### **6.1 Executive Board are asked to:**

- 1 Agree that the Council should be party, together with other West Yorkshire Authorities (including the ITA), to a Review of governance arrangements relating to transport, economic development and regeneration in West Yorkshire pursuant to S108 of the Local Democracy, Economic Development and Construction Act 2009 and Sec 82 of the Local Transport Act 2008.
- 2 Authorise the Chief Executive in consultation with the Leader to commission the preparation of the Review, in consultation with the other West Yorkshire Authorities.
- 3 Authorise the Chief Executive in consultation with the Leader to commission the preparation (in consultation with the other West Yorkshire Authorities) of a draft Scheme for a Combined Authority for consideration by Executive Board and Council, if the Review recommends that a Combined Authority would be the most beneficial option for West Yorkshire.
- 4 Note the provisional timetable and next steps on the governance review process including, if appropriate, the submission of a draft Scheme to Executive Board and Council by January 2013 and a final scheme which takes account of consultation and submitted to the Secretary of State by July 2013, in order to be in a position by April 2014 to receive significant devolved powers and funding via the City Deal.

## **7 Background documents<sup>1</sup>**

- 7.1 There are no background reports.

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<sup>1</sup> 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.

## West Yorkshire Combined Authority – Timeline

Decision	Timescale
Executive Boards of West Yorkshire Authorities (including the West Yorkshire ITA) consider authority for: <ul style="list-style-type: none"> <li>• a governance review to be undertaken; and</li> <li>• receipt in due course of a draft scheme of governance for a Combined Authority</li> </ul>	By October 2012
Executive Boards and Councils of West Yorkshire Authorities (including ITA) consider the findings of the review and the proposals for a Combined Authority set out in a consultation draft scheme of governance	By January 2013
Following stakeholder consultation, Executive Boards and Councils of West Yorkshire Authorities (including the ITA) to: <ul style="list-style-type: none"> <li>• consider a final draft Combined Authority scheme and business case;</li> <li>• authorise submission of business case and scheme to the Secretary of State; and</li> <li>• consider the establishment of a Shadow Combined Authority.</li> </ul>	By July 2013
Based on the submitted scheme and business case, DCLG: prepare and consult on a draft order for the creation of a West Yorkshire Combined Authority; and prepare a final draft order	By September 2013
Executive Boards and Councils of West Yorkshire Authorities (including ITA) consider the final draft order	By November 2013
The Secretary of State lays a statutory order before Parliament	By December 2013
Draft order approved by both Houses of Parliament and becomes law	By March 2014
West Yorkshire Combined Authority established	1st April 2014



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**Report of the Director of City Development**

**Report to Executive Board**

**Date: 17<sup>th</sup> October 2012**

**Subject: West Yorkshire Plus Transport Fund**

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 checked="" 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 checked="" type="checkbox"/> No

**Summary of main issues**

1. Leaders confirmed in their City Deal with Government in July 2012, that they intend to put in place a £1billion fund to invest in transport over the next decade.
2. Leaders have previously agreed that the development of a West Yorkshire Transport Fund (WYTF) has the potential to:
  - Generate significant additional economic investment that would deliver jobs in the short and longer term;
  - Enhance connectivity to, from and within West Yorkshire;
  - Establish a fully integrated transport system for West Yorkshire; and
  - Substantially reduce dependence on central funding, giving local communities and businesses surety over a 10 year programme of Major Transport Schemes.
3. There is clear evidence that without significant and well-targeted investment in the transport network in West Yorkshire the opportunities for economic growth will be constrained. This will be a result of increasing levels of congestion, rising costs of motoring and public transport and the ability to recruit a workforce, interact with other businesses or transport good and services to people and business that need them. Significant investment in transport is therefore needed:

- to enable existing, and new, businesses to become more productive (through reducing lost time caused by congestion);
  - to expand the size of the workforce that could both support the growth of existing businesses and the creation of new employment, particularly in major growth locations (such as Aire Valley);
  - to expand the numbers and types of employment opportunities that can be reached from existing communities, and new housing sites, to improve the opportunities available to the existing and the future workforce.
4. The approach being followed is a departure from the 'cap in hand' approach of recent years, where West Yorkshire has sought funding from Whitehall, in increasing competition for a shrinking pot of central funding.
  5. This approach will put decision making on transport investment firmly within West Yorkshire's own control. A fund of this scale, will support a transformation of the transport network, develop it in a way that is not constrained by District boundaries and support future economic growth.
  6. By committing to a plan and a Fund to deliver it, and publishing that, West Yorkshire will be in good position to attract investment and economic growth as the UK moves out of recession. In the event that this takes longer than envisaged, the Fund and its improvements will in any case support existing business by improving their productivity and be of wider benefit to all users of the transport network, not just businesses and commuters.
  7. Leaders at the 26<sup>th</sup> July 2012 AWYA meeting noted the continuing progress with the development of the West Yorkshire Transport Fund and signed off Gateway 2 of the project. Gateway 2 included a list of potential schemes for testing and comparison.
  8. At the same meeting, Leaders agreed that a report should be taken to individual Authorities to formally sign off the work undertaken to date, to outline the next steps and set out an indicative timeline for the launch of the Fund.
  9. This report outlines the progress to date and seeks approval for continuing the development of the WYTF and associated programme in line with the Leaders' request.
  10. A report on the governance review associated with the City Deal is the subject of a separate report to this meeting.

## **Recommendations**

11. The Executive Board is requested to:
  - i) Note the contents of this report and attached documents; and
  - ii) Agree to the further development and progression of the work on the West Yorkshire Plus Transport Fund.



## **1 Purpose of this report**

- 1.1 To update the Executive Board on the progress made to date in developing a WYTF and to seek approval to continue the development work to enable authorities to confirm the setting up of the Fund and the associated 10 year programme later this year.

## **2 Background information**

- 2.1 Leaders have held discussions with the Chief Executive and Leader of Greater Manchester to understand the lessons learnt from the development of the Manchester fund.

- 2.2 These included ensuring that the objectives are agreed early in the process and the methodology for reaching an agreed fund proposal is signed off at each key stage of the process at a senior level.

- 2.3 The following five key stages of the methodology, termed 'Gateways', were agreed at the Leaders' meeting in November 2011.

- Gateway 1: Agree the objectives
- Gateway 2: Agree the baseline, methodology, interventions and funding sources in scope.
- Gateway 3: Present the prioritisation of schemes and indicative packages
- Gateway 4: Present shortlist of fund proposals for selection of the preferred fund
- Gateway 5: Sign off the Fund

- 2.4 A key part of the process of developing the funds has been to develop a clear set of objectives against which the performance of proposed packages of measures will be tested. These objectives, set out below, were signed off as Gateway 1 by the Leaders in November 2011.

- 2.5 The primary objective is to maximise the increase in employment and productivity growth across West Yorkshire, (irrespective of boundaries) by the delivery of transport schemes.

- 2.6 As a secondary objective, the programme must also improve the ability of people in every West Yorkshire district to access jobs, with a particular focus on those living in the most deprived communities.

- 2.7 Against this background, two employment accessibility minima have been proposed:

- A better than average improvement in employment accessibility for residents in the most deprived 25% of West Yorkshire communities and;
- Every West Yorkshire district to gain an average improvement in employment accessibility no less than half the average across West Yorkshire.

2.8 Gateway 2, relating to agreeing the baseline, methodology, intentions and funding sources scope, was signed off by the Leaders in July 2012.

In Leeds the potential schemes include those to:

- Expand the connectivity of the city centre for residents of Leeds, West Yorkshire and the City Region. This could see the development of schemes to: extend the NGT network; park and ride; achieve a step change in the nature and use of the bus network (including lower bus fares). This would expand the labour pool to give access to more people, with a wider range of skills, within an acceptable commuting range of the city centre;
- Open up connections into the Aire Valley to allow a sustainable growth in employment served by a work force recruited from local communities, the rest of Leeds and neighbouring Districts;
- Improved access to the Airport through a phased approach to improve access from the motorway network, across West Yorkshire and to/from the key centres of Leeds and Bradford;
- Improved Ring Road capacity to reduce through traffic in the centres, open up new housing opportunities in the suburbs, unblock the most congested road junctions and support the transformation of land south of the river in the city centre;
- Allow a sustainable growth of the city centre in a way which can improve its quality and attractiveness to people and businesses; including a growth in the use of cycling and walking.

2.9 West Yorkshire Leaders have also been in discussion with York to examine the case and process for expanding the approach to the WYTF to include York. While the process and arrangements for this are still under consideration, the methodology for scheme identification, impact and prioritisation is now incorporating York schemes. Consequently the Fund is referred to as the 'West Yorkshire Plus Transport Fund'.

2.10 The potential schemes to be funded from the WYTF have been developed collectively across West Yorkshire by:

- Understanding the aspirations and opportunities for employment growth, and the scale and location of where that growth could be constrained without any significant investment in the transport network;
- Looking at particular locations where growth could be constrained and developing cost effective solutions to unlock growth in those areas; and
- Analysing the uplift generated (in terms of jobs and GVA) by these potential schemes, and calculating the impact per £ invested, to assess the effectiveness of the solutions.

2.11 The types of schemes that have been identified are:

- Radial improvements to allow more people to travel into urban centres, more quickly, more cheaply and more comfortably. This would allow improved connectivity into the urban centres from the each District, the rest of West Yorkshire, the Leeds City Region and to and from key cities such as Manchester and Sheffield. These could be a transformed (and more affordable) bus network and services, and where appropriate high capacity public transport services such as park and ride, NGT and rail services;
- Orbital (ring road) highway improvements that can allow the efficient movement of goods and services around the urban centres, so reducing traffic into and through the centre and supporting essential longer distance traffic movements;
- Those that enable the transformation of key development areas such as the Aire Valley (Leeds), Canal Road (Bradford), Cooper Bridge (Kirklees) or East Wakefield where land is available for expansion, but access into it from local communities and the rest of West Yorkshire currently constrained by congestion and/or a lack of roads and/or public transport;
- Those that provide faster and more convenient access to/from the motorway network, specifically for good vehicles but also for commuters using the motorway who could switch to park and ride or car share for parts of their journey; and
- Improvements between major centres such as Leeds and Bradford, or Halifax and Huddersfield to ensure high capacity, modern, fast and attractive opportunities to connect the key centres across West Yorkshire.

2.12 Further work will be used to match the level of the Fund to identify the most effective schemes, which will include an analysis of how schemes interact and work together to produced added benefits

2.13 Those added benefits will include analysis to ensure that as well as supporting employment growth and productivity across West Yorkshire, that the benefits are distributed equitably between the West Yorkshire partners and importantly across all communities, particularly those with high levels of unemployment and deprivation.

2.14 The schemes which are prioritised will also be tested to ensure they support the Local Transport Plan objectives, so their impact on carbon and 'quality of life' can be assessed.

2.15 The prioritised schemes will also reflect plans being developed by the Highways Agency, Network Rail and York to ensure added value and impact can be achieved.

### **3 Main issues**

3.1 In line with the approach followed in Greater Manchester, a forecasting model (Urban Dynamic Model or UDM) has been developed. This was calibrated to employment forecasts predicted by the latest version of the Regional Econometrics Model (REM).

- 3.2 The model used for testing has been set up to assess impact against the key objectives of maximising GVA impact per £ invested and the accessibility criteria, but can also report on:
- increases in employment in each West Yorkshire district;
  - increases in employed residents in each West Yorkshire district;
  - volumes of commuting by the four main modes (car, bus, rail and active modes);
  - differentiation of effects (accessibility/employment levels) at a zonal level, including 'deprived' areas; and
  - changes in carbon emissions.
- 3.3 The UDM was used to predict the scale and distribution of locations where future employment growth would be constrained because of rising transport costs such as public transport fares, highway congestion and rail crowding, which would lead to:
- A reduction in the size of labour pools for employers in West Yorkshire to recruit from (an average reduction of 23% in 2026);
  - A reduction in the number of accessible jobs for commuters in West Yorkshire (an average reduction in accessible jobs of 18% in 2026, but 20% for commuters from the most deprived communities); and
  - Rising costs and reduced productivity for business.
- 3.4 The evidence from the model predicts that investing in improved transport connectivity can support significant levels of employment growth and a corresponding increase in GVA. Employment and GVA would grow year on year from the start of the Fund's delivery programme such that by 2026, there would be an additional 20,000 new jobs and an additional GVA of £1.5 billion per year in West Yorkshire. The rate of build up towards 2026, and the eventual scale of additional employment and GVA would be dependent upon ensuring the most 'effective' schemes are selected for funding.
- 3.5 In more detail, the work carried out to date has identified that three types of employment impacts could be generated or supported by the investments planned from the WYTF:
- A growth of up to 20,000 (at 2026) new jobs supported because of increased connectivity and the reduced costs and times of travel. These would be permanent and would increase further beyond 2026;
  - Around 10,000 direct jobs created (predominantly in the construction industry) due to the effect of investing £1 billion in transport infrastructure. These would be temporary and would be spread throughout the development and construction programme

- Between 2,000 and 4,000 permanent jobs in the transport sector associated with the operation of new schemes. This figure would depend on what schemes would be delivered, but could include bus/train drivers and park and ride staff for example.
- 3.6 Overall, at 2026 it is predicted that between 25,000 and 30,000 new jobs could be supported by the investments delivered through the WYTF. While the temporary construction jobs are direct, further growth would be dependent upon wider economic conditions, such as post-recession growth returning globally. The transport investment from the Fund would be targeted to support productivity benefits for existing WY business (along with conventional benefits such as decongestion, improved air quality and faster journeys).
- 3.7 Following input from the Leaders, a series of core corridors and centres was identified to complement the potential for future employment growth assessed using the UDM forecasts.
- 3.8 Around 60 interventions have been identified with a delivery cost of around £4 billion. Clearly this is beyond the scale of the proposed WYTF, and work is underway to test the schemes and appraise their impacts in terms of GVA per £ invested. This is being done to ensure the most effective schemes are included for consideration by Members in the Fund.
- 3.9 This will lead to a prioritised list of potential schemes, based on their effectiveness in delivering against the key objective of maximising an increase in GVA. This will be reported back to Leaders which will be used to inform the selection of a package of schemes for testing. It is intended to present the results of the testing, taking into account the detailed costs of each scheme, level of third party contributions and potential revenue returns, back to Leaders later in the year when Gateway 3 would be signed off. That will allow discussion on the packaging options which would be assembled, tested and refined against the wider objectives.
- 3.10 Appendix A provides a non-prioritised summary of the type of proposals currently under consideration.
- 3.11 At their meeting on 26<sup>th</sup> July 2012 AWYA meeting, Leaders noted the continuing progress with the development of the West Yorkshire Transport Fund and signed off Gateway 2, with specific reference to:
- confirming the baseline forecasts and methodology adopted as fit for purpose;
  - confirming the 'medium' list of schemes for testing and comparison purposes;
  - confirming the funding sources in scope (as set out in the Resources and Value for Money section of this report).
- 3.12 Leaders agreed that a report be taken to individual Authorities to formally sign off the work undertaken, up to and including Gateway 2, also outlining the next steps and indicative timeline for the launch of the Fund.

- 3.13 During the same period a Financial Model is being developed to support the understanding of the inflows and outflows of funds associated with scheme development, delivery and operation.
- 3.14 At the same time discussion will continue with York to assess the options for York to access and support the Fund.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 The technical work has been carried out under the direction of the West Yorkshire Transport Portfolio Holders with the support of an Officers' Steering Group made up of Metro, the five West Yorkshire Districts and latterly York. A number of well attended workshops have been held and individual meetings with the District Councils to clarify scheme proposals and priorities.
- 4.1.2 The management of the technical work has been carried out within Metro with support from external consultants KPMG, Aecom and SDG.
- 4.1.3 Regular reports have been submitted to the West Yorkshire Integrated Transport Authority and to AWYA.

### **4.1 Equality and Diversity / Cohesion and Integration**

- 4.1.1 It is currently not applicable to carry out an Equality, Diversity, Cohesion and Integration screening or impact assessment at this stage of the project. However, as the proposals are developed, due regard to equality will be undertaken at the planning and design stages of each scheme as appropriate.

### **4.2 Council policies and City Priorities**

- 4.2.1 The 'City Deal' and the WYTF will bring powers and resources that will support the Vision for Leeds; Children and Young Peoples City Priority Plan; Sustainable Economy and Culture City Priority Plan; the Housing and Regeneration City Priority Plan; and the Leeds Growth Strategy. Also the LCR Transport Strategy and WY Local Transport Plan.

### **4.3 Resources and value for money**

- 4.3.1 The West Yorkshire ITA has approved £700,000 to fund the technical work required to develop the fund up to a point where it can be presented to the West Yorkshire Authorities for approval.
- 4.3.2 Additionally, a Finance Working Group has been established to take forward the financial work. Membership is taken from the Districts, KPMG, Metro and Leeds City Region Secretariat. The primary focus of the Group has been to lead the discussion on funding in scope; provide a list of possible funding streams; develop potential funding scenarios; advise on financial management of the Fund and to keep under review assumptions whereby schemes are financially assessed.

- 4.3.3 An initial funding model has been developed which helps to demonstrate a range of funding scenarios focusing on purely illustrative funding sources. The most secure and deliverable of these are:
- An increase in the locally raised transport levy (or assumed levy equivalent)
  - LTP (integrated transport) top-slice
  - DfT local Major Scheme Funding
- 4.3.4 Other potential funding sources have been identified (such as CIL, Section 106, ERDF or local business rates) but not considered as in-scope due to a lack of certainty in delivery and/or risk.
- 4.3.5 More detailed analysis will follow on the exact nature of the potential scale of the funds available through different scenarios and this will be presented to Leaders at a meeting later in the year.
- 4.3.6 If the fund is taken forward, the prioritised package will require more detailed analysis on the design, appraisal, costing and phasing. That level of work would require more significant resources and funding, and would only be entered into when the Fund and priority package are committed by the Leaders and all Partners. The work would be funded from the WYTF itself.
- 4.3.7 A parallel piece of work to develop a single assessment framework (SAF) has been undertaken following feedback at a previous Leaders' meeting. This SAF, being developed via WMDC and the Regional Intelligence Unit will provide a common investment appraisal process across all local major funding streams designed to ensure a consistent approach to the development and appraisal of projects (against strategic priorities, economic impact and value for money). The inputs from the work so far undertaken on WYTF scheme prioritisation will play a key role in the testing and development of the overall SAF structure and processes.

#### **4.4 Legal Implications, Access to Information and Call In**

- 4.4.1 There are no specific legal implications arising from this report.

#### **4.5 Risk Management**

- 4.5.1 There are two main risks.
- 4.5.2 A lack of support for and progress of the WYTF will undermine the basis of the City Deal with Government resulting in the devolved powers not being secured.
- 4.5.3 The development phase of the fund is being managed through existing staff resources from the District Councils and Metro. It is anticipated that a Combined Authority would be established by January 2014. It is assumed that the Combined Authority would oversee the development and delivery of schemes from the Fund. Should a positive decision on the fund be taken it is anticipated there will be significant pressure to make substantial and quick progress on scheme delivery. In order to make progress with essential detailed scheme development in the interim,

it will be necessary to assemble a Fund development team in advance of that date. This will be the subject of a further report to Leaders.

## **5 Conclusions**

- 5.1 Significant resource has been invested in this project by WYITA and the WY Authorities over the last 12 months to progress work from concept to Gateway 2. Before embarking on the next critical phase, it is imperative that all authorities involved sign off the process and work to date, to allow the various groups to continue their work through the next Gateways.

## **6 Recommendations**

- 6.1 The Executive Board is requested to:
- (i) Note the contents of this report and attached documents; and
  - (ii) Agree to the further development and progression of the work on the West Yorkshire Plus Transport Fund.

## **7 Background documents<sup>1</sup>**

- 7.1 None

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<sup>1</sup> 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 A – TYPES OF SCHEMES BEING INVESTIGATED

Scheme name	Beneficiaries (Districts)	Primary impact
WY package of red routes to benefit all vehicles and bus frequency increases and fare reductions	Area wide	Access to employment, supports business growth
Rail station parking package at strategic locations	Area wide	Access to employment
Bradford Forster Square and Bradford Interchange station gateway improvements	Bradford	Access to employment
A650 Tong Street capacity and priority scheme	Bradford	Access to centre
Bradford - Keighley A650 Hard Ings Road and town centre improvements	Bradford	Access to employment
Bradford - Shipley Corridor Improvement	Bradford	Access to new development
South east Bradford highway network improvements	Bradford	Access to new development
Bradford - Huddersfield A641 corridor improvements	Bradford, Calderdale, Kirklees	Centre to centre connectivity and access to employment
Caldervale Line upgrade	Bradford, Calderdale, Leeds	National connectivity
Airport connections	Bradford, Leeds	National connectivity
Halifax - Huddersfield A629 corridor and Halifax Town Centre	Calderdale, Kirklees	Centre to centre connectivity and access to employment
Improved access to M62 from north Huddersfield and Brighouse	Calderdale, Kirklees	Centre to centre connectivity
Cooper Bridge access package of highway works on A644, A62 and M62 J25A	Kirklees	Access to new development
Huddersfield Town Centre Improvements for general traffic and buses	Kirklees	Access to employment
A653 Leeds - Dewsbury Corridor highway and bus improvements	Kirklees, Leeds	Centre to centre connectivity and access to employment
Expansion of NGT network in Leeds, including into Aire Valley	Leeds	Access to new development
Aire Valley - Leeds Integrated Transport Package	Leeds	Access to new development
Leeds outer road package to provide orbital highway, and radial bus capacity	Leeds	Access to employment
Airport highway access	Leeds	National connectivity
Wakefield Eastern Bypass and Park and Ride	Wakefield	Access to new development
Wakefield City Centre Package	Wakefield	Access to employment
Glasshoughton Southern Link Road	Wakefield	Access to new development
Pontefract Northern Bypass	Wakefield	Access to new development
South and East Wakefield Bus to Work	Wakefield	Access to employment/training

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## Report of the Directors of Resources and City Development

### Report to Executive Board

**Date: 17 October 2012**

### **Subject: Support to the Leeds Rail Growth Package**

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s): Kirkstall, Horsforth, Bramley & Stanningley		
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<b>If relevant, Access to Information Procedure Rule number:10.4(3)</b>		
<b>Appendix number: B</b>		

### Summary of main issues

1. The developer of the Kirkstall Forge site has approached the Council for financial assistance in the development and delivery of the Leeds Rail Growth Package. The development of the Kirkstall Forge site is of strategic importance to the city and the wider city region and when developed will bring new homes, offices and jobs to the city. As well as the provision of new housing the development includes a new rail station, access road and car park.
2. As explained in the report, if the Council is minded to provide financial assistance to this scheme, there does remain a number of significant issues, both financial and legal, to be determined in order to ensure that the Council's position is as secure as possible.
3. At this stage therefore, this report only seeks the in principle approval of financial support to the scheme, and delegates to the Directors of Resources and City Development final approval of an agreement, subject to conditions as outlined in the report being agreed.

### Recommendations

4. That the Executive Board agree in principle to the Council providing financial assistance as outlined in the exempt **Appendix B**, to support the delivery of the Leeds Rail Growth Package, but that this be subject to the finalisation of the agreement of terms and conditions which as outlined above ensure that the Council's position is as

secure as possible, and that final agreement be delegated to the Directors of Resources and City Development.

## **1 Purpose of this report**

- 1.1 The Council has been approached by the developer of the Kirkstall Forge site to provide financial assistance in the development of the Leeds Rail Growth Package.
- 1.2 As explained in the report, if the Council is minded to provide financial assistance to this scheme, there do remain a number of significant issues to be determined in order to ensure that the Council's position is as secure as possible. As such at this stage, this report only seeks the in principle approval of financial support to the scheme and supporting access works, and delegates to the Directors of Resources and City Development final approval of an agreement, but subject to conditions as outlined in the report being agreed.

## **2 Background information**

- 2.1 Kirkstall Forge is a 23 hectare brown field site, 3.7 miles from Leeds City Centre, bounded by the A65 to the North and the Airedale/Wharfedale railway line to the south. The site was purchased by GMV Twelve Ltd in 2003, but the development of the site is being undertaken by their agent, Commercial Estates Group (CEG). A plan of the proposed development is attached at **Appendix A**
- 2.2 GMV Twelve Ltd is a property development company registered in Jersey and its holding company, GMV Holdings Ltd is registered in Gibraltar.
- 2.3 The development of the Kirkstall Forge site is of strategic importance to the city, and indeed the wider city region. The proposals include:

- 1,045 new homes
- 300,000 sq ft of Grade A offices

The forecast economic and other benefits claimed for the development include:

- Levers in £350m of private sector investment
- During the construction, supporting the full time equivalent (fte) of 300 jobs construction jobs
- 1800 direct jobs once the development is completed and operational
- Supporting nearly 300 (fte) local jobs within the wider community
- Increased economic spend
  - Gross wage of £40m for office workers
  - £5m extra turnover in local shops

- Additional council tax and business rates
- New homes bonus of £5m to £6m over 6 years

2.4 An important part of the development is the construction of an access road and new rail halt which would be one of two stations (Kirkstall Forge in Leeds and Apperley Bridge in Bradford) that are planned to be constructed as part of the Leeds Rail Growth Package (“the LRGP”). The LRGP is supported by the Department for Transport and Metro.

2.5 The original intent in developing the scheme was for the site development to commence in advance of the rail halt opening which would then fund the wider infrastructure requirements. However, the availability of development finance has impacted upon this. The willingness of financial institutions to provide development finance has been affected by:

- § the slow recovery of the first time buyer market and
- § the large proportion of bad debt of the UK’s leading financial institutions linked to commercial and residential loans.

These two factors have resulted in lenders being reluctant to provide development finance for developments such as this and as a result the development of the site has been delayed significantly.

2.6 The current position is that substantial sums need to be spent to deliver the rail halt and associated infrastructure, without which funding that is already secured could be lost and the scheme delayed. Details of the total funding requirement are contained within the exempt **Appendix B**.

### **3 Main issues**

3.1 CEG, on behalf of GMV–Twelve has approached the Council to provide financial assistance to the development as detailed in the exempt **Appendix B**. Given the timescales associated with the funding of this development, the urgent need to move it forward and the absence of other appropriate funding options, this request has been considered by the Council. In future however, funding for such developments should be directed to the Transport Fund and the Regional Economic Growth Fund both of which are in the process of being developed and which are referred to elsewhere on this agenda.

3.2 In considering whether to provide this assistance, there are a number of issues that the Council need to consider, being

- ∇ Confirmation of the Council’s legal position and specifically compliance with State Aid rules.
- ∇ The ability of GMV –Twelve to make repayment to the Council.
- ∇ Security for the Council’s financial commitment.

- ∇ To determine a repayment schedule and an interest rate which ensures that there is no cost to the Council tax payer.

Each of these issues will need to be fully understood and considered before a final decision can be made; however, the following paragraphs provide a position statement as to our current understanding.

- 3.3 The proposal does provide an opportunity for the Council not only to support the delivery of a key improvement to the local transport infrastructure, but also the potential to “kick start” an important commercial and residential development. As such there are sound economic reasons for the Council to respond positively to the request to provide support to the scheme..
- 3.4 The Council would need to take out borrowing in order to provide funding to the developer. The Council is free to take out borrowing under the Local Government Act 2003, provided that it takes prudence and sustainability requirements into account when making decisions on borrowing in compliance with CIPFA’s Prudential Borrowing Code.
- 3.5 Details of the financial arrangements proposed by CEG are set out in the exempt **Appendix B.**
- 3.6 As referred to earlier, there are significant elements of the proposal from CEG which require further work before a final decision on financial assistance could be considered. A key consideration has to be to ensure that as far as possible the Council’s financial position is protected and further work is required to ensure that we gain an understanding of the capacity of the development to generate the value necessary to repay any support from the Council.
- 3.7 An important consideration will be to ensure that any arrangements are State Aid compliant. In order to comply with these requirements consideration will need to be given to interest rates, the financial rating of the company and the level of collateral provided.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 The Rail Growth Package has been subject to extensive public consultation both as part of the Local Transport Plan and also in terms of the previous planning process for the Kirkstall Forge development.
- 4.1.2 The proposal for the development was subject to the necessary consultation as part of the detailed planning consent which was secured in 2010.
- 4.1.3 There has been no external consultation in respect to this report as it is not considered appropriate.

### **4.2 Equality and Diversity / Cohesion and Integration**

- 4.2.1 An equality impact assessment for the scheme has been prepared by Metro as part of the scheme development process. The recommendations of this report

relate to a financial arrangement. A screening document has been completed and concludes that there are no specific implications for equality and diversity, nor for cohesion and integration. This is attached as **Appendix C**.

### **4.3 Council policies and City Priorities**

- 4.3.1 The proposal for which financial support is required is of strategic importance to the city and the wider city region. It is consistent with the Council's City Priority plans in terms of its impact on the sustainable growth of the Leeds economy, the redevelopment of Brownfield land, provision of new housing, increasing the number of residents who can get to work by public transport and the creation of new permanent jobs.
- 4.3.2 A park and ride strategy aligns with the West Yorkshire Local Transport Plan and with the objectives of the Leeds City Region Transport Strategy with themes such as 'developing a strategic framework for demand management' and 'improving strategic connectivity to tackle congestion'.
- 4.3.3 The Leeds City Region Transport Strategy also includes interventions to provide new and expanded park and ride sites in the short term as well as new park and ride facilities located adjacent to the motorway and other priority corridors.

### **4.4 Resources and value for money**

- 4.4.1 The Council would need to take out borrowing in order to provide financial support for this development. In considering the terms of any such support, whilst there could be an impact on the Council's budget in individual years (either positive or negative) the Director of Resources will ensure that, overall, there will be no residual cost to the Council Tax payer.
- 4.4.2 The development of the Kirkstall Forge site is a strategic development for the city and the wider city region as detailed in paragraph 2.3. As well as the jobs, homes and investment it brings to the city there are other economic benefits. The council will receive new homes bonus (for a period of 6 years) for each new house delivered as well as council tax payable on the new properties and business rates on the commercial properties.

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

- 4.5.1 The Council has the legal powers to provide financial assistance of this kind under the Section 3 of the Local Authorities (Land) Act 1963. Section 3 does contain a number of requirements which should properly be regarded as restrictions or limitations and as such any proposal for financial assistance for the development of land will be subject to the requirements of Section 3. The key elements of Section 3 are:
  - § The Council must be satisfied that to make such an advance would be "for the benefit or improvement of their area",
  - § The principal and interest must be secured by a mortgage of the land in respect of which the advance is made,

- § The principal must not exceed nine-tenths of the value of the completed building.
- § Interest must be charged at not less than 0.25% more than the Treasury rate at the date of the advance, or at such other rate as the Minister may fix
- § Repayments must be over a period not exceeding 30 years.
- § Repayments must be made either by instalments of principal, or by an annuity of principal and interest combined.
- § There must be provisions for repayment on demand in the event of non-compliance, and for early redemption.

4.5.2 The Council would need to enter into a legal agreement with the company. The details of such an agreement have yet to be determined and it is proposed that finalisation of the agreement is dealt with under the delegated authority of the Directors of Resources and City Development.

4.5.3 The information contained in **Appendix B** of this report has been identified as exempt because it contains information relating to the financial and business affairs of GMV –Twelve and the Council. The public interest in maintaining the exemption in relation to Appendix B outweighs the public interest in disclosing the information by reason of the fact that it contains information and financial details which, if disclosed, would adversely affect the business of the Council and GMV – Twelve.

4.5.4 The report is eligible for call in.

## **4.6 Risk Management**

4.6.1 The main risk with this proposal is that the financial support provided is not returned to the Council. The Council is considering several forms of security and their value with a view to ensuring that security measures can be put in place to protect the Council's position should financial assistance be provided. It should be noted however that there is no absolute guarantee that any financial support provided will be repaid.

4.6.2 Further information relating to risk and potential security is contained in Appendix B.

## **5 Conclusions**

5.1 The Council has been approached by the developer of the Kirkstall Forge site to provide financial assistance in the development of the Leeds Rail Growth Package.

5.2 The development planned is of strategic importance to the city and the wider city region. It is consistent with the Council's City Priority plans in terms of its impact on the sustainable growth of the Leeds economy, the redevelopment of Brownfield land, provision of new housing, increasing the number of residents who can get to work by public transport and the creation of new permanent jobs.



- 5.3 The proposal does provide an opportunity for the Council not only to support the delivery of a key improvement to the local transport infrastructure, but also the potential to “kick start” an important commercial and residential development. As such there are sound economic reasons for the Council to respond positively to this request.
- 5.4 Given the timescales associated with the funding of this development, the urgent need to move it forward and the absence of other appropriate funding options, this request has been considered by the Council. In future however, funding for such developments should be directed to the Transport Fund and the Regional Economic Growth Fund both of which are in the process of being developed and which are referred to elsewhere on this agenda.
- 5.5 Should the Council be minded to support this request, further detailed work needs to take place, both financial and legal, to mitigate the risk associated with the proposal and ensure that the Council’s position is as secure as possible.

## **6 Recommendations**

- 6.1 Executive Board are asked to agree in principle to the Council providing financial assistance to GMV-Twelve, as detailed in **Appendix B**, to support the delivery of the Leeds Rail Growth Package, but that this be subject to the finalisation of the agreement of terms and conditions which ensure that the Council’s position is as secure as possible, and that final agreement be delegated to the Directors of Resources and City Development.

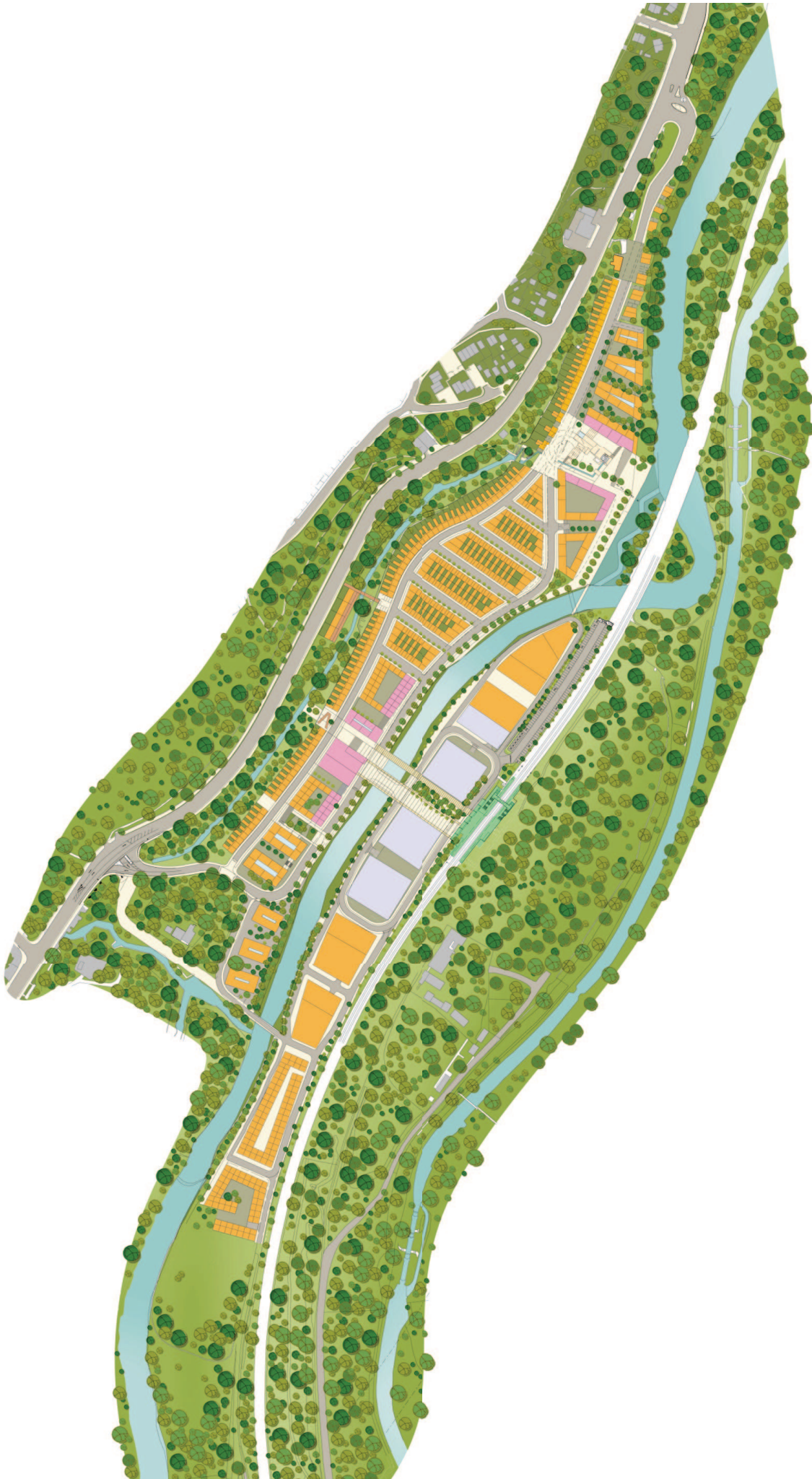
## **7 Background documents<sup>1</sup>**

- 7.1 None.

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

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Use Class Key

- Commercial
- Residential
- Retail and Leisure

# > KIRKSTALL FORGE

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Document is Restricted

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**Appendix C**  
**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.

<b>Directorate: Resources and City Development</b>	<b>Service area: Financial Management</b>
<b>Lead person: Doug Meeson</b>	<b>Contact number: 74250</b>

**1. Title: Support to the Leeds Rail Growth package**

Is this a:

- Strategy / Policy**
                 
  **Service / Function**
                 
  **Other**

**If other, please specify**

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

**The report sets out a proposal to give financial assistance to the developer of the Kirkstall Forge site, as part of the Leeds Rail Growth Package.**

## Appendix C

### 3. Relevance to equality, diversity, cohesion and integration

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

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

When considering these questions think about age, carers, disability, gender reassignment, race, religion or belief, sex, sexual orientation and any other relevant characteristics (for example socio-economic status, social class, income, unemployment, residential location or family background and education or skills levels).

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



## Appendix C

### 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)

- **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)

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

## Appendix C

**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

<b>Name</b>	<b>Job title</b>	<b>Date</b>
Maureen Taylor	Chief Officer Financial Development	24 <sup>th</sup> September 2012

### **7. Publishing**

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

Please send a copy to the Equality Team for publishing

<b>Date screening completed</b>	
---------------------------------	--

	24 <sup>th</sup> September 2012
--	---------------------------------

<b>Date sent to Equality Team</b>	
-----------------------------------	--

	24 <sup>th</sup> September 2012
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<b>Date published</b>	
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(To be completed by the Equality Team)	
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## Report of the Director of City Development

### Report to Executive Board

**Date: 17 October 2012**

### **Subject: New Generation Transport (NGT) Scheme**

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s):		
Implications city wide, but with direct impacts on City & Hunslet, Burmantofts & Richmond Hill, Hyde Park & Woodhouse, Headingley, Weetwood, Adel & Wharfedale and Middleton Park Wards.		
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, Access to Information Procedure Rule number:		
Appendix number:		

### **Summary of main issues**

1. In July 2012 the Department for Transport granted Programme Entry approval for the New Generation Transport (NGT) Trolley bus scheme.
2. Approval is required for the expenditure for the next stage of the scheme development.

### **Recommendations**

3. Executive Board is requested to:
  - (i) note the contents of this report;
  - (ii) give authority to spend £1.2m from within the existing Capital Programme to progress the scheme to enable a Transport and Works Order to be submitted to the Secretary of State for Transport for powers to construct and operate the scheme.

## **1. Purpose of this report**

- 1.1 To update the Board on the NGT scheme following the Department for Transport's confirmation of Programme Entry Approval.
- 1.2 To seek approval for authority to spend £1.2m to meet the Council's share in the development costs to enable a Transport and Works Order to be submitted to the Secretary of State for Transport for powers to construct and operate the scheme.

## **2 Background information**

- 2.1 Metro and Leeds City Council have worked in partnership to develop a high quality trolleybus system for Leeds known as NGT. The NGT project is seeking to provide a high quality transport system that will help to support the growth of Leeds' economy and improve the local environment by helping to address congestion. The scheme comprises the North Route from Holt Park to the city centre and the South Route to Stourton. Major park and ride sites will be provided at Stourton and Bodington. It remains the promoters' aspiration to deliver a city centre loop and Eastern Route to St James's Hospital as later phases of NGT.
- 2.2 It is intended to provide significant levels of highway segregation for NGT vehicles in order to deliver high levels of reliability across the network.
- 2.3 Analysis has shown that NGT could generate around 4,000 long term jobs, both in Leeds and the wider City Region in addition to generating a £160m per annum economic boost for the City Region. Around 1,000 further jobs would be created during the construction phase.
- 2.4 In March 2010 the Secretary of State announced that Programme Entry Approval had been granted for the North and South NGT Routes.
- 2.5 The scheme had previously received programme entry approval in March 2010 however, on 10 June 2010, the Secretary of State for Transport announced that all major transport schemes were to be reconsidered as part of the wider Comprehensive Spending Review (CSR) process. As a result development activity on NGT was paused pending the outcome of the CSR and subsequent confirmation of funding from the DfT.
- 2.6 On the 18 May 2011 Executive Board gave approval to submit a "Best and Final Bid" for NGT to the DfT consisting of a £57.1m local contribution from the Council and Metro towards the scheme cost. This sum is being met by a combination of the Local Transport Plan, the Council's Capital Programme, S106 contributions and Capital Reserves.
- 2.7 In July 2012 the Department for Transport announced that NGT had been re-awarded Programme Entry Approval. This was a major achievement for the City and followed an intensive period of consideration of the proposals by DfT and Treasury. Subject to the statutory processes, the City is on the cusp of delivering the basis for a high quality public transport system in the City which can be added to, as happens elsewhere, as resources become available. We also intend to

investigate with Government the possibility of curtailing the lengthy statutory processes as part of the ongoing devolution conversations

- 2.8 Programme Entry Approval is the first of three approvals required from the DfT before the Department will fully commit to funding the scheme. Further approvals are: Conditional Approval when all the legal process e.g. public inquiry have been concluded; and Full Approval following the receipt of all tender prices but prior to award of contracts

### **3 Main issues**

- 3.1 The DfT programme entry letter states that the Department will provide a maximum funding contribution of £173.5m towards the capital costs of NGT. All development work which the Promoters undertake prior to Full Approval is therefore undertaken at the Promoters risk. Once operational, the Promoters will be responsible for funding any on-going subsidy requirements associated with the scheme e.g. if the actual operating revenues were less than the actual operating costs.
- 3.2 Work is ongoing to refine and update the NGT costs over the next few months and further details will be presented to Executive Board in due course including proposals on dealing with any project shortfall.
- 3.3 In line with standard practice, the DfT have attached certain conditions to the Programme Entry Approval including:
- (i) The DfT has specified that if the overall scheme cost for NGT is lower than outlined, this cost saving will be shared between the DfT and the Promoters in proportion to the share of the funding as set out in the letter. The DfT also reserves the right to reduce its contribution towards the scheme to the extent that the Promoters are able to borrow against any projected operating surplus to contribute to the capital costs of the scheme.
  - (ii) Ministers reserve the right to reconsider their decision on funding if the business case benefits significantly reduce. These benefits principally relate to journey time savings, reliability and quality benefits.
  - (iii) The scheme must be delivered in accordance with the agreed scheme proposals: principally a trolley bus scheme between Holt Park and Stourton.
- 3.4 All the necessary powers to construct and operate NGT are to be sought through a Transport and Works Act Order (TWAo). It is almost certain that a public inquiry will be held to help determine the Order.
- 3.5 Executive Board is requested to authorise expenditure of £1.2m towards the current development costs including the preparation of the TWAo. These costs are included within the £57.1m total local contribution upon which the DfT approval is based. Work is currently ongoing to update the costs for NGT.
- 3.6 A further report will be submitted to Executive Board in early 2013 to seek approval for development cost spend beyond the TWAo submission. Authority

will also be sought from Executive Board and full Council for the TWAO application.

3.7 The current indicative programme is as follows:

Submit TWAO	Spring 2013
Public Inquiry	late 2013
Public Inquiry Decision	mid 2014
Detail Design	2013/2014
Procurement	2015
DfT full approval	mid 2016
Construction	late 2016 – late 2018
Start of Operation	late 2018

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

4.1.1 Extensive public consultation has previously been carried out on the NGT proposals and the results of this were reported to the Executive Board in October 2009. Consultation undertaken in Summer 2009 showed a positive reaction to NGT with 77% of all respondents supporting/strongly supporting the proposals. In May 2010 a separate public consultation event was held at Holt Park which showed that 65% of respondents supported the proposed NGT extension from Bodington Park and Ride to Holt Park District Centre, 46% of whom strongly supported the project.

4.1.2 Since the programme entry announcement in July detailed briefings and presentations have recommenced to Members, and Area Committees and local community groups.

### **4.2 Equality and Diversity / Cohesion and Integration**

4.2.1 It is currently not applicable for an Equality, Diversity, Cohesion and Integration Screening / Impact Assessment to be undertaken at this time, as this is a high level strategic report. However, if approval is given by the Executive Board for Officers to further develop the proposals, a full impact assessment will be undertaken at the planning and design stage and at further stages throughout the process as appropriate.

### **4.3 Implications for Council Policy and Governance**

4.3.1 The NGT proposals support the objectives of the Local Transport Plan and contribute to the delivery of the Council's Strategic Plan objectives for transport and those of the Vision for Leeds in terms of economic growth. The scheme will

make a major contribution to improving the attractiveness and quality of travel by public transport and is predicted to encourage a switch from private car to public transport, thereby alleviating congestion on the NGT routes.

- 4.3.2 Progress will be reported to the Executive Board at the key stages in the delivery process. Oversight of the scheme is provided by a Project Board chaired by the Director General of Metro. The Board also includes the Director of Resources and the Chief Officer Highways and Transportation from the Council.

#### 4.4 Resources and value for money

- 4.4.1 The DfT's maximum contribution will be £173.5m towards the estimated scheme cost of £250.6m. This funding will only be available following full approval by the DfT.

- 4.4.2 Executive Board in May 2011 agreed a local contribution from the Council and Metro of £57.1m

- 4.4.3 There is currently a funding gap which must be met from the promoters, however, work will progress to seek to identify additional sources of funding to meet any shortfall. Should a shortfall still exist, there would be a call on the Council's capital programme resources and this would be required late 2016 at the earliest and most likely 2017/18 and 2018/19.

#### 4.4.4 Capital Funding and Cash Flow

Funding Approval :	Capital Section Reference Number :-		21255				
Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2012 £000's	FORECAST				
			2012/13 £000's	2013/14 £000's	2014/15 £000's	2015/16 £000's	2016 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	0.0						
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	0.0						
OTHER COSTS (7)	3561.3	3061.3	500.0				
<b>TOTALS</b>	<b>3561.3</b>	<b>3061.3</b>	<b>500.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2012 £000's	FORECAST				
			2012/13 £000's	2013/14 £000's	2014/15 £000's	2015/16 £000's	2016 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	0.0						
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	0.0						
OTHER COSTS (7)	1200.0		1000.0	200.0			
<b>TOTALS</b>	<b>1200.0</b>	<b>0.0</b>	<b>1000.0</b>	<b>200.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2012 £000's	FORECAST				
			2012/13 £000's	2013/14 £000's	2014/15 £000's	2015/16 £000's	2016 on £000's

Section 106	505.0	505.0					
SCE ( R )	2285.0		2285.0				
Corporate USB	20301.1	2556.3	2037.7	3900.0	4000.0	4000.0	3807.1
Total Funding	23091.1	3061.3	4322.7	3900.0	4000.0	4000.0	3807.1
<b>Balance =</b>	<b>18329.8</b>	<b>0.0</b>	<b>2822.7</b>	<b>3700.0</b>	<b>4000.0</b>	<b>4000.0</b>	<b>3807.1</b>

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

4.5.1 There are no legal implications directly related to this report.

#### 4.6 Risk Management

4.6.1 If this report is not approved there is a risk of increased costs to the project.

4.6.2 The delivery of the project will be managed by a joint Metro/LCC project board who will limit changes to the proposals to limit increases in project costs

#### 5 Conclusions

5.1 The DfT funding for a trolley bus system for Leeds offers a real opportunity to deliver a major step change to public transport in the city.

5.2 NGT will allow the growing population to access the city centre and other key employment sites in an efficient and sustainable way. This will encourage business to locate in the centre and along the new corridors thereby creating 4000 new local jobs, and generating a £160 million per annum boost for the Leeds City Region economy.

#### 6 Recommendations

6.1 Executive Board is requested to:

- (i) note the contents of this report;
- (ii) give authority to spend £1.2m from within the existing Capital Programme to progress the scheme to enable a Transport and Works Order to be submitted to the Secretary of State for Transport for powers to construct and operate the scheme.

#### 7 Background documents<sup>1</sup>

7.1 None

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



**Report of Director of City Development**

**Report to Executive Board**

**Date: October 2012**

**Subject: PLANNING APPLICATIONS HIGHWAYS ISSUES (WHITE PAPER 16)**

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 checked="" 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 checked="" type="checkbox"/> No

**Summary of main issues**

1. In response to a Council Resolution of 6<sup>th</sup> April 2011 which stated:

“This Council requests the Executive Board to instruct the Council’s Highways Department to ensure that consultation with ward members takes place with regard to Planning Applications’ highways matters before the Highways Department passes formal comment to Planning Officers. This will ensure that Ward Members’ and residents’ views on highways issues are properly reflected in Planning Department reports.”

It was agreed by Executive Board on 12 October 2011 that arrangements would be established to:

- Supplement the existing public consultation on planning applications with the additional notification (by e-mail) for all Ward Members of those planning applications which have been sent to Highways and Transportation for a consultation response, giving them additional opportunity to raise any highways concerns they may have with the highways officer directly.
- At the end of a three month trial period to bring a further report back to Executive Board for consideration.

2. A subsequent report was brought before Executive Board on 11 April 2012 providing an update on that initial trial period and proposing a further 4 month trial period to review the effect of the changes to the process which had been introduced and obtain member feedback on the process.
3. This report updates Executive board on the further 4 month trial period and the results of the member feedback.

### **Recommendations**

Executive Board is recommended to:

- Note the issues raised during the further four month Member consultation trial period and the views raised from the Member feedback exercise.
- Agree that the current process should be adopted in its current format.
- Note that amended processes to improve public engagement at pre-application stage have been proposed by the Chief Planning Officer with support from the Executive Member for Neighbourhoods, Planning and Support Services and noted at Full Council on 12 September 2012.

## **1 Purpose of this report**

- 1.1 To update Executive Board on the further four month trial period which has been undertaken in relation to ward member notification of planning applications on which Highways have been consulted.
- 1.2 To consider the Member feedback received about how the process is working and the value to be gained from continuing with the process
- 1.3 To agree to the continuation of the current notification process without further modification.

## **2 Background information**

- 2.1 At full Council on 6<sup>th</sup> April 2011 Members raised a concern that their views on highways matters were not being properly addressed in planning officer's reports on planning applications. To address this concern it was requested that an additional consultation with Ward Members took place with regard to Planning Applications' highways matters before the Highways Department passed formal comment to Planning Officers.
- 2.2 Very careful consideration was given to this request since it is essential for officers to be aware of the concerns of Members and residents when responding to planning applications. However, an additional stage of consultation on planning applications has the potential to result in confusion as Ward Members could be consulted twice on the same planning application. It could also lengthen the time taken for the highways officer to provide consultation responses to the planning authority which has the potential to slow the determination process and possibly lead to additional appeals for non-determination to the detriment of development and regeneration in the city.
- 2.3 It was therefore recommended that Ward Members be informed when highways officers are being consulted on planning applications within their Ward. This way, Members' views on highways issues could be considered by Highways Officers, at an early stage, without over-burdening and potentially delaying the planning process. The proposal would entail an e-mail notification being sent automatically via the CAPS system to Ward Members to flag up that Highways and Transportation had been consulted on a planning application (at the same time). Highways officers would receive a 21 day formal consultation period. If Ward Members were concerned about the planning application in question they would have the opportunity to raise it directly with the Highways Officer as soon as possible within that time period. In this way Members would be more aware of the timeframes involved and would be able to operate within the existing consultation timescales. Highways Officers would wait for 10 days out of the 21 day period before responding to planning, giving members the time to raise any concerns directly, but leaving the Highways Officer sufficient time to respond within the set consultation period.
- 2.4 It was considered appropriate to introduce these proposals for a three month trial period. There were concerns that whilst it may help to alleviate Ward Member

concerns relating to Highways matters, that it may still raise some confusion in relation to other consultees, eg landscape, design, education.

- 2.5 Members were also advised that they would also need to send any comments they wished to raise about an application to planning if they wanted it logging on public access as a formal comment on a planning application.
- 2.6 A subsequent report was brought back to Executive Board on 11 April 2012. This report reviewed the way in which the process was operating and highlighted changes to the process which had been brought in to address initial member queries and concerns. A further four month monitoring period was agreed, during which time Member's views would be specifically sought on the usefulness and appropriateness of the system.

### **3 Main issues**

- 3.1 The trial consultation process commenced on 1<sup>st</sup> November 2011. This report covers all matters raised and lessons learned from 1<sup>st</sup> November 2011 until end of August 2012, covering the whole ten month period of the trial.
- 3.2 The trial involved all ward members being automatically advised by e-mail when Highways are consulted on a planning application in their Ward. The e-mail is originated automatically by the CAPS computer system and comes from Planning Services.
- 3.3 A group inbox [HighwaysDevelopmentControl@leeds.gov.uk](mailto:HighwaysDevelopmentControl@leeds.gov.uk) has been set up as the return address to send comments to if members wish to make highways officers aware of any issues or concerns they may have about the highway or transport aspects of any development proposal.
- 3.4 In the ten month period from November 2011 to August 2012 Highways Officers have received thirteen hundred and thirty three (1333) planning application consultations. Fifty five responses have been received from Ward Members of which seven have related to specific highway concerns. These issues have been addressed by the highways officer dealing with the planning application and a response sent to the Ward Member to inform them of the highways view on the application and whether or not the officer has been able to support the Member view. Of the other forty eight responses, fifteen Members have offered support for the application, nine objections have been raised to the application on non-highway matters (these have been forwarded to planning to put on public access to be taken into account when the application has been determined) and the remaining twenty four responses have been commenting on general or administration matters.
- 3.5 In most cases the highways officer has been able to support the Member view on highway matters. On a couple of occasions where the highways officer has not been able to support the Member view an explanation has been sent to the Member and they have had the opportunity to request that the application is determined by a Plans Panel if they are not satisfied with the response.

3.6 During the course of the trial period Members have also asked for amendments to the notification procedure to improve the process. These improvements have been made where possible:

- Addresses have been added to the automatic notification e-mail.
- A change to the validation process has been made to enable plans to be available on day one of the consultation period rather than having to deal with a forty-eight hour delay.
- Members have asked for notification of applications in neighbouring wards where the traffic implications of the application may have detrimental consequences in their own ward. This request has been carefully examined by Planning and Highway Officers but it has unfortunately been impossible to comply with via CAPS which moves away from the automated notification process. To try and address this the Head of Planning Services has offered to introduce a procedure whereby the Planning Case Officer for every **Major** Planning Application will review the ward boundary and directly consult / notify ward members of these applications within their own wards and within neighbouring wards if the boundary is close by and there are likely to be impacts on the adjoining ward. This will be further addressed by the general changes proposed to ward member and community involvement outlined in paragraph 3.9.

3.7 A consultation letter was sent out to all members by e-mail on the 27<sup>th</sup> July 2012 asking for feedback on the current notification system by 1<sup>st</sup> September 2012. Of the 99 ward members consulted, responses were received from 26 of them. Their views are represented in the table below:

<b>Feedback from Members</b>		<b>No. of times</b>	<b>Officer Response</b>
1.	The notification system has been useful in highlighting major applications in my ward – please keep it going	24	There appears to be overwhelming support to keep the system going – and that is proposed to happen
2.	Please extend the notification to include all planning applications – not just those that highways are consulted on	1	Highways are usually consulted on the larger applications and are the most frequently consulted consultee. Weekly lists are still available to view online. See para 3.9 below – planning officers will be able to update ward members on all planning applications of interest at the regular briefings. No change proposed.

3.	Extend notification to advise of major applications in adjacent wards	6	Unfortunately there is no way to do this electronically in the existing system. The manual system to review ward boundaries and have the planning officer carry this out should have the same result. No change proposed.
4.	The system does not add much value – all of the information is already available on line	1	There is clear support to retain the current notification system. All of the information will still remain online for those members who want to save searches and receive notification e-mails for their own (and adjacent) wards
5.	The system is useful but should be extended to include pre-applications	2	Pre-applications take a number of different forms. The level and type of pre-application discussion with Officers varies significantly between applications. It is not considered possible to modify the current e-mail notification system to notify Members about pre-apps. The Chief Planning Officer has introduced a revised protocol for improving ward member and community involvement – see details at para 3.9 below. No change is proposed to the current e-mail notification system.
6.	Members would prefer it if plans were sent rather than the notification e-mail	2	This can not be achieved in the same automatic format as the existing system. As application addresses have been added to the e-mail titles members will be able to decide whether or not they want to follow the link to PA for access to the plans or not. No change proposed.
7.	The notification e-mail would be more use if it said what highway comments had been made	1	The notification e-mail is sent out to Members at the same time (same e-mail) that highways are consulted. No highways comments have been made at that time. Highways comments are made available on PA when they have

			been sent to Planning – this is usually within 21 days of the notification e-mail.
8.	How much does the system cost – it is only worthwhile keeping if it is low cost	1	The notification e-mail itself is generated automatically by the Planning computer system – it is therefore free of any staff time following the system being set up.

3.8 It is considered that there have been some positive outcomes from the new process, including:

- Better engagement between Members and Highway Officers.
- Member concerns are being addressed upfront, before comments are placed on public access, which will reduce the number of differences of opinion being placed on public record and enable a constructive dialogue earlier in the planning application timescale.

For these reasons it is intended to continue with the notification process as is.

3.9 In parallel with the notification e-mail the Chief Planning Officer has reviewed Plans Panel arrangements in Leeds and introduced a revised protocol for ward member and community involvement for development proposals. This protocol sets out the ways in which engagement is proposed to be improved, the main steps are summarised below:

- A planning officer will be identified for each area committee area of the City, this planning officer will be responsible for setting up arrangements with Ward Members within their area so that regular communication on development proposals takes place.
- Planning officers will contact ward members about pre-application meetings taking place with developers at the earliest of stages (unless there are confidentiality issues).
- Early meetings will be arranged between developers, officers and local councillors.
- Minutes of technical pre-application meetings will be fed back to ward members for discussion.
- Community involvement will be programmed into all planning performance agreements.

- A good practice guide will be produced for developers highlighting the need for meaningful community engagement.
- Ward members will be invited to pre-application presentations to panel and allowed to speak on behalf of the community.
- Consultative forums will be promoted as good practice for major application sites.

These proposals are now being rolled out across Planning Services and will provide a further opportunity to address highways and transportation concerns.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 This report contains the outcome of Member feedback on the e-mail notification of planning applications on which Highways Officers had been consulted. 26 of the 99 ward members consulted responded to the consultation letter.

### **4.2 Equality and Diversity / Cohesion and Integration**

- 4.2.1 This report has no adverse impact on the Council's Equality and Diversity or Cohesion and Integration strategies. An EDCI screening form is attached as an appendix.

### **4.3 Council policies and City Priorities**

- 4.3.1 There are no implications for delivery of the Council's policies and city priorities arising directly from this report.

### **4.4 Resources and value for money**

- 4.4.1 There are no financial or staff resources arising directly from this report.

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

- 4.5.1 There are no legal implications raised by this report.

### **4.6 Risk Management**

- 4.6.1 The notification system has been ongoing since November 2011 and appears to have overwhelming member support. No risks have been identified.

## **5 Conclusions**

- 5.1 The trial notification period for Ward Member consultations on planning applications on which Highways Officers have been consulted has been generally informative and successful. It is proposed to continue with the notification system without amendment.



## **6 Recommendations**

6.1 Executive Board is recommended to:

- Note the issues raised during the further four month Member consultation trial period and the views raised from the Member feedback exercise.
- Agree that the current process should be adopted in its current format.
- Note that amended processes to improve public engagement at pre-application stage have been proposed by the Chief Planning Officer with support from the Executive Member for Neighbourhoods, Planning and Support Services and noted at Full Council on 12 September 2012.

## **7 Background documents<sup>1</sup>**

7.1 None

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

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# Equality, Diversity, Cohesion and Integration Screening



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

A **screening** process can help judge relevance and provides a record of both the **process** and **decision**. Screening should be a short, sharp exercise that determines relevance for all new and revised strategies, policies, services and functions.

Completed at the earliest opportunity it will help to determine:

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

<b>Directorate: Development</b>	<b>Service area: Transport Policy</b>
<b>Lead person: Gillian MacLeod</b>	<b>Contact number: 39 51341</b>

## 1. Title: PLANNING APPLICATIONS HIGHWAYS ISSUES (WHITE PAPER 16)

Is this a:

**Strategy / Policy**

**Service / Function**

**Other**

**If other, please specify** Internal consultation protocol

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

This screening document assesses the equality implications of the report responding to the council resolution of 6<sup>th</sup> April 2011 which stated “This Council requests the Executive Board to instruct the Council’s Highways Department to ensure that consultation with ward members takes place with regard to Planning Applications’ highways matters before the Highways Department passes formal comment to Planning Officers. This will ensure that ward members’ and residents’ views on highways issues are properly reflected in Planning Department reports.”

### Background information

All planning applications are subject to a minimum of 21 days public consultation and are advertised on the council’s website on a weekly list of new applications. Ward members and members of the public are able to raise their views, concerns and objections on any matter relevant to planning (including highways) in relation to any planning application. They are also able to track consultation responses electronically

However, Members have raised a concern that their views on highways matters are not being properly addressed in planning officer's reports on planning applications and it has been requested that an additional consultation with ward members takes place.

The report puts forward a proposal to notify all Ward Members (by email) of those planning applications which have been sent to Highways and Transportation for a consultation response, giving them the opportunity to raise any highways concerns with the highways officer directly. This will be trialled for a 3 month period, at the end of which a further report will be brought back to Executive Board for consideration.

### 3. Relevance to equality, diversity, cohesion and integration

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

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

When considering these questions think about age, carers, disability, gender reassignment, race, religion or belief, sex, sexual orientation and any other relevant characteristics (for example socio-economic status, social class, income, unemployment, residential location or family background and education or skills levels).

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

- **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)

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

**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

<b>Name</b>	<b>Job title</b>	<b>Date</b>
Gillian MacLeod	Transport Development Services Manager (Acting)	23/09/11

**7. Publishing**

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

Please send a copy to the Equality Team for publishing

<b>Date screening completed</b>	23/09/11
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<b>Date sent to Equality Team</b>	23/09/11
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<b>Date published</b> (To be completed by the Equality Team)	
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## Report of Director of Environment and Neighbourhoods

### Report to Executive Board

**Date: 17th October 2012**

**Subject: Green Deal Go Early**

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 checked="" 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 checked="" type="checkbox"/> No

### Summary of main issues

1. The Department of Energy and Climate Change (DECC) have recently made £2.59m available to Leeds City Region to spend on a 'Green Deal Go Early' project, as part of the low carbon element of the City Deal.
2. This funding is available for capital works to improve the energy efficiency of domestic properties, using the same procedures and processes that will eventually be used by the Green Deal.
3. Leeds City Council has submitted a proposal for c£1.28m with the intention of delivering grants to public and private sector properties in deprived hard to treat areas and 0% interest loans to less deprived private sector properties.
4. All grant funded capital works must be completed and all loan agreements must be in place by the end of March 2013. Works funded by loans can be installed up to the end of October 2013.
5. The existing DEEP Framework will be used to procure delivery partner(s) for the energy efficiency measures and it is intended to extend the existing Home Improvement Scheme contract with Leeds Credit Union to administer the loans.

### Recommendations

6. To approve the proposed delivery approach described in section 3.

7. To use the outcome of the current LCR DEEP tender process to award contract(s) to the highest scoring bidder(s) to manage and deliver the 3 different elements of this project.
8. Inject and give authority to spend the DECC grant of £1,278,400 on a mixture of grants and loans for energy efficiency measures, together with associated admin costs.
9. To move £10,000 of the existing Wrap Up Leeds budget from 2012-3 to 2013-14 as contingency for up to 20 small grants.
10. To delegate authority to the Director of Environment and Neighbourhoods to take operational decisions in order to ensure that the grant is fully disbursed.
11. To ring-fence the loan repayments in an account to be spent on future domestic energy efficiency projects, particularly preparing for the Green Deal and tackling fuel poverty.



## **1 Purpose of this report**

- 1.1 To update the Executive Board on a recently announced grant opportunity for energy efficiency improvements, linked to the City Deal.
- 1.2 To seek authority to spend a capital grant of c£1.28m on energy efficiency grants and loans in 2012-13 and to make a contingency budget of £10k available in 2013-14.
- 1.3 To seek approval for the proposed approach to targeting and marketing the grants and loans.

## **2 Background information**

- 2.1 Leeds City Region has recently negotiated a City Deal for Leeds with the Government, part of which focuses on the low carbon economy.
- 2.2 The Council has since taken part in discussions around a number of low carbon programmes with the Department of Energy and Climate Change (DECC) the largest and most advanced of which is a 'Green Deal Go Early' project.
- 2.3 This has been rapidly developing over the summer and culminated in a final Leeds City Region proposal, submitted in September 2012.
- 2.4 The grant offer is yet to be finalised by DECC but will require all grant funded capital works to be completed and all loan agreements to be in place by the end of March 2013.
- 2.5 This is just one part of a much larger suite of works. As noted in the July 2012 Executive Board report, the Council is planning to submit a proposal to the EU ELENA fund focusing on:
  - District heating networks, particularly in the city centre and Aire Valley;
  - Energy efficiency improvements in domestic and commercial buildings;
  - Refuelling infrastructure for gas and electric vehicles.
- 2.6 The Council aims to submit an expression of interest before the end of October and will follow that with a full ELENA bid during the first half of 2013.
- 2.7 The first part of this programme to be brought forwards will be a proposal for a joint Leeds City Region Green Deal delivery mechanism. Further details of this will be brought to Executive Board in December, ahead of discussions with all Leeds City Region Leaders.

## **3 Main issues**

- 3.1 Leeds aims to direct resources at people most likely to be in fuel poverty, in order to improve quality of life and reduce pressure on social services and healthcare. This proposal is therefore primarily targeting those people who

qualify for Affordable Warmth ECO funding (AW ECO) and Carbon Saving Communities ECO funding (CSC ECO), with an element of Carbon Saving ECO funding (CS ECO).

- 3.2 Affordable Warmth ECO provides funding for a wide range of heating and insulation measures to private tenants and homeowners in receipt of certain passport benefits. Carbon Saving Community ECO is similar to CESP in that it provides funding for certain insulation measures to properties of any tenure within the most deprived 15% of lower level super output areas across England and Wales. Carbon Saving ECO provides funding to properties of any tenure for a very small number of expensive energy efficiency measures, including solid wall insulation, narrow cavity insulation and room in roof insulation, in order to ensure that the measures meet the Green Deal 'golden rule'. The golden rule is that the householder should make greater energy savings than the cost of repaying the loan, therefore they should always be better off after the measures.
- 3.3 However, outside the need to tackle fuel poverty, the Council is keen to support a wide variety of tenures, built forms and demographics to reduce carbon and create and sustain employment. The project will work closely with planning colleagues to understand how to deliver the most cost and carbon effective measures within heritage and other planning constraints. In this way, we can test and refine approaches that will assist DECC to design future Green Deal (GD) projects effectively and apply the learning to our planned long-term Leeds City Region approach.
- 3.4 We propose to involve three complementary aspects within the programme, described in more detail in sections 3.5-3.12 below:
1. Grants-driven hard to treat programmes in severely deprived areas of Leeds, supported by a mix of AW ECO and CCS ECO, with an element of CS ECO (comprising a total of 40 mixed tenure properties in Cross Green, 50 ALMO properties and 40 Leeds Fed properties in Beeston);
  2. A zero percent loans package, supported by ECO funding streams (and a gap finance grant if the golden rule cannot be met within 10 years and/or if the gap finance is below £500) (comprising 100 private properties across Leeds, 50 private system built properties in Swarcliffe and 20 private narrow cavity properties);
  3. A small grants-driven show home programme, supported by CS/AW ECO (2 properties).
- 3.5 The rationale for selecting these areas is:
- a. Cross Green. The area is a long-standing regeneration priority and this proposal builds on previous initiatives. We will providing external wall insulation to properties which have previously received regeneration loans and grants to improve the weather tightness of the properties and which missed out on planned external wall insulation due to time constraints. We therefore know the properties will be weather tight, suitable for insulation and have existing relationships with occupants.

- b. ALMO properties. Some of the larger system built estates in Leeds have previously received investment for external insulation (i.e. Swarcliffe) or are in the middle of CESP funded insulation programmes (New Wortley and the Belinda St area). This proposal aims to build on the proposed Highways maisonette over-cladding project that ENE are leading by providing funding for some isolated collections of ALMO system built properties which are often overlooked.
  - c. Leeds Fed properties. Leeds Fed own a large number of traditional red-brick terraced properties in the Beeston area. They own the majority of the properties in Bude Road which is a relatively plain street, with only one row of different coloured bricks at the top. They have a budget for some repairs work and would look for ECO and DECC funding to provide the balance of costs.
  - d. Private properties across Leeds. There are tens of thousands of solid wall properties across Leeds requiring insulation which have been overlooked by previous incentive schemes. The council has strong relationships with a wide variety of community groups and we plan to promote pre-green deal loans to members of these groups and through their networks. We will also promote the pre-green deal loans through other traditional marketing routes in order to test the appetite for energy efficiency loans to the general public.
  - e. Swarcliffe. This is a large estate of predominantly council homes in east Leeds, consisting of a large number of different system-built property types. The area benefited from an external wall insulation programme through a PFI scheme in the last decade. However, approximately 250 right to buy properties were not included in the PFI programme and the estate now suffers from a poor external appearance, due to the inconsistent finish on many terraces. This programme would focus on providing external wall insulation (as part of a package of measures) to private sector properties missed by the PFI programme.
  - f. Narrow cavities. A recent survey identified over 7,000 properties in Leeds that appear to have non-standard cavities (i.e. modern stone built properties). These have received very little marketing in the past, due to the low levels of CERT funding and the higher than average affluence of many of the areas. A current CERT pilot project has seen interest of over 25% following a mailshot to 1,000 properties, offering free polybead insulation. This is well above the average responses rate. We plan to target further properties, offering a combination of CS ECO and zero percent loans to test the likely appetite for the Green Deal in these areas.
  - g. Show homes. The location of these properties has not been finalised, but we aim to work with agencies bringing empty properties back into use to provide a full package of energy efficiency improvements.
- 3.6 In total, Leeds has applied for £1,278,400 to provide energy efficiency improvements to a total of 304 properties. Of the other Leeds City Region authorities, only Kirklees, Bradford, Calderdale and York have submitted proposals. Kirklees have applied for £718k to deliver a very similar programme to Leeds. Bradford have applied for £141k to run a pilot using community matrons to 'prescribe' energy efficiency works to 50 properties. Calderdale have

applied for £330k to insulate a total of 80 system built, narrow cavity and stone terraced properties. York have applied for £124k to insulate 50 hard to treat properties, including solid brick and ex council homes.

### **Grants for hard to treat properties in deprived areas of Leeds**

- 3.7 The programme will target very deprived areas where we know from previous work that fuel poverty rates are extremely high, therefore it is very unlikely that people would meet the GD occupancy test. As the properties are solid walled they also require expensive measures so are again very unlikely to be fully funded under any ECO element: this is a catch 22 situation where there is no help available for some of the most deprived people.
- 3.8 We have discussed the issues of external wall insulation on Victorian terraces with planners and they currently insist on whole terrace solutions to make external wall insulation less visually intrusive, therefore we need to ensure 100% take up on specific streets. This would be very hard to achieve if loans were involved, especially given the short timescales.
- 3.9 Additionally, many properties in the target area are privately rented (with some social housing units) and until GD loans become available, there is no mechanism for landlords to pass repayment to tenants. It is therefore very unlikely that we will get landlord sign up unless the measures are fully funded.

### **Zero percent loan package across Leeds**

- 3.10 Although we are keen to fully test the GD system we propose to use 0% interest loans for the programme. The rationale for this is outlined below:
- Leeds has been heavily promoting free insulation through Wrap Up Leeds and the householder sign up period (October onwards) will directly follow this, making a loan appear poor value compared to the previous offer. We believe that moving to a market rate loan system immediately will lead to very low take-up rates.
  - Many of the areas being targeted are very deprived and we are concerned that offering market rate loans for a completely new product will be unattractive for many people.
  - Using zero percent interest rates will ensure that more measures meet the GD golden rule over the 10 year loan period.
- 3.11 We have applied a loan minimum of £500, to ensure that loan values are proportionate to admin fees. Where there is a shortfall of less than £500 between ECO funding and the cost of the measures, we propose to finance this via grants, in deprived lower super output areas (priority and super priority group customers). In the period to the end of March 2013 the DECC grant will provide this finance, but any grants from April 2013 onwards will require council capital funding.

## **Show-homes**

- 3.12 We plan to add a more defined show-home element to the work where we ask householders to participate in on going monitoring work and to allow their homes to be used both as case studies and for an agreed number of visits. The show-homes will be used to demonstrate the full range of measures that can be delivered through the Green Deal and ECO mechanisms.
- 3.13 We will aim for two show-homes per local authority, spread across different hard to treat house types. We also seek to bring some empty properties back into use as show homes, in collaboration with housing associations.
- 3.14 Dependant on the current level of measures in these homes we estimate that we will require a budget of c£15k per property and will aim to deliver the works by the 31st March 2013.

## **Marketing**

- 3.15 We will use appropriate marketing approaches to generate interest from our target markets. This will include door-to-door marketing (via the existing Green Doctor programme and our selected delivery partner) free citywide promotion and targeted mail shots to target areas.
- 3.16 Each individual that expresses interest will receive a package of information and assessment to ensure that only those who are really interested in taking up measures, and where properties are technically suitable, receive the full Green Deal Assessment.

## **Delivery**

- 3.17 Leeds established a framework of 5 contracts in 2011 (the DEEP Framework) which has been successfully used to attract delivery partners for Wrap Up Leeds and ALMO CESP projects.
- 3.18 Given the short timescales available, we have issued a tender to deliver this project to the 5 companies on the DEEP Framework. This tender has split the work into a series of lots and we propose to score each element separately (for both price and quality) and to award each lot to the highest scoring bidder. In this way, we will split the risk amongst a number of different providers and gain a better insight into their capacity ahead of the larger LCR Green Deal project.
- 3.19 The closing date for receipt of tenders is the 16<sup>th</sup> November. We are seeking authority to award contracts to the highest scoring bidder for each lot as soon as the evaluation has been completed. For the avoidance of doubt, this decision would be open to call-in now, rather than when the evaluation has been completed.
- 3.20 Leeds City Council has a legal agreement in place with Leeds Credit Union which allows us to deliver unsecured interest free loans of up to £5,000 to private sector homes via the Home Improvement Scheme. We propose to issue a contract variation and to then inject additional capital into this mechanism to allow the Leeds Credit Union to administer pre-Green Deal loans within the

target areas. We plan to take the same approach as used by the Home Improvement Scheme, by seeking a Section 12 Waiver to directly award the contract to Leeds Credit Union, given the timescales involved with the project.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 The short-timescales involved with developing this proposal has meant that the opportunities for consultation have been limited.
- 4.1.2 However, the approach has built on recent experience gained through delivering Wrap Up Leeds, CESP projects in New Wortley and Belinda Street, a narrow-cavity initiative and ongoing neighbourhood renewal work in the Cross Green area.
- 4.1.3 Additionally, Council officers from relevant departments have been involved with developing this proposal and the approach has been discussed with the Home Energy Project Board, chaired by the Director of Environment and Neighbourhoods.

### **4.2 Equality and Diversity / Cohesion and Integration**

- 4.2.1 Equality screening has been undertaken and has not identified any significant negative issues. Instead, it has indicated that the funding programme will help to lift deprived individuals and communities out of fuel poverty, with consequent health and social benefits.
- 4.2.2 Although this funding is limited, by testing the Green Deal mechanisms now, we will be better placed to launch a more ambitious project more quickly in order to secure benefits for more Leeds residents.
- 4.2.3 Additionally, using the loan repayments to create an energy efficiency or fuel poverty alleviation fund will sustain the benefits of this work into the future, multiplying the benefits.

### **4.3 Council policies and City Priorities**

- 4.3.1 The Vision for Leeds 2011 to 2030 acknowledges that climate change is one of the three major challenges that have emerged since the last Vision was published in 2004 and has a specific aim to ensure that “all homes are of a decent standard and everyone can afford to stay warm.”
- 4.3.2 The Vision is supported by the City Priority Plan 2011 to 2015, which brings together a number of key four-year priorities that will help us deliver the 2030 Vision. It is supported by five separate action plans that address the five key themes. Of these, two contain priorities which this funding directly supports, namely:
- 4.3.3 Best city... for business:
- Support the sustainable growth of the Leeds’ economy.

- Improve the environment through reduced carbon emissions.

#### 4.3.4 Best city... to live:

- Maximise regeneration investment to increase housing choice and affordability within sustainable neighbourhoods.
- Improve housing conditions and energy efficiency.

4.3.5 Council priority 23 covers energy efficiency which this fund will help to deliver.

### **4.4 Resources and value for money**

4.4.1 The total cost of delivering the insulation improvements will be c£2.4m, which includes the cost of Green Deal assessments. Of this, the DECC grant will cover £1.3m and we expect to be able to attract c£1.1m from utilities via the Energy Company Obligation (ECO). The grant from DECC has been secured and the risk management approach to deal with not receiving the anticipated level of ECO subsidy is described in section 4.6.3.

4.4.2 Leeds will provide project management support, administration and marketing as an in-kind contribution. This will be provided by existing staff and from existing budgets within the Fuelsavers team.

4.4.3 There is a possibility that a very small number of grants of less than £500 each may be required from March 2013 – October 2013, as described in 3.7.1. To ensure that this is budgeted for, the current Wrap Up Leeds budget should be re-profiled to move £10,000 for 2013-14 as contingency for up to 20 small grants.

4.4.4 The programme in Leeds will aim to issue approximately 170 loans to the value of c£624k. DECC have confirmed that all loan repayments can be retained by Leeds for reinvestment in future energy efficiency projects.

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

4.5.1 Advice has been sought from both legal and procurement officers during the development of this proposal.

4.5.2 We have checked with both Leeds and Kirklees solicitors and satisfied ourselves that our proposal will not have any state aid implications.

4.5.3 We have been advised by procurement colleagues that the existing DEEP Framework would be suitable and would allow us to issue a mini-tender to the five GD Pioneers on the framework (British Gas, nPower, Carillion, Keepmoat and YES).

4.5.4 The recommended decisions are all open to Call In.

## **4.6 Risk Management**

- 4.6.1 Corporate risk 24 is that 'Council does not meet CO<sub>2</sub> emissions reduction targets and improve home energy efficiency'. This project will contribute towards mitigating both of these risks.
- 4.6.2 The programme does have a number of risks, the most significant of which are:
1. As the levels of ECO funding that utilities will provide has not been tested, it is very hard to be certain of the levels that we will be able to secure.
  2. As the loan offer is untested, the uptake rates across the different packages may vary from our predictions, leading to an under spend.
  3. Unforeseen delays to Green Deal or ECO may result in a significant under spend.
  4. Severe winter weather could stop external insulation work, potentially leading to a situation where a terrace is only half completed prior to the end of March 2013.
- 4.6.3 To overcome these risks, we have agreed with DECC that:
1. If significantly lower levels of ECO are offered by all participants in the planned competitive tender, we will either reduce the target number of homes improved to fit within the available budget or request an increase in the budget available from DECC.
  2. We will monitor uptake rates on a weekly basis and if it appears that areas will over/under-achieve we will have the ability to redirect funds without having to seek further approval from DECC.
  3. Any funds unspent/unallocated at the end of March 2013 will not be able to be claimed, but there will be no other penalty.
  4. DECC would not fund any grant works from the end of March 2013. Therefore, it is possible that we would need to provide a grant to householders to finish off the terraces. This risk can be minimised by limiting the number of terraces to be insulated. Any liabilities could be funded by future loan repayments.
- 4.6.4 Risks will be monitored and updated throughout project delivery.

## **5 Conclusions**

- 5.1 This time-limited grant provides the opportunity to make significant energy efficiency improvements to 304 households in Leeds.
- 5.2 It also provides the opportunity to test the appetite for loans and the Green Deal processes and procedures ahead of entering into a detailed Leeds City Region procurement process for a long-term Green Deal project.



## **6 Recommendations**

- 6.1 To approve the proposed delivery approach described in section 3.
- 6.2 To use the outcome of the current LCR DEEP tender process to award contract(s) to the highest scoring bidder(s) to manage and deliver each of the lots that make up the different elements of this project.
- 6.3 Inject and give authority to spend the DECC grant of £1,278,400 on a mixture of grants and loans for energy efficiency measures, together with associated admin costs.
- 6.4 To move £10,000 of the existing Wrap Up Leeds budget from 2012-3 to 2013-14 as contingency for up to 20 small grants.
- 6.5 To delegate authority to the Director of Environment and Neighbourhoods to take operational decisions in order to ensure that the grant is fully disbursed.
- 6.6 To ring-fence the loan repayments in an account to be spent on future domestic energy efficiency projects, particularly preparing for the Green Deal and tackling fuel poverty.

## **7 Background documents<sup>1</sup>**

- 7.1 None

## **Appendix 1 – EDCI Screening**

EDCI screening

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

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# Equality, Diversity, Cohesion and Integration Screening



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

A **screening** process can help judge relevance and provides a record of both the **process** and **decision**. Screening should be a short, sharp exercise that determines relevance for all new and revised strategies, policies, services and functions.

Completed at the earliest opportunity it will help to determine:

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

<b>Directorate:</b> Environments & Neighbourhoods	<b>Service area:</b> Strategy and Commissioning
<b>Lead person:</b> George Munson	<b>Contact number:</b> 3951767

<b>1. Title:</b> Green Deal Go Early
Is this a:
<input type="checkbox"/> <b>Strategy / Policy</b> <input checked="" type="checkbox"/> <b>Service / Function</b> <input type="checkbox"/> <b>Other</b>

<b>2. Please provide a brief description of what you are screening</b>
<p>A 'Green Deal Go Early' project with funding from DECC that will provide grants and loans to improve the energy efficiency of approximately 304 properties.</p> <p>This will save residents money on their fuel bills, reduce CO<sub>2</sub> emissions, lift households out of fuel poverty and create employment opportunities.</p> <p>The funding is time limited so the scheme will be promoted in two ways. A portion will be targeted at a small number of highly deprived communities using door-to-door marketing via trusted agencies. The remainder will be available across the entire city as loans, so is likely to be taken up by relatively affluent people. The loan repayments will be used to create a fund to help establish the Green Deal and tackle fuel poverty.</p>

<b>3. Relevance to equality, diversity, cohesion and integration</b>
All the council's strategies/policies, services/functions affect service users, employees or the wider community – city wide or more local. These will also have a greater/lesser relevance to equality, diversity, cohesion and integration.

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

When considering these questions think about age, carers, disability, gender reassignment, race, religion or belief, sex, sexual orientation and any other relevant characteristics (for example socio-economic status, social class, income, unemployment, residential location or family background and education or skills levels).

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

We identified in the EDCI screening for the Home Insulation Scheme that:

“people in fuel poverty (including low income groups and some BME groups) are typically concentrated in inner city terraces which are not suitable for loft or cavity insulation (‘hard to treat’ properties). We have agreed with our chosen contractor to gather information on those people who’s properties aren’t technically suitable so that we

can re-contact them with new offers linked to the government's Green Deal.”

This proposal is the beginning of the response to this where we will be using a relatively small, time-limited fund, to test ways to provide energy efficiency improvements to hard-to-treat properties.

- **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 learning from this project will feed into plans for a larger and longer-term Green Deal programme under development by LCR.

This will help to ensure that a similar offer for hard-to-treat properties is available over the longer term, to ensure equality of opportunity.

- **Actions**

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

The scheme is positive in that we will target help at properties that have been excluded from previous incentive schemes such as CERT. The insulation measures (either loan or grant funded) will help residents to save energy and money and make their homes warmer and healthier.

There is no negative impact.

**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
Tom Knowland	Head of Sustainable Development	12.09.2012

**7. Publishing**

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

Please send a copy to the Equality Team for publishing

**Date screening completed**

11.09.2012

**Date sent to Equality Team**

tbc

**Date published**

(To be completed by the Equality Team)

**Report of Head of Licensing and Registration**

**Report to Executive Board**

**Date: 17<sup>th</sup> October 2012**

**Subject: Gambling Act 2005 Statement of Licensing Policy**

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. Every three years the Council is required by the Gambling Act 2005 to review the Gambling Act 2005 Statement of Licensing Policy, and to consult upon any changes.
2. The three yearly review is taking place this year however as the council approved an amendment to the current policy to include information on the large casino licence last year, it was not proposed to make revisions to the current policy at this review, unless the public consultation reveals the need for a further change. The public consultation has now taken place and the council received two responses.
3. The policy is following the budgetary and policy framework and has now been presented to Scrutiny Board (Resources and Council Services) without comment.

**Recommendations**

1. That Executive Board note the contents of the report and refer the matter to full Council for approval in line with the Budgetary and Policy Framework at the November meeting.

## **1 Purpose of this report**

- 1.1 To advise Executive Board that the triennial review of the Gambling Act 2005 Statement of Licensing Policy is underway with the public consultation having taken place.
- 1.2 To recommend that Executive Board refer the matter to full Council for approval in accordance with the Budgetary and Policy Framework.

## **2 Background information**

- 2.1 Under Section 349 of the Gambling Act 2005 the Licensing Authority is required to prepare a statement of principles that they propose to apply in exercising their functions under this Act. This process is to be repeated every three years from 31<sup>st</sup> January 2007.
- 2.2 The consultation process is laid out clearly in the Gambling Act 2005, the Gambling Act 2005 (Licensing Authority Policy Statement)(England and Wales) Regulations 2006 and the Guidance to Licensing Authorities issued by the Gambling Commission ([www.gamblingcommission.gov.uk](http://www.gamblingcommission.gov.uk)).

## **3 Main issues**

- 3.1 The council approved a revised Gambling Act 2005 Statement of Licensing Policy 2010 to 2012 in January 2012. The revisions included the insertion of a comprehensive section relating to the large casino but officers took the opportunity to revise other parts of the policy in light of recent legislation changes.
- 3.2 Officers, under the authorisation of a delegated decision notice, considered that further revisions were not necessary and took the current policy through a public consultation between 12th March and 1st June 2012.
- 3.3 The council received two written responses to the public consultation.
- 3.4 The Association of British Bookmakers responded on 26th April 2012 to advise that it was pleased that the Council was not intending to make any changes to the current policy and to request that we advise them if we do make any amendments.
- 3.5 The Racecourse Association Limited responded on the 30th May 2012. Three comments relate principally to the section on premises licences and how they relate to racecourses. Two of the comments relate to the section on tracks. Officers have considered the comments but do not consider that any further changes are required to the policy.
- 3.6 The council did not receive any responses via the online questionnaire.
- 3.7 The approval of the policy is a matter for full Council. The approval process follows the Budgetary and Policy Framework. The policy has now been to Executive Board and was referred to Scrutiny Board (Resources and Council Services) for consideration at their September meeting. Although Scrutiny Board had a number



of questions relating to gambling, there was no comment to be made to Executive Board.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

4.1.1 The Statement of Licensing Policy underwent a public consultation which ran from 12th March to 1st June 2012. The consultation was advertised through Talking Point. A press release was produced, and the consultation was advertised on the council's website.

4.1.2 The consultation was advertised by letter directly to 457 people and organisations including:

#### Organisations which represent the general public

- Elected Members, Members of Parliament
- Parish and Town Councils, Citizen Advice Bureaux

#### Partner Agencies

- West Yorkshire Police and British Transport Police
- West Yorkshire Fire and Rescue Service
- West Yorkshire Trading Standards Service
- Health and Safety Executive
- HM Revenue and Customs and The Border Agency
- LCC Development Department and Environmental Health Services
- Local Safeguarding Children Board
- NHS Leeds

#### Special interest groups

- Individual members of the public who had expressed an interest during the development of the revised Policy
- Special interest groups, specifically gambling addiction services
- Support organisations such as Alcoholics Anonymous, Victim Support, The Samaritans, Alcohol and Drugs Service
- Faith groups

#### Organisations which represent businesses in Leeds

- Business support organisations such as Federation of Small Businesses
- Businesses currently operating as gambling establishments
- Licensing Solicitors who had expressed an interest during the development of the revised Policy, or who are known to represent gambling establishments.

### **4.2 Equality and Diversity / Cohesion and Integration**

4.2.1 The Gambling Act 2005 has three licensing objectives:

- a) preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime,
- b) ensuring that gambling is conducted in a fair and open way, and

- c) protecting children and other vulnerable persons from being harmed or exploited by gambling.

4.2.2 The licensing authority, in exercising their functions under the Act, shall aim to permit the use of premises for gambling in so far as it thinks it's reasonably consistent with the licensing objectives.

4.2.3 Therefore the council has produced a Statement of Licensing Policy with this in mind and has taken special consideration of the protection of children and vulnerable people.

### **4.3 Council policies and City Priorities**

4.3.1 The Statement of Licensing Policy sets out the principles the council will use to exercise its functions under the Gambling Act 2005. Applicants for licences and permits for gambling are expected to read the Policy before making their application and the council will refer to the Policy when making its decisions.

4.3.2 The licensing regime contributes to the following aims:

**By 2030, Leeds will be fair, open and welcoming**

- Local people have the power to make decisions that affect them
- There is a culture of responsibility, respect for each other and the environment
- Our services meet the diverse needs of our changing population
- Everyone is proud to live and work

**By 2030, Leeds' economy will be prosperous and sustainable**

- Opportunities to work with secure, flexible employment and good wages

**By 2030, all Leeds' communities will be successful**

- Communities are safe and people feel safe

4.3.3 The licensing regime contributes to the following city priorities:

**Best city... for communities:**

- Reduce crime levels and their impact across Leeds
- Effectively tackle and reduce anti-social behaviour in communities

### **4.4 Resources and value for money**

4.4.1 Legal Services has provided informal advice at each stage of the policy development.

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

4.5.1 The development of a Policy under the Gambling Act 2005 is a matter for full Council and follows the Budgetary and Policy Framework which requires that Executive Board refers this matter to Scrutiny Board (Resources and Council Services) and then for it to be further considered by Executive Board before being

recommended to full Council for approval. Therefore this report is not available for call in as this matter has already been considered by Scrutiny.

- 4.5.2 The only recourse for persons applying for gambling licences and permits is appeal to the Magistrates Court, although anyone can take the policy to a judicial review within a certain time limit after approval. The Statement of Licensing Policy has been developed with transparency and fairness as a prime consideration.

#### **4.6 Risk Management**

- 4.6.1 Executive Board has the option of not referring the revised Policy to full Council at this time and requesting that further work is undertaken. This would impact on the policy timescales. A revised policy must be in place by January 2013 in order for the council to continue determining gambling licences and authorisations under the Gambling Act 2005.

### **5 Conclusions**

- 5.1 The council has undertaken a 12 week public consultation on the Gambling Act 2005 Statement of Licensing Policy as required by the Gambling Act. This review and consultation is required every three years.
- 5.2 As a revised policy was approved by Council in January this year further revisions were not necessary prior to the public consultation. The council received two written responses to the consultation but does not intend to make any further revision in light of these responses.
- 5.3 The policy approval is a matter for Council following the Budgetary and Policy Framework. It is intended that the policy follows this framework with final approval expected by Council in November 2012.

### **6 Recommendations**

- 6.1 That Executive Board note the contents of the report and refer the matter to full Council for approval in line with the Budgetary and Policy Framework at the November meeting.

### **Background documents<sup>1</sup>**

- 7.1 There are no unpublished background documents that relate to this matter.

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

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Report author: Martyn Long  
Tel: 07545 604 263

## Report of Assistant Chief Executive (Customer Access and Performance)

### Report to Executive Board

**Date: 17 October 2012**

**Subject: Review of ALMO Arrangements**

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 checked="" 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 checked="" type="checkbox"/> No

### Summary of main issues

1. We are conducting a review of the ALMO arrangements to ensure that we can deliver the best services for the tenants and deliver value for money, building on improvements being delivered by the ALMOs. The current management agreements between Leeds City Council and the three ALMOs expire on 31 January 2013, so we propose extending the agreements to allow for a review, consultation and implementation of any proposed changes.

### Recommendations

2. Executive Board is requested to:
  - 2.1 Agree to receive a report for consideration at December's Executive Board to consider option(s) for the future governance and delivery arrangements for the management of council housing in Leeds, prior to wider consultation on the future direction.
  - 2.2 Agree to an extension in the term of contract for the ALMOs for a period of up to one year, to allow time for the review to be concluded and any revised arrangements implemented.

## **1 Purpose of this report**

- 1.1 This report sets out the background to the review of housing management services in Leeds and reasons for proposing to extend the Management Agreements with the ALMOs for up to an additional year.

## **2 Background information**

- 2.1 The current Management Agreements came into effect on 31<sup>st</sup> January 2008.
- 2.2 Those Agreements provide for a five year contract period, subject to the Council being entitled (but not obliged) to extend the Agreements should that be considered necessary. The current agreements therefore are due to expire on the 31st January 2013.
- 2.3 In November 2010 Executive Board considered a report and agreed to retain the current ALMO model subject to two key reforms: the creation of a Strategic Governance Board (SGB) – to provide a more coordinated approach to decision making; and a Shared Service Centre (SSC) to maximise efficiencies. These changes have since been implemented.
- 2.4 Since the last review was agreed in November 2010, there has been unprecedented change to both the economic and policy context in which we operate. There are significant economic and social pressures facing public services; ever increasing customer expectations; and a comprehensive programme of change from the coalition government means the landscape that local government and its partners are operating in is now very different. Therefore, it is now an appropriate time to take a step back and review existing arrangements to ensure we have the right model in place to deliver a high quality, efficient service that offers value for money to Leeds Council tenants.
- 2.5 In September 2012, we started a review of the current arrangements. The review aims to consider the most appropriate arrangements to meet current and future housing management, maintenance and investment challenges, including clarification of the governance relationship with the Council. The review aims to build on improvements made by the ALMOs and learn from best practice to ensure we have the best arrangements in place to meet the changing financial and policy context and locality arrangements.

## **3 Main issues**

- 3.1 There are a number of key influences driving the review. The review will look at existing management arrangements and ensure that they are up-to-date, as well as providing an opportunity to have a fresh look at the delivery model and structures to ensure we have the most effective model in place to deliver a high quality, efficient service. There is currently a perceived lack of clarity around decision making and accountability between the Council and the three ALMOs, specifically around who takes responsibility when there is service failure. The review will, therefore, need to establish the level of autonomy

(both in terms of finance and governance) to be embedded within any new arrangements.

3.2 The review will focus on outcomes for tenants and there is a requirement to ensure customer focused service delivery and tenant satisfaction. The review team will engage with tenants, partners, staff, councillors and trades unions as well as exploring best practice in other areas to ensure the best outcome is achieved.

3.3 As a result of this review, there is a need to extend the management agreements for up to one year, with a three month notice clause, to allow time for any recommendations from the review to be implemented.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

4.1.1 The Review of ALMOs will engage with tenants, Elected Members, ALMO Boards and staff from both the Council and ALMOs in developing its proposals. There will also be a consultation period to test these opinions and any major changes to the delivery model will be subject to consultation with Council tenants.

### **4.2 Equality and Diversity / Cohesion and Integration**

4.2.1 The aim is to review and agree the best options to meet current and future housing management, maintenance and investment challenges, including clarification of the governance relationship with the Council.

4.2.2 Any outcome from this review involving a change to current arrangements will be subject to an equality screening and/or impact assessment.

### **4.3 Council policies and City Priorities**

4.3.1 Any outcomes from this review will need to meet the council's ambitions and priorities in the City Priority Plan, particularly those set out in the "best city to live in" section.

### **4.4 Resources and value for money**

4.4.1 The review aims to ensure Leeds has the right arrangements in place to deliver high quality, efficient services that offer value for money to Leeds' taxpayers and tenants.

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

4.5.1 An extension does not restrict the ability of the Council to vary the agreement. The Council can make changes to the agreement upon giving reasonable notice to the ALMOs, subject to agreeing consequential changes to the ALMOs business plans, or those changes being determined by an independent expert.

4.5.2 The extension will allow the review team sufficient time to make recommendations to Executive Board on the future of housing management in Leeds, undertake further consultation, and for any changes to be implemented with minimal disruption to tenants.

#### **4.6 Risk Management**

4.6.1 There is a risk in not extending the management agreements that we will be unable to implement any agreed changes in time, causing uncertainty for both staff and tenants.

#### **5 Conclusions**

5.1 The current management agreements will remain in full force, unless varied, for a period of up to a year from the end of January 2013. This will allow the full implementation of any recommendations from the ALMO review to take place.

5.2 Any extension will not prejudice the Council's existing rights eg to vary or renegotiate the agreements.

#### **6 Recommendations**

6.1 Executive Board is requested to:

6.2 Agree to receive a report for consideration at December's Executive Board to consider option(s) for the future governance and delivery arrangements for the management of council housing in Leeds prior to wider consultation on the future direction.

6.3 Agree to an extension in the term of contract for the ALMOs for a period of up to one year, to allow time for the review to be concluded and any current arrangements implemented.

#### **7 Background documents<sup>1</sup>**

7.1 ALMO Review Terms of Reference

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<sup>1</sup> 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.



**Joint Report of Director of Children’s Services and Director of Environments and Neighbourhood**

**Report to Executive Board**

**Date: 17 October 2012**

**Subject: Basic Need Programme – Outcome of competitions to create two new primary schools**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): <b>Beeston and Holbeck, City and Hunslet, Gipton and Harehills, Burmantofts and Richmond Hill</b>	<input checked="" type="checkbox"/> Yes	<input 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? Statutory deadline for decision is 20 October 2012	<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:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Summary of main issues**

1. Leeds City Council has a statutory duty to ensure sufficiency of school places. The basic need programme represents the Council’s response to the demographic pressures in primary school provision. Through this programme it has delivered 705 new reception places since 2009. Public consultation was held in September and October 2011 on the need for new primary schools at Florence Street in Harehills and on the site of the former South Leeds Sports Centre. Executive Board confirmed these specifications, including the use of the sites, and agreed to proceed with the competitions in January 2012. This entailed publishing two statutory notices, one inviting interested parties to submit bids to run the schools, and the second publishing details of the bids and inviting comments. The second notice expired on 20 August 2012. This report details the outcome of those notices, and makes recommendations as to the next steps for each proposal.

## **Recommendations**

### 2. Executive Board is asked to:

- 2.1. Approve The Co-Operative as the preferred bidder to open the new 420 place primary school with 26 place FTE nursery at Florence Street, Harehills to open in September 2013 and serve families in that area.
- 2.2. Approve The Learning Trust South Leeds as the preferred bidder to open the new 420 place primary school with 26 place FTE nursery on land at the former South Leeds sports centre to open in September 2014 and serve families in that area.
- 2.3. Approve the closure of the Stanley Road Household Waste Sorting Site and agree to the site's incorporation into the Harehills school design (in accordance with section 3.10 of the main report).

## **1 Purpose of this report**

- 1.1 This report describes the outcome of two competitions held to establish new primary schools in Harehills and South Leeds, and makes a recommendation on which of the preferred bidders should run the new schools. A final decision must be made by the Executive Board no later than 20 October 2012.

## **2 Background information**

- 2.1 Leeds City Council has a statutory duty to ensure sufficiency of school places. The basic need programme represents the Council's response to the demographic pressures in primary school provision. As part of this programme in July 2011 Executive Board initially approved consultations on the need for two new primary schools at Florence Street in Harehills and the former South Leeds sports centre. It earmarked the sites for this use, and the consultations ran from 12 September to 21 October 2011.
- 2.2 On 4 January 2012 Executive Board considered the outcome of the consultation. It approved the need for the schools and their specifications including site location, communities they would serve, number of pupils, age range, gender, SEN and early years provision. Executive Board approved moving to the formal stage, which entailed publishing two statutory notices for each proposal, one inviting interested parties to submit bids to run the schools based on the approved specifications, and the second publishing details of the bids and inviting comments.
- 2.3 The first 'Invitation to Bid' notices were published on 20 January 2012 and expired on 18 June 2012. Six responses were received for the Harehills school, and four for the South Leeds School. The second 'Summary of Bids' notices were published on 9 July 2012 and expired on 20 August 2012, and invited people to express their views on the various bids. Summary documents were provided and public meetings were held where the public could talk to the bidders. Seven written responses were received for Harehills, and 114 for South Leeds. In addition, the proposers were invited to discuss their proposals with officers from the Learning, Skills and Universal Services team in Children's services, and with ward members.
- 2.4 Leeds City Council Executive Board is the decision maker for proposals relating to school organisation. It has set up the School Organisation Advisory Board (SOAB) to consider proposals and make recommendations when objections to a statutory notice are received. They duly considered the matter on 13 September 2012, and their recommendation is appended to this report. This report details the responses received, and makes recommendations as to the parties to run the new schools.

## **3 Main issues**

- 3.1 The statutory notices all complied with all legislative requirements applicable at that time, and with local good practice. The invitation to bid notice resulted in six academy bids for Harehills; Academies Enterprise Trust (AET), The Co-Operative Trust, Lilac Sky Schools, LEAF Academy Trust, Leeds Muslim College and Rainbow Schools. The South Leeds invitation to bid resulted in four bids; academy bids from Academies Enterprise Trust, Lilac Sky Schools and Rainbow Schools, and a foundation school bid from The Learning Trust South Leeds. A brief summary of the proposers can be found in Appendix 1. Lilac Sky schools subsequently withdrew from both competitions, stating their lack of resources as the reason. The authority is

pleased to have received such significant interest and strong bids from a diverse range of proposers.

3.2 The Department for Education have indicated that they are willing to enter a funding agreement with The Co-Op, AET and LEAF for the Harehills proposal, and with AET and Rainbow for the South Leeds proposal.

3.3 The summary of bids notices were published over 4 full pages of the Yorkshire Evening Post, and in the Yorkshire Post. For each proposal, a daytime and evening public meeting were held, with informal consultation in between. These meetings allowed the public to meet all the proposers and ask questions. Information was also distributed widely including through local schools, early years providers and websites, post offices, libraries, doctor's surgeries, community groups and area management officers. Briefings were also provided for local ward members and lead members. Copies of the bids themselves, notes from the meetings, and the written responses received can be found at:

<http://www.thefamilyhubleeds.org/content.aspx?ref=HTMLFiles/educationinleeds/harehillsconsultation.html>

<http://www.thefamilyhubleeds.org/content.aspx?ref=HTMLFiles/educationinleeds/southleedsconsultation.html>

or requested from the school organisation team on 0113 2243867 or via [educ.school.organisation@leeds.gov.uk](mailto:educ.school.organisation@leeds.gov.uk)

3.4 The invitation to bid and bid responses content is prescribed by law, and uses a template format. All bids are assessed against this published set of requirements ensuring transparency, In addition to the core requirements for the invitation to bid, a number of local considerations which emerged from the initial consultation were included:

#### **Harehills**

- Describing how the buildings and play area would be made available for community use
- Including single sex changing facilities for community use
- Describing how the school would offer local employment opportunities
- Describing how it would serve the local community through its admissions policy.

#### **South Leeds**

- Describing how the site could also provide sports usage, in particular a swimming pool
- Describing how the school would facilitate ongoing community access to the sports pitches
- Describing how it would serve the local community through its admissions policy

3.5 Local Authorities are also free to apply their own local context, intelligence and priorities in assessing the bids and choosing a preferred bidder. The key considerations in reaching a conclusion on the preferred bidder are detailed below, and include the issues raised through the public meetings and written responses.

### **3.6 Local experience and knowledge; evidence of partnership working in these localities.**

- 3.6.1 Schools in the areas are members of local clusters, which also involve other stakeholders. These deliver the extended services which are outside individual partner's remits, but which collectively provide all the wrap around services essential to meeting the needs of the Children's and Young People's Plan. Each area has its own highly specific needs, and relationships with local schools and clusters will be essential in ensuring comprehensive but non overlapping services are provided which meet those needs. The bidders were invited to describe what their contribution to such clusters would be, and which clusters they envisaged working with.
- 3.6.2 There was a range of experience on understanding the specific needs of these communities. The Co-Operative and LEAF already operate schools in the immediate vicinity of Harehills, and The Learning Trust South Leeds already operate schools in the inner south. Leeds Muslim College are already heavily involved with families in the immediate vicinity of the new Harehills school through their work with existing schools, providing facilities such as adult learning classes and study clubs. Academies Enterprise Trust is working with Leeds City Council to sponsor academies in Leeds, and although not yet operating in either immediate locality they evidenced considerable research into the areas including walking the sites and localities. Rainbow acknowledged they do not have in depth knowledge of either local area, but have worked in other inner cities which face similar contexts of high levels of deprivation, EAL and mobility.
- 3.6.3 All the bids described a need to consult and engage with local stakeholders on how the school would operate, and what extended services would be offered. The Florence Street site sits on the cusp of two clusters, and Leeds Muslim College have been active within the cluster most likely to be associated with the new school. The Co-Operative has worked closely with the other local cluster in their role at the former Primrose High School. The Learning Trust South Leeds schools membership is based around their local cluster. LEAF indicated that they would work with the local school clusters, but were clear that they also needed to protect their own identity and ethos as a Trust. Their schools are currently outside of either of the clusters immediately local to the school. Academies Enterprise Trust and Rainbow indicated a commitment to working with the local clusters.

### **3.7 Local accountability, ethos and governance.**

- 3.7.1 The bids are all for Academies, with the exception of The Learning Trust South Leeds bid which is for a foundation school. Whilst not a maintained school, its foundation status requires a significant role for the local authority in its accountability, which is unlikely to be the case for an Academy. Academies Enterprise Trust, The Co-Operative, LEAF and Rainbow all have established governance structures. Academies Enterprise Trust emphasised a need for local membership on governing bodies, and gave assurances that they would not seek to run the school according to a national model, or over-run the governing body with Trust members. The Co-Operative proposes to manage the new school alongside three others in Leeds under an executive headship, but with each school having its own governing body. This would provide leadership capacity freeing individual heads to deal with their own specific issues, whilst providing accountability and

challenge. There would be local representation on the governing body. LEAF propose an interim governing body derived from existing governing bodies and Trust members, which would then evolve into its own governing body with local representation. Similarly they would have the support of the trust overarching the individual schools. Leeds Muslim College would follow national guidelines and aim to mimic a maintained school governing body. Rainbow proposed to consult on the precise details of their governing body, and would include teachers, staff and local authority representatives.

- 3.7.2 Academies Enterprise Trust emphasised strongly that despite their size they do not have a one size fits all model which they wish to impose, but would work with local stakeholders to develop how their own values and ethos could be applied in the local context. A consultative approach was also described by the other bidders. The Co-Operative had a particularly strong and readily identifiable ethos easily recognised and understood by the public. LEAF made clear their own ethos of multi faith provision, welcoming those of all faiths and of none, as did Leeds Muslim College. The Learning Trust South Leeds have clearly established local connections but also appreciated the need to adapt to the particular locality of the new school through consultation. Rainbow's bid described considerable detail about the model they sought to provide, and gave more of a sense of ready made identity, although talked about how local consultation would adapt some details.
- 3.7.3 During the consultation stage and again in the statutory notice period some respondents queried whether the authority had submitted a bid and why, as they felt this offered the greatest local accountability. The legislation under which these proposals were brought forward required local authorities to seek permission from the secretary of state to submit a proposal, and if granted the authority would cease to be the decision maker. The law changed in February 2012, and when seeking to establish a new school authorities must first seek an academy provider. It was therefore unlikely that permission would be granted, and retaining the right to make a local decision on who ran the school ensured greatest local accountability.
- 3.7.4 Some respondents also challenged how promises made in the bid process could be enforced, such as their admissions policy. In addition to being bound by the same national admissions code and legislation, the bidders all indicated a willingness to include local authority governors, and also work closely with clusters. This combination of governance and local partner relationships will provide that reassurance.

### **3.8 Experience and track record in primary education.**

- 3.8.1 Academies Enterprise Trust has primary experience, and their portfolio includes some outstanding schools. Their experience is based in converter academies rather than new schools. The Learning Trust South Leeds includes several local primary schools with good and outstanding features. LEAF has two local primary academies, which in their most recent Ofsted reports one was satisfactory with good features, and one good with outstanding features. Their secondary head is a national leader of education. Co-Operative is working with the authority to become the sponsor of three very local primary sponsored academies, and has other schools in Manchester and Stoke. Rainbow has been leading a primary school for 18 months, but they have established a new primary school. Leeds Muslim College do not currently run any schools.

### **3.9 Management, partnerships and infrastructure capacity to support the new school.**

3.9.1 Academies Enterprise Trust has through their size a good capacity to support any new school, and a strong network of contacts and support. They include ex heads and inspectors amongst their members. Trinity College formed a prominent part of The Co-Operative's bid, describing at the public meeting how their trainee teachers would provide additional capacity through classroom support for children, and challenge to existing teachers. They also have a strong wider national and international organisation outside of education to bring additional support. LEAF's partnership with Leeds Metropolitan University is significant in bringing best practice to the Trust, although they were not prominent in the bid process. The Learning Trust South Leeds has a good capacity through their existing schools and partners, particularly the teaching school. Leeds Muslim College are a relatively small and inexperienced team in primary education. Rainbow has support through a network of ex heads and inspectors in the trust.

### **3.10 Site considerations**

3.10.1 The site at Harehills presents considerable challenges and will not be ready for opening in September 2013. All the bidders indicated a willingness to work with the authority to secure short term accommodation until the site became available. In order to alleviate highways and access pressures for the school site, to reduce noise and disruption to the school, and to add to the site area available for school use (thus addressing comments and concerns raised during the early project design work), the Council's Waste Management team has been requested to consider the impact on the service of closing the adjacent Household Waste Sorting Site (HWSS) on Stanley Road in order to make it available for incorporation into the school design.

3.10.2 A subsequent review of City-wide HWSS provision has demonstrated that the Stanley Road HWSS has the lowest recycling performance of all the sites, with a recycling rate of just under 52% against the current target of 70%. In terms of alternative HWSS provision for local residents, the heavy and bulky nature of waste materials taken to these sites mean that virtually all users access HWSSs by car or van. The Council's Strategic Review of HWSS provision considered by Executive Board in June 2010 established a policy of providing access to an HWSS within a 20 minute drive time for all residents. The main alternative site to be promoted for use by these residents is expected to be the newly redeveloped East Leeds HWSS in Seacroft which is substantially within the 20 minutes drive time, and has significant spare capacity and superior recycling and re-use facilities. The Meanwood Road and Kirkstall Road HWSSs are also available within similar drive times.

3.10.3 As stated, the closure of the HWSS will address concerns about the compatibility of the two neighbouring land uses, and benefits the school by removing a potential source of noise, traffic, dust, wind-blown litter and odour. It will also enable improved access, car parking and play space facilities to be incorporated into the school project. Closure of the Stanley Road site would also result in financial savings of around £250,000 per annum relating to its current operational costs. It should be emphasised that the Council remains committed to providing a strong

city-wide network of HWSSs, and Environment and Neighbourhoods intend to bring forward plans for the redevelopment of the Kirkstall Road HWSS. As well as addressing the negative visual impact of the Kirkstall site through removing the existing fire-damaged structures, this would see the only remaining HWSS not redeveloped to modern standards converted into a model recycling facility, and would provide enhanced HWSS capacity in an area of the City where there is currently less provision.

- 3.10.4 The precise footprint of the school building and layout of the site remains the subject of the ongoing design work and are therefore not yet finalised. It is necessary for agreement to the closure of the HWSS, and the scope of any land decontamination works required, to be finalised in advance of building works for the school starting. A significant allowance has been made in the project costs for these works. All bidders were content that they would be involved at the earliest possible stage in decisions about the school design, but this process would continue and so they may have limited input. The Council's Asset Management Board has considered this proposal and has recommended agreement in principle to the required areas of the site being allocated for school use, and land surplus to requirements being used as green space for community use. Consultation has taken place with the local Ward Members and MP on the potential closure of the HWSS. Whilst reservations were expressed about the potential loss of local amenity, Environment and Neighbourhoods believe that there is sufficient alternative provision as set out in 3.10.2 above. Subject to Executive Board approval to this proposal, Waste Management will implement a communication plan to publicise the site closure to local residents, highlighting the alternative sites available.
- 3.10.5 All bidders for the Harehills school noted the desire of the local community to be involved in the school through employment, use of extended services, use of facilities and external play areas. All indicated a willingness to consult on how this could be delivered.
- 3.10.6 Some respondents continued to challenge the demographic evidence of the need for the schools and expressed concerns about what would happen should pupils not materialise, or later demographic changes result in lower numbers, and also over any proposed accelerated opening programme. The decision on the need for the schools, their size and sites was effectively determined through the earlier consultation, and was considered thoroughly at that stage. This stage was a consideration of the bids received. The authority does wish to reassure schools that no change to the opening programmes will be implemented without full consultation with existing schools. Current admissions pressures continue to demonstrate the need for both schools in those localities, and that data would be shared as part of any decision making.
- 3.10.7 All bidders for both schools indicated a willingness to include a nearest criterion in their admissions policy to ensure it served the immediate local community.
- 3.10.8 The bidders for South Leeds all indicated their willingness to work with the authority on delivery of sporting provision on the site. Academies Enterprise Trust indicated they have some expertise in managing such provision. None offered capital contributions towards such provision. At present no viable bids have been received for separate sporting provision to be co-located on the site, and there is no new



council funding identified for new sports provision on the site. The authority have committed that the current users will continue to have access to sports pitches when the new school is built.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

4.1.1 The competition process and statutory notices all complied with all legislative requirements applicable at that time, and with local good practice. The summary of bids notices were published over 4 full pages of the Yorkshire Evening Post, and in the Yorkshire Post. For each proposal, a daytime and evening public meeting were held, with informal consultation in between. These meetings allowed the public to meet all the proposers, and ask questions. Information was also distributed widely including through local schools, early years providers and websites, post offices, libraries, doctor's surgeries, community groups and area management officers. Briefings were also provided for local ward members and lead members. Consultation undertaken in relation to the Stanley Road HWSS closure is discussed at 3.10.4 above.

### **4.2 Equality and Diversity / Cohesion and Integration**

4.2.1 The EDCI assessments were completed and are available from the Capacity Planning and Sufficiency Team, as included in Appendix 3.

### **4.3 Council Policies and City Priorities**

4.3.1 The proposal is brought forward to meet the Council's statutory duty to secure sufficient school places. In providing places close to where the children live the proposals will allow improve accessibility of local and desirable school places, and thus reduce any risks of non attendance.

### **4.4 Resources and Value for Money**

4.4.1 The high level estimated cost of delivery of the proposals is £20.6m, which will be funded through the education capital programme. This has increased from the initial estimates due to the inclusion of nursery provision in the two new school proposals and has been informed by very early project development work. This estimated cost is based on traditional construction and will be subject to significant development through detailed design. It includes only high level estimates for the Harehills remediation and all other site specific conditions, risk or abnormal costs.

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

4.5.1 The competition process and statutory notices all complied with all legislative requirements applicable at that time, and with local good practice. The summary of bids notices were published over 4 full pages of the Yorkshire Evening Post, and in the Yorkshire Post. For each proposal, a daytime and evening public meeting were held, with informal consultation in between. These meetings allowed the public to meet all the proposers, and ask questions. Information was also distributed widely including through local schools, early years providers and websites, post offices, libraries, doctor's surgeries, community groups and area management officers. Briefings were also provided for local ward members and lead members.

- 4.5.2 One version of the notice for the South Leeds proposal contained an error in the opening date of the school. All bidders were contacted to clarify. All confirmed they would still bid on the basis of 2014 opening. This is a matter that can be varied at the time of making the decision.
- 4.5.3 It is a legal requirement that the published notice draws attention to any variation from the specification. These do not preclude bids from being considered, but the decision maker must have regard to them, and so the issues were clarified. All proposers confirmed that their responses in regard to SEN provision had been intended to describe their overall approach to inclusion, and they did not expect dedicated SEN provision to be part of the schools. LEAF clarified that whilst they had described a particular opening programme in their bid, this was in response to the authority's own recognition of the potential need to accelerate the opening in agreement with all local schools. They confirmed would respect the original proposed opening schedule, and agree any other plan with the authority and other local schools.
- 4.5.4 The authority has set up the School Organisation Advisory Board to consider proposals where representations have been received, which duly sat on 13 September 2012. The SOAB recommended the Co-Operative as the preferred bidder for Harehills, and The Learning Trust South Leeds as the preferred bidder for South Leeds. Minutes of their meeting containing a full consideration of all the bids are contained in Appendix 2.
- 4.5.5 A decision must be made within two months of the end of the 'summary of bids' notice period, ie no later than 20 October 2012. It is not possible to take this paper to an earlier executive board meeting than 17 October due to the timescales involved. This report cannot therefore be subject to call in.

## **4.6 Risk Management**

- 4.6.1 In the case of the Harehills proposal the most significant risks surround the decontamination costs, and resolution of the design including traffic and access issues within a relatively constrained site, and may incur some expenditure at risk ahead of any final decision being taken. An allowance for these risks has been included within the overall budget estimate in section 4.4.1, however there will be a need to refine these estimates based on the findings of site surveys that are scheduled for the next stage of project design development. In the case of South Leeds they surround marrying the timing of any future proposals to reopen the site for any sports use with the timing of any school proposal. Detailed risk registers for each project have already been started. Investigations to date indicate the decontamination works are deliverable.
- 4.6.2 The proposals have been brought forward in good time to allow places to be delivered for 2013 and 2014. Any delay in the process may increase the amount of detailed planning work required to be done at risk of the proposal not ultimately proceeding.

## **5 Conclusions**

- 5.1 Overall the authority was extremely pleased with the number and quality of the bids received. The bids from Academies Enterprise Trust, The Co-Operative, LEAF and The Learning Trust South Leeds are all particularly strong.

- 5.2 The Co-Operative is recommended as the preferred bidder for The Harehills school. It has strong local knowledge and partnerships in the area, and is working positively as a local secondary Academy sponsor. They are a strong organisation with a clear and appropriate ethos, bringing support from a wide ranging organisation nationally and internationally, and this brings the structure and capacity to support the new school. They bring particular strengths through their partnership with Trinity College, a nationally recognised centre of excellence in primary education. The role of the executive head teacher may add capacity, but may also affect applications for the headship.
- 5.3 The Learning Trust South Leeds is recommended as the preferred bidder for the South Leeds school. It has good local knowledge, a good track record, and links to the teaching school. They repeatedly described a vision for strong 0-19 pathways. They bring the strongest local accountability with a unique bid for a non academy proposal, and displayed a passionate commitment to local collaboration.
- 5.4 Academies Enterprise Trust has the largest number of Academies at present, and through that would bring strong support for any new school. They are known to the authority, and did demonstrate that they had proactively been out to those communities and displayed an appreciation of the issues they faced a result, however they currently have no schools in the north of the country, and lacked local knowledge and relationships in the specific locations of the city,
- 5.5 LEAF's bid is strong particularly in educational terms, with good leadership and capacity. They also offer choice and diversity through a unique multi faith offering. LEAF do operate in East Leeds, but acknowledged the differences between the Harehills area of the proposed school and their own area further out from the city centre around Seacroft and Manston, raising some questions about how this would translate into collaboration with the other clusters. The proposal to open with existing staff and governors might affect the quality of applicants later in the process.
- 5.6 The bids from Leeds Muslim College and Rainbow were felt to be weaker. Leeds Muslim College have some excellent strengths, with very good very local networks and in depth knowledge of the local community. They are however the only bidder without experience of running a primary school, and there is a concern about their overall capacity at this time. Rainbow have a clear vision and model, but there was concern about how much this would genuinely be adapted for the specific local communities these schools would serve. They are a relatively young organisation.
- 5.7 Leeds City Council wishes to thank all the bidders, and hopes to continue to work with all of them as it continues its basic need programme to meet demand for places in the future.

## **6 Recommendations**

Executive Board is asked to:

- 6.1 Approve The Co-Operative as the party to open the new 420 place primary school with 26 place FTE nursery at Florence Street, Harehills to open September 2013 and serve families in that area.

- 6.2 Approve The Learning Trust South Leeds as the party to open the new 420 place school with 26 place nursery on land at the former South Leeds sports centre, and to open September 2014 and serve families in that area.
- 6.3 Approve the closure of the Stanley Road Household Waste Sorting Site and agree to the site's incorporation into the Harehills school design (in accordance with section 3.10 of the main report).

## **7 Background documents<sup>1</sup>**

- 7.1 There are no relevant background documents associated with this report.

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<sup>1</sup> 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 – Short summary of bidders.**

**Academies Enterprise Trust.** A national organisation with a large number of schools across the country, both primary and secondary. Mainly based as far as the midlands to date. Currently working with the authority on academies at Swallow Hill and Cottingley. They do have the infrastructure to support further expansion, and will assess each new opportunity on a case by case basis.

**The Co-Operative.** A national and international organisation already operating with the authority at the former Primrose High School. Also working with the authority on proposed academies at Woodlands Primary, Oakwood Primary and Brownhill Primary. Although education is not the Co-Operative's core function, it has a core central role in their overall values and ethos, and they are gradually taking on more schools. A key partner in the bid is Trinity and All Saints College, which has a national reputation for excellence in primary education. The links to the teacher training programme forms a significant part of their bid.

**LEAF Academy Trust.** A local trust comprising the Diocese of Ripon and Leeds, Leeds Metropolitan University and schools in the Seacroft and Manston area. The bid was fronted by David Young Community College, Manston Primary, and Seacroft Grange Primary. Whilst not seeking to expand significantly, they are a new Trust committed to developing outstanding provision in the area. Their bid is for a multi faith provision which would welcome those of all faiths and none.

**Leeds Muslim College.** A local organisation already very active in the Harehills area and working with local schools to deliver extended services. They have no current experience of managing a school, but a clear ambition to build on their existing experience to do so in future. Their bid is for a secular provision, which would welcome those of all faiths and none.

**Lilac Sky Schools.** Withdrew.

**The Learning Trust South Leeds.** A local foundation trust including Cockburn High School and 6 local primaries in the Beeston / Middleton / Cottingley area. Other partners include a teaching school, and the bid seeks to build on their 0-19 offering. The trust have successfully delivered improvements at the high school in particular. Whilst not seeking to significantly expand they have shown commitment to their local community and the development of provision there.

**Rainbow Schools.** An organisation which has focussed on Free Schools to date, with one primary school opened in Bradford in 2011, and a further primary school approved in Nottingham in 2013. They have run one secondary academy for 8 years.

**SCHOOL ORGANISATION ADVISORY BOARD**

**THURSDAY, 13TH SEPTEMBER, 2012**

**PRESENT:** Mr I Garforth in the Chair  
  
Ms T Hagerty - Roman Catholic Church  
Diocese  
Mr D Kenny - Schools Group

**IN ATTENDANCE** Mr P Brennan - Children's Services  
Ms L Savage - Children's Services  
Mrs A Oldroyd – Legal Services – Legal  
Adviser to the Board  
Mr S Robinson – Governance Services –  
Clerk to the Board

**1 Election of Chair/Vice Chair**

Mr I Garforth was elected as Chair.

**2 Chair's Opening Remarks**

The Chair welcomed everyone to the meeting and invited those present to introduce themselves.

**3 Apologies for Absence**

Apologies for absence were received on behalf of Reverend C Sedgewick, Diocesan Board of Education for the Diocese of the Church of England and Ms J Taylor, Further/Higher Education Establishment Group.

**4 Declaration of Interests**

Mr I Garforth informed the meeting that he was a trustee of the South Leeds Academy Trust and a Director of the Sponsor of Cross Flats Academy. Under the terms of reference these were not interests that would require him to withdraw from the discussion and take no part in the making of any recommendations.

**5 School Organisation Advisory Board (Leeds) - Terms of Reference**

A copy of the terms of reference for the School Organisation Advisory Board (Leeds) was submitted.

Mrs A Oldroyd, Legal Adviser to the Board informed the meeting that the terms of reference had been slightly amended to incorporate the following revisions:-

- to remove as a member the Learning and Skills Council;

- to amend paragraph 3.4 which deals with declarations of interest; and
- to alter the quorum for meetings increasing it from 1 group to 2 groups

Mr I Garforth made reference to the use of the term “governor” contained within the terms of reference and the Legal Adviser to the Board agreed to revisit this issue.

**RESOLVED** – That the amended terms of reference for the School Organisation Advisory Board (Leeds) be noted and approved.

## **6 Report on School competition process for new schools in Harehills and South Leeds**

The Board considered a report by the Legal Adviser to the School Organisation Advisory Board explaining the role of the Board in considering the school competition bids and to make recommendations to the Executive Board to assist the Executive Board in reaching a decision in relation to the following new school proposals:

Public consultation took place in September and October 2011 on the need for new primary schools at Florence Street in Harehills and the site of the former South Leeds Sports Centre. The Executive Board agreed to proceed with competitions for new schools in January 2012. This entailed publishing two statutory notices, one inviting interested parties to submit bids to run the schools, and the second publishing details of the bids and inviting comments. The second notice expired on 20 August 2012.

The invitation to bid notices resulted in six academy bids for Harehills and four academy bids for South Leeds.

The bids for Harehills were Academies Enterprise Trust, The Co-operative Trust, Lilac Sky Schools, LEAF Academy Trust, Leeds Muslim College and Rainbow Schools.

The bids for South Leeds were Academies Enterprise Trusts, Lilac Sky Schools, Rainbow Schools and the Learning Trust South Leeds.

Prior to discussing the proposals, the Board noted that the Lilac Sky Schools bid for both Harehills and South Leeds had been withdrawn.

The Board considered the following background information:-

- Copies of the invitation to bid, bids received, and responses received
- Report from Children’s Services in relation to recommendation on the preferred bidder in competitions for new primary schools

In addition to the above, the Board received representations from the following representatives who responded to Board Members’ questions and comments:

Mr P Brennan – Deputy Director of Children’s Services (Learning, Skills and Universal Services) and Ms L Savage – Senior Planning and Bids Manager, Capacity Planning and Sufficiency Team, Children’s Services

Board Members discussed the report from Children's Services and, in summary, specific reference was made to the following issues:-

- Clarification if the DfE had been asked to exclude any bidders and on the validation process
- Clarification if another site had been identified in South Leeds
- Concern that the Harehills site would not be ready and the issues around car parking and access
- Clarification of how Children's Services viewed the role of Academies
- The need to commend the Learning Trust South Leeds's bid to build on their 0-19 offering in the area and to welcome their strong vision in this respect
- The need to use existing practices within the School Improvement capacity
- The need to acknowledge that the Co-operative had strong values with links to the Trinity University College which would result in a closer relationship
- Clarification of the aims of a Foundation School
- Clarification of the value of a Trust and concerns expressed about their future aspirations
- The personal view expressed by the Roman Catholic Church Diocese that you cannot operate a multi faith system in view of the many elements and that such a system needed competition
- Clarification of how Children's Services perceived 0-19 provision

Following a summing up process from the representatives in attendance, the Chair thanked the representatives and asked them to withdraw so that the Board could consider the new school proposals.

The Legal Adviser to the Schools Organisation Advisory Board outlined the procedure to be followed and reminded the Board Members that they were invited to comment on the proposals, with any observations on the bids which they felt they could recommend, and any they felt they could not recommend.

The Chair proposed that in reviewing the bids Board Members should consider whether:

- the organisation has the ability to deliver outstanding education; and
- the ability to understand and respond effectively to the local context

The groups entitled to make recommendations, were the Roman Catholic Church Diocese and the Schools Group. Each group considered the bids and made the following comments:

### **South Leeds bids**

#### Rainbow Schools

The Roman Catholic Church Diocese – there was no knowledge of the application of education in the local area and it was considered that there was no experience

The Schools Group – also considered that there was a lack of experience

Both Groups decided that they could not recommend this bid

#### Academies Enterprise Trust



The Roman Catholic Church Diocese – there was no knowledge of the application of education in the local area and it was considered that there was no experience

The Schools Group – there was a potential to deliver, but also considered that there was a lack of experience in key areas

Both Groups decided that they could not recommend this bid

#### Learning Trust South Leeds

The Roman Catholic Church Diocese – the proposals to build on their 0-19 offering was to be highly commended and the bid was responsive to the local circumstances

The Schools Group – the proposals were extremely competent and responsive to the local circumstances and had the ability to provide high quality education

Both Groups decided that they could recommend this bid

#### **Harehills bids**

##### Academies Enterprise Trust

The Roman Catholic Church Diocese – there was no knowledge of the application of education in the local area and it was considered that there was no experience

The Schools Group – also considered that there was a lack of experience

Both Groups decided that they could not recommend this bid

##### The Co-operative Trust

The Roman Catholic Church Diocese – there was the capacity to deliver outstanding education in this area and that the trust had a national reputation for excellence in primary education

The Schools Group – also considered that the trust had a national reputation for excellence in primary education and the ability to deliver outstanding education in this area

Both Groups decided that they could recommend this bid

##### LEAF Academy Trust

The Roman Catholic Church Diocese – had significant concerns with a bid for a multifaith academy and considered that this was unworkable. It was acknowledged that there was a place for secular or faith education, but considered that multifaith was unclear and unworkable

The Schools Group – considered that there was a lack of experience within the local context. It was recognised that LEAF were operating in the general area, but unlike The Co-operative Trust, LEAF were not working in Harehills through what was Primrose High School

Both Groups decided that they could not recommend this bid

#### Leeds Muslim College

The Roman Catholic Church Diocese – there was a lack of experience in the ability to deliver outstanding education

The Schools Group – also considered there was a lack of experience in the ability to deliver outstanding education

Both Groups decided that they could not recommend this bid

#### Rainbow Schools

The Roman Catholic Church Diocese – there was no knowledge of the application of education in the local area and it was considered that there was no experience

The Schools Group – also considered that there was a lack of experience

Both Groups decided that they could not recommend this bid

**RESOLVED** – It was the view of the Schools Organisation Advisory Board that the Executive Board be recommended to consider the following preferred bids:-

- South Leeds – The Learning Trust South Leeds
- Harehills – The Co-operative Trust

## 7 **Future Business**

The Legal Adviser to the Board reminded the meeting that the term of office for Members of the Board was a maximum of three years.

The current position as at 13<sup>th</sup> September 2012 was as follows:-

- Reverend C Sedgewick – three year's term of office to expire on 9<sup>th</sup> October 2012
- Mr I Garforth - three year's term of office to expire on 9<sup>th</sup> October 2012
- Ms T Haggerty - three year's term of office to expire on 9<sup>th</sup> October 2012
- Mr D Kenny - three year's term of office to expire on 9<sup>th</sup> October 2012
- Ms J Taylor - three year's term of office to expire on 1<sup>st</sup> July 2013

It was also noted that there remained a current vacancy on the Schools Group.

The Legal Adviser to the Board informed Members that the next time there was a need to convene a Schools Organisation Advisory Board meeting there was a requirement for Members to be nominated by their respective groups and then re elected.

**RESOLVED** – That the current position be noted.

## 8 **Date and Time of Next Meeting**

To be arranged as and when required.  
(The meeting concluded at 2.45pm)

**NEW 2FE PRIMARY SCHOOL – BEESTON/HOLBECK AREA**

<b>Service Area:</b> School Access Service	<b>Team:</b> School Organisation
<b>Assessment prepared by:</b> Darren Crawley	<b>Contact number:</b> 0113 2243867
<b>Date of assessment:</b> 27 <sup>th</sup> August 2011	

**1. Summary of project that was assessed:**

To create additional primary school provision within the Beeston/Holbeck area, by holding a competition to create a brand new school to open in September 2014. The new school would be located on land at the former South Leeds Sports Centre and would have an admission limit of 60 places.

**2. Summary of people/services involved with assessment:**

A pupil places operational group meets on a monthly basis to develop and work through proposals to expand school provision across the city, as part of the School Places Strategy – Planning Learning Places in Leeds 2010-2013. This group consists of officers from various services within Leeds City Council. These include: *School Organisation,, PMIT, Estates Management, Inclusion, School Improvement and Early Years.*

**3. Research:**

As part of the process to develop options, various research work is undertaken including:

- Analysis of under 5s, looking at past trends
- Projections based on births and take-up, to determine whether there are enough school places within a particular area.
- Regular contact with Corporate property management to identify council owned sites that have or are to become surplus,
- Parental preference patterns.
- The types of schools within the area, does this offer choice and diversity?
- Research around BME to ensure these groups are not adversely affected.
- Ensure that we adhere to our legal duty of promoting choice and diversity.
- Communicating with schools and local members to gain a better understanding of the wider community
- Communicating with the community at a later stage of the process to obtain views.

**7. Who may be affected by this project?**

**Equality characteristics**

**Age**

**Carers**

**Disability**

**Gender reassignment**

**Race**

**Religion  
or Belief**

**Sex (male or female)**

**Sexual orientation**

**Other**

**Stakeholders**

**Services users**

**Employees**

**Trade Unions**

**Partners**

**Members**

**Suppliers**

**Other please specify: *Diocese, Neighbouring authorities***

**Potential barriers.**

**Built environment**

**Location of premises and services**

**Information and communication**

**Customer care**

**Timing**

**Stereotypes and assumptions**

**Cost**

**Consultation and involvement**

**Other, please specify**

**8a. Summary of Impacts:**

<b>Equality Characteristic</b>	<b>Positive Impact</b>	<b>Negative Impact</b>	<b>Neutral Impact</b>	<b>Description</b>
AGE	X			An additional 60 school places would be made available in reception class from 2013 for children within the Beeston/Holbeck area.
DISABILITY			X	School will be built to DDA guidelines to ensure accessibility in and around the building for all.

<b>8b. Summary of stakeholders involvement:</b>
<ul style="list-style-type: none"> <li>- Initial briefing sessions with Headteacher, governing body and ward members.</li> <li>- Members of the assessment team who represent various services and partners are part of discussions and meetings throughout the process.</li> <li>- School employees and trade unions will be met during the consultation stage.</li> <li>- Parents and members of the community will be consulted via a public meeting.</li> </ul>

<b>8c. Summary of Potential barriers:</b>		
<b>Type of barrier/Issue</b>	<b>Action needed</b>	<b>Impact</b>
Built environment	DDA guidelines adhered to.	Ensure accessibility for all
Information and Communication	A consultation document and public meeting will be used to convey the aims of the proposal to the wider community.	All relevant parties are able to express their views verbally and in written format.
Consultation and Involvement	Consultation documents available on request in other languages	All communities are consulted and are able to express their views on the proposal.

<b>9. Does this activity bring groups/communities into increased contact with each other (e.g. in schools, neighbourhood, workplace)?</b>	
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<b>Please provide detail:</b>	
<b>Action required:</b> None	

**10. Could this activity be perceived as benefiting one group at the expense of another?**

**Yes**

**No**

**Please provide detail:**

**Action required:**

**11. Equality, diversity, cohesion and integration action plan**

(insert all your actions from your assessment here, set timescales, measures and identify a lead person for each action)

<b>Action</b>	<b>Timescale</b>	<b>Measure</b>	<b>Lead person</b>



## **NEW 2FE PRIMARY SCHOOL – HAREHILLS/GIPTON AREA**

<b>Service Area:</b> School Access Service	<b>Team:</b> School Organisation
<b>Assessment prepared by:</b> Darren Crawley	<b>Contact number:</b> 0113 2243867
<b>Date of assessment:</b> 27 <sup>th</sup> August 2011	

### **1. Summary of project that was assessed:**

To create additional primary school provision within the Harehills/Gipton area, by holding a competition to create a brand new school to open in September 2013. The new school would be located on land at Florence Street and would have an admission limit of 60 places.

### **2. Summary of people/services involved with assessment:**

A pupil places operational group meets on a monthly basis to develop and work through proposals to expand school provision across the city, as part of the School Places Strategy – Planning Learning Places in Leeds 2010-2013. This group consists of officers from various services within Leeds City Council. These include: *School Organisation,, PMIT, Estates Management, Inclusion, School Improvement and Early Years.*

### **3. Research:**

As part of the process to develop options, various research work is undertaken including:

- Analysis of under 5s, looking at past trends
- Projections based on births and take-up, to determine whether there are enough school places within a particular area.
- Regular contact with Corporate property management to identify council owned sites that have or are to become surplus,
- Parental preference patterns.
- The types of schools within the area, does this offer choice and diversity?
- Research around BME to ensure these groups are not adversely affected.
- Ensure that we adhere to our legal duty of promoting choice and diversity.
- Communicating with schools and local members to gain a better understanding of the wider community
- Communicating with the community at a later stage of the process to obtain views.

**7. Who may be affected by this project?**

**Equality characteristics**

- |   |   |  |
|---|---|--|
| <input checked="" type="checkbox"/> Age       | <input type="checkbox"/> Carers             | <input checked="" type="checkbox"/> Disability |
| <input type="checkbox"/> Gender reassignment  | <input type="checkbox"/> Race               | <input type="checkbox"/> Religion or Belief    |
| <input type="checkbox"/> Sex (male or female) | <input type="checkbox"/> Sexual orientation |  |
| <input type="checkbox"/> Other                |   |  |

**Stakeholders**

- |  |   |  |
|--|---|--|
| <input checked="" type="checkbox"/> Services users   | <input checked="" type="checkbox"/> Employees | <input checked="" type="checkbox"/> Trade Unions |
| <input checked="" type="checkbox"/> Partners   | <input checked="" type="checkbox"/> Members   | <input type="checkbox"/> Suppliers               |
| <input checked="" type="checkbox"/> Other please specify: <i>Diocese, Neighbouring authorities</i> |   |  |

**Potential barriers.**

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Built environment             | <input type="checkbox"/> Location of premises and services       |
| <input checked="" type="checkbox"/> Information and communication | <input type="checkbox"/> Customer care                           |
| <input type="checkbox"/> Timing                                   | <input type="checkbox"/> Stereotypes and assumptions             |
| <input type="checkbox"/> Cost                                     | <input checked="" type="checkbox"/> Consultation and involvement |
| <input type="checkbox"/> Other, please specify                    |  |

<b>8a. Summary of Impacts:</b>				
<b>Equality Characteristic</b>	<b>Positive Impact</b>	<b>Negative Impact</b>	<b>Neutral Impact</b>	<b>Description</b>
AGE	X			An additional 60 school places would be made available in reception class from 2013 for children within the Harehills/Gipton area.
DISABILITY			X	School will be built to DDA guidelines to ensure accessibility in and around the building for all.

<b>8b. Summary of stakeholders involvement:</b>
<ul style="list-style-type: none"> <li>- Initial briefing sessions with Headteacher, governing body and ward members.</li> <li>- Members of the assessment team who represent various services and partners are part of discussions and meetings throughout the process.</li> <li>- School employees and trade unions will be met during the consultation stage.</li> <li>- Parents and members of the community will be consulted via a public meeting.</li> </ul>

<b>8c. Summary of Potential barriers:</b>		
<b>Type of barrier/Issue</b>	<b>Action needed</b>	<b>Impact</b>

Built environment	DDA guidelines adhered to.	Ensure accessibility for all
Information and Communication	A consultation document and public meeting will be used to convey the aims of the proposal to the wider community.	All relevant parties are able to express their views verbally and in written format.
Consultation and Involvement	Consultation documents available on request in other languages	All communities are consulted and are able to express their views on the proposal.

**9. Does this activity bring groups/communities into increased contact with each other (e.g. in schools, neighbourhood, workplace)?**

Yes
  No

**Please provide detail:**

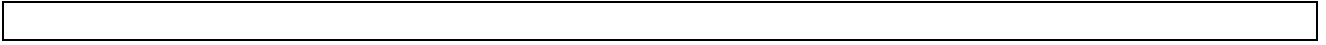
**Action required:**  
None

**10. Could this activity be perceived as benefiting one group at the expense of another?**

Yes
  No

**Please provide detail:**

**Action required:**



**12. Equality, diversity, cohesion and integration action plan**

(insert all your actions from your assessment here, set timescales, measures and identify a lead person for each action)

Action	Timescale	Measure	Lead person



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