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Report of Head of Democratic Services

Report to Scrutiny Board (Infrastructure, Investment and Inclusive Growth)

Date: 14 October 2020

Subject: Budget Consultation – Summary of Initial Discussions

1. Purpose of this summary

- 1.1 To reflect the comments of members of the Infrastructure, Investment and Inclusive Growth Scrutiny Board at a working group on 1 October 2020 in relation to the initial budget savings proposals set out at the Executive Board meeting on 24 September, such that they pertain to the remit of the Board.

2. Background information

- 2.1 On 24 September 2020 the Executive Board considered a [Revenue Budget Update 2021/22 and Budget Savings Proposals](#) report, which set out the actions that have been taken to address the Council's estimated £118.8m financial gap for 2021/22. The report further set out a series of savings proposals designed to contribute towards the Council achieving a balanced budget for 2021/22.
- 2.2 It was agreed by the Executive Board that consultation should begin with regard to service review proposals. It has further been agreed that consultation with the Council's Scrutiny Boards will be part of this process.
- 2.3 The Infrastructure, Investment and Inclusive Growth Scrutiny Board is due to consider the budget consultation at its public meeting on 14 October 2020. However, in order to provide more time for members to explore the context of the budget, the options appraisal process and some of the service specific information relating to the remit of their Board, members also met privately with key officers and Executive Board members on 1 October 2020.
- 2.4 The following were in attendance at the working group:

Board Members	Apologies	Officers	Exec. Members
Cllr Buckley	Cllr Goddard	Martin Farrington Director, City Development	Cllr Lewis
Cllr Cunningham	Cllr Grahame	Gary Bartlett CO, Highways & Transportation	Cllr Mulherin
Cllr Dawson	Cllr Taylor	Eve Roodhouse CO, Economic Development	
Cllr Dye	Cllr Wadsworth	Sue Wynne CO, Employment & Skills	
Cllr Shahzad		Phil Evans CO, Operations	
Cllr Truswell (Ch)		Simon Criddle Head of Finance	
		Angela Barnicle CO, Asset Management & Regen.	
		Coral Main Head of Business Planning & Risk	
		Rebecca Atherton – Principal Scrutiny Advisor	

3. Main issues

- 3.1 Simon Criddle and Martin Farrington set out the financial position for 2021/22 and the actions that are being taken, or are proposed to be taken, to reduce the current budget gap. They highlighted the savings proposals set out at the Executive Board meeting on 24 September as far as they relate to the remit of the Board.
- 3.2 Simon highlighted the distinction between ‘business as usual’ savings, which can be implemented immediately, and service review savings (some cross council, some service specific), which require wider consultation.
- 3.3 It was noted that the combined value of the Council wide BAU and Service Review proposals, along with the results of a capital programme, is estimated to be £32.6m, which would reduce the projected budget gap for 2021/22 to £86.2m. The Scrutiny Board were informed that further savings proposals to address the remaining gap will therefore be brought to the Executive Board during October and November 2020. The process and timescale for further consultation with scrutiny boards was noted.
- 3.4 Members acknowledged the scale of the challenge facing the local authority and the significant additional pressures that have emerged as a result of the city’s response to, and planned recovery from, the covid-19 pandemic.
- 3.5 The sensitivity of many services within City Development to fluctuations in the wider economy was explored, with income generation an area of particular concern for Board members in light of current, and potentially future additional, Covid-related restrictions.
- 3.6 Simon Criddle noted the challenge of assuming a level of Government settlement within the budget given the details of such funding would not be confirmed until late December 2020.
- 3.7 Members discussed the planned reduction in the current budget for major events and the implications of that for high profile fixtures in the city’s calendar.

- 3.8 Concern was expressed about the potential impact on local communities of proposed budget savings within Highways. The Director of City Development highlighted the proportion of the directorate's budget that relates to highways and the scale of the savings therefore required.
- 3.9 Members acknowledged the high workloads of many officers within highways and the Board were informed of the substantial additional workload created through the need to implement measures to promote social distancing in the city's various local centres.
- 3.10 The importance of local consultation about proposed highways schemes was discussed, with specific reference being made to ongoing challenges with the Harehills Road scheme. The meeting recognised the successful delivery of several big schemes through the Leeds Public Transport Investment Programme (LPTIP), which had involved substantial upfront public consultation.
- 3.11 Members noted that they would welcome a clearer system for identifying who best to contact within highways about ward-based concerns. Given the breadth of services encompassed by the department, members noted that it can be difficult to know where best to direct constituent enquires. In response Gary Bartlett and Cllr Mulherin informed colleagues they are looking at ways this might be addressed.
- 3.12 Councillors sought further information about the way in which staffing numbers may be reduced in some parts of the service and asked for clarification about whether specific changes in staffing arrangements at Council venues are anticipated to result in redundancies.
- 3.13 Members were assured that where possible staffing reductions across the organisation would, in the first instance, involve measures such as removing funded vacancies from structures, implementing recruitment freezes and reviewing applications for voluntary leavers.
- 3.14 Members considered further details about a capital review and the implications for projects that may have already reached significant milestones in the design process.
- 3.15 Savings in strategic planning services were explored with members seeking to understand the impact of potential changes on local communities. Concern was raised about a potential reduction in enforcement capacity and members asked for further information about the impact on planning services of new Government planning proposals.
- 3.16 The Board reiterated its support and enthusiasm for the outcomes delivered through work on Digital Inclusion by the 100% Digital and Smart Cities teams. It was noted that much of the funding for work around digital inclusion relies upon external grants. Members expressed concern about the future of digital inclusion activities should external grant funding no longer be available, given the Council has set out a position of not replacing grant funding in such instances due to the scale of its own budget challenge.
- 3.17 It was noted that the Adult Education budget also funds part of the 100% Digital Team, along with other Adult Learning digital courses.

4. Conclusions

- 4.1 Board members recognised the unprecedented scale of the financial challenge facing the Council as it seeks to balance the budget for 2021/22.
- 4.2 The additional pressures created through the response to, and planned recovery from, the covid-19 pandemic were also acknowledged and concern was expressed about the ongoing economic impact of covid-19 restrictions on the financial health of the directorate.
- 4.3 The Board recognised that very difficult decisions would need to be taken in order to balance the budget but were anxious to ensure that the “least worst” options were prioritised in terms of their community impact.
- 4.4 Savings in highways, strategic planning and staffing were all priority areas of concern, along with protecting the delivery of digital inclusion programmes.
- 4.5 The Board reiterated its commitment to engagement in the next stages of the budget setting process between now and January 2021.

5. Recommendations

- 5.1 Members are asked to note the summary of the discussion on 1 October 2020, as context for the public discussion on the Budget Consultation at the Board’s meeting on 14 October 2020.