Public Document Pack

SCRUTINY BOARD (INFRASTRUCTURE, INVESTMENT & INCLUSIVE GROWTH)

Meeting to be held in Civic Hall, 1st Floor West,LS1 1UR on Wednesday, 31st July, 2019 at 10.30 am

(A pre-meeting will take place for ALL Members of the Board at 10:00am)

MEMBERSHIP

N Buckley – Alwoodley

L Cunningham – Armley

N Dawson – Morley South

K Dye – Killingbeck and Seacroft

J Goddard – Roundhay

R Grahame – Burmantofts and Richmond Hill

C Harrison – Rothwell

K Maqsood – Gipton and Harehills

M Shazhad – Moortown

J Taylor – Horsforth

P Truswell (Chair) – Middleton Park

P Wadsworth – Guiseley and Rawdon

[Type here]

Principal Scrutiny Adviser:
Sandra Pentelow
Tel: 37 88655

A G E N D A

Item No	Ward/Equal Opportunities	Item Not Open		Page No
1			**APPEALS AGAINST REFUSAL OF INSPECTION OF DOCUMENTS** To consider any appeals in accordance with Procedure Rule 25 of the Access to Information Rules (in the event of an Appeal the press and public will be excluded)	
2			**EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC** 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. 2 To consider whether or not to accept the officers recommendation in respect of the above information. 3 If so, to formally pass the following resolution:- **RESOLVED –** That the press and public be excluded from the meeting during consideration of the following parts of the agenda designated as containing exempt information on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information, as follows:-	
3			**LATE ITEMS** To identify items which have been admitted to the agenda by the Chair for consideration. (The special circumstances shall be specified in the minutes.)	

4			**DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS** To disclose or draw attention to any disclosable pecuniary interests for the purposes of Section 31 of the Localism Act 2011 and paragraphs 13-16 of the Members' Code of Conduct.	
5			**APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTES** To receive any apologies for absence and notification of substitutes.	
6			**MINUTES - 19 JUNE 2019** To approve as a correct record the minutes of the minutes of the meeting held on 19 June 2019. .	1 - 6
7			**LEEDS INCLUSIVE GROWTH STRATEGY - ONE YEAR ON** To receive the report of the Head of Democratic Services and the report of the Director of City Development which provides the Scrutiny Board with an Inclusive Growth Strategy annual update.	7 - 66
8			**SCRUTINY INQUIRY INTO LEEDS INCLUSIVE GROWTH STRATEGY - DIRECTORS RESPONSE AND CENTRE FOR LOCAL ECONOMIC STRATEGIES REPORT** To receive the report from the Director of City Development and the Director of Resources and Housing which sets out the response to the recommendations stated in the Scrutiny Inquiry Report into the Leeds Inclusive Growth Strategy. The report also provides the Centre for Local Economic Strategies report, June 2019, for the Boards consideration.	67 - 94

9			**FINANCIAL HEALTH, OUT-TURN REPORT 2018/19** To receive the report of the Head of Democratic Services which provides specific financial information relating to the budget out-turn for 2018/19.	95 - 122
10			**WORK SCHEDULE** To consider the Scrutiny Board's work schedule for the 2019/20 municipal year.	123 - 152
11			**DATE AND TIME OF NEXT MEETING** Wednesday 4 September 2019 at 10:30am (pre-meeting for all Board Members at 10:00am)	
			THIRD PARTY RECORDING Recording of this meeting is allowed to enable those not present to see or hear the proceedings either as they take place (or later) and to enable the reporting of those proceedings. A copy of the recording protocol is available from the contacts on the front of this agenda. Use of Recordings by Third Parties – code of practice a) Any published recording should be accompanied by a statement of when and where the recording was made, the context of the discussion that took place, and a clear identification of the main speakers and their role or title. b) Those making recordings must not edit the recording in a way that could lead to misinterpretation or misrepresentation of the proceedings or comments made by attendees. In particular there should be no internal editing of published extracts; recordings may start at any point and end at any point but the material between those points must be complete.	

SCRUTINY BOARD (INFRASTRUCTURE, INVESTMENT & INCLUSIVE GROWTH)

WEDNESDAY, 19TH JUNE, 2019

PRESENT: Councillor P Truswell in the Chair

Councillors N Buckley, L Cunningham, N Dawson, K Dye, R Grahame, K Maqsood, K Ritchie, M Shazad, J Taylor and P Wadsworth

1 Declarations of Disclosable Pecuniary Interests

There were no declarations.

2 Apologies for Absence and Notification of Substitutes

Apologies for absence were submitted on behalf of Councillors J Goddard and C Hall.

Councillor K Ritchie was in attendance as substitute.

3 Minutes - 10 April 2019

RESOLVED – That the minutes of the meeting held on 10 April 2019 be confirmed as a correct record.

4 Matters arising from the Minutes

Section 106 payments – details of Section 106 funding are currently provided upon request. It is still planned that this information will be made accessible to Members on line via a portal and generally via the Data Mill. When asked if reports could be provided to members on a 6 monthly basis the Chief Planning Officer advised he would check the frequency S106 reporting to all Members.

Neighbourhood Plans – Concern that more deprived neighbourhoods have not been able to develop Neighbourhood Plans and therefore unable to gain Community Infrastructure Levy (CIL) at the higher rate. The Board were advised that there had been support provided to inner city areas and plans would be developed where possible. Assistance would continue to be provided across the City when requested.

5 Scrutiny Board Terms of Reference

The report of the Head of Governance and Scrutiny Support presented the terms of reference for Scrutiny Board (Infrastructure, Investment and Inclusive Growth).

RESOLVED – That the Board's terms of reference be noted.

6 Co-Opted Members

The report of The Head of Governance and Scrutiny Board sought Members' formal consideration of the appointment of Co-opted Members to the Board.

It was reported that the Board had never had Co-opted Members and that there was a preference to call in expert witnesses where necessary.

RESOLVED – That the report be noted.

7 Sources of Work for The Scrutiny Board

To assist the Board in effectively managing its workload for the forthcoming municipal year, the report of the Head of Governance and Scrutiny Support provided information and guidance on potential sources of work and areas of priority within the Board's terms of reference.

The following documents were appended to the report:

- Vision for Scrutiny at Leeds
- Best Council Plan 2019/20 – 2020/21
- Draft Inclusive Growth Strategy
- Extract of Leeds City Council 2018/19 Budget Report
- Request for Scrutiny – Leeds Motorcycle Action Group

The following were in attendance for this item:

- Councillor D Coupar – Executive Member for Communities
- Councillor J Pryor – Executive Member for Learning, Skills and Employment
- Councillor M Rafique – Executive Member for Environment and Active Lifestyles

- Martin Farrington – Director of City Development
- Sue Wynne – Chief Officer, Employment & Skills
- Eve Roodhouse – Chief Officer, Economic Development
- Tim Rollett – Intelligence & Policy Manager, Resources & Housing
- Paul Foster – Transport Planning Manager, City Development
- Tim Hill, Chief Planning Officer

The Chair informed the meeting of ongoing monitoring/work which included the following:

- Inclusive Growth Strategy

- Housing Mix
- Advance Bus Service Provision
- Transport Strategy
- Digital Inclusion
- Sustainable Development
- Information, Advice and Guidance

Further responsibilities of the Board included performance and budget monitoring and the flood alleviation strategy. The Board were also reminded that in 2018/19 it was agreed to incorporate the request for scrutiny from Cllr J Bentley with regard to the transport strategy and the proposals relating to Weetwood.

Further to the Council's declaration of Climate Emergency, it had been proposed to invite the Chair of the Climate Change Advisory Committee to a future meeting to discuss climate change implications in relation to the Boards remit.

With regard to the request for Scrutiny from Leeds Motorcycle Action Group to allow motorcycles to use bus lanes, it was reported that studies had been carried out for potential road safety benefits. The Board were advised that there are examples elsewhere where there had been trials that were subsequently withdrawn. The benefits may be more down to convenience and perception of safety. The Board were also advised about the inconsistencies in approach across West Yorkshire authorities. The Board determined that the request for Scrutiny consideration would be included as a substantive item on a future agenda.

RESOLVED – That the report be noted.

8 Performance Report

The joint report of the Director of City Development, Director of Children and Families, Director of Communities and Environment and Chief Executive provided a summary of 2017/18 performance against the strategic ambitions, outcomes and priorities for the Council relevant to the Board within the Best Council Plan 2018-21. Updates on City Region functions were also provided.

Copies of the City Development Best Council Plan Performance Summaries for 2018/19 and 2019/20 were appended to the report.

The following were in attendance for this item:

- Councillor D Coupar – Executive Member for Communities
- Councillor J Pryor – Executive Member for Learning, Skills and Employment
- Councillor M Rafique – Executive Member for Environment and Active Lifestyles

- Martin Farrington – Director of City Development
- Sue Wynne – Chief Officer, Employment & Skills
- Eve Roodhouse – Chief Officer, Economic Development
- Tim Rollett – Intelligence & Policy Manager, Resources & Housing
- Paul Foster – Transport Planning Manager, City Development
- Tim Hill, Chief Planning Officer

Officers were asked to highlight the key performance indicators relating to the Board. The following was discussed:

- There had been an increase in 13,800 jobs across the City. Employment rates in Leeds were higher than the national average.
- There had been an increase in engineering and manufacturing jobs.
- There had been a decline in new business start-ups but Leeds remained the second largest in the core cities.
- There had been growth in business rates with an increase of £11.8 million.
- There had been a 6.4% growth in visitors to the city.
- There had been an increase in 1.7% of people obtaining level 4 qualifications which was higher than elsewhere in Yorkshire and the Humber.
- Targets for building new homes had been exceeded.
- The target for provision of affordable should be achieved.
- There had been an increase in people killed or seriously injured on roads.
- An increase in the number of journeys using sustainable transport.
- A reduction in the number of commercial and residential properties that were at risk of flooding.

In response to comments and questions relating to the key performance indicators, the following was discussed:

- Job Changes in the Leeds Economy – disappointment regarding the decline in printing and publishing and concern regarding the decline in low carbon industries.
- The employment rate in Leeds was higher than the national average.
- The need to report public sector employment figures in addition to private sector.
- Monitoring of business closures – this was not covered by performance indicators. It was requested that this information be provided to Board Members.
- Conference facilities – there were no formal plans to expand facilities in Leeds. The Conference Leeds would continue to promote Leeds as a conference city.
- Passenger growth at Leeds Bradford Airport and how it linked with the climate change challenge. Reference was made to the increased demand on the road network any expansion would bring. The timeline for consultation was requested relating to access and network development.

- Level 4 qualifications – the figures were only available at city level and not by ward. The figures included those who had attended university in Leeds and remained to live here.
- A six monthly update is provided on the Adult Training Programme.
- Growth in New Homes:
  - Concern regarding sites with planning permission that had not yet been developed.
  - Work was continuing on the council house growth scheme.
  - Development was commencing in the city centre including the old Evening Post site and new student accommodation.
  - Potential for including build out rates in Section 106 agreements.
  - Potential for modular house building.
- Provision of Affordable Housing:
  - Concern regarding right to buy and the continued loss of council housing. The Council is constrained by legislation with regards to this.
  - There had been representations to Government regarding right to buy legislation including the future need to prevent Council Housing being bought and made then made available for private rent.
  - Leeds had been one of the better performing Councils in the country with regard to provision of new homes. The year on year target for affordable homes is on track, but not the element to meet historic shortfall
  - New developments that would be providing affordable housing.
- People Killed or Seriously Injured in Road Traffic Accidents – this would be brought to the Board as a substantive agenda item for a future meeting. A breakdown of figures at ward level was requested. Further discussion included the criteria for safety measures and trialling of dashcam footage.
- Bus Passengers Boarding Buses in Leeds – disappointment that there was a downward trend, however the Board were advised that this trend is now changing for the better. Further discussion included improvements to bus routes on corridors to the city, real time information and the need for affordable ticket systems. The Board resolved to focus on this further when the Boards inquiry into Bus Services is next reviewed.
- Increase in City Centre Travel by Sustainable Transport – improvements to footpaths and cycle routes.

RESOLVED –

(1) The Best Council Plan 2018/19 performance information was noted.
(2) The narrative updates on City Region Functions were noted.
(3) The new Best Council Plan Key Performance Indicators to be reported during 2019/20 were noted.
(4) That the work programme be updated to incorporate areas identified for further focus.

9 Work Schedule

The report of the Head of Governance and Scrutiny Support gave the Board opportunity to consider their work schedule for the forthcoming municipal year.

A draft work schedule was appended to the report.

RESOLVED –

(1) That the work items already reflected within the attached draft work schedule be approved.
(2) That the information presented during today's meeting and the discussion with those present at the meeting be reflected upon to draw up a list of potential areas for Scrutiny for the forthcoming municipal year.
(3) That the Chair and principal Scrutiny Advisor consult with the relevant Directors and Executive Board Members regarding resources in line with the agreed Vision for Scrutiny and report back to the next meeting with a more detailed work programme.

10 Date and Time of Next Meeting

Monday, 31 July 2019 at 10.30 a.m. (Pre-meeting for Board Members at 10.00 a.m.)

Agenda Item 7

Report author: Sandra Pentelow
Tel: 3788655

Report of Head of Democratic Services

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

Date: 31 July 2019

Subject: Leeds Inclusive Growth Strategy 2018 – 2023, One Year On

Are specific electoral wards affected? If yes, name(s) of ward(s):	☐ Yes ☒ No
Has consultation been carried out?	☐ Yes ☒ No
Are there implications for equality and diversity and cohesion and integration?	☐ Yes ☒ No
Will the decision be open for call-in?	☐ Yes ☒ No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	☐ Yes ☒ No

1. Purpose of this report

1.1 At the meeting on the 20 of June 2018, the Scrutiny Board (Infrastructure, Investment and Inclusive Growth) considered how the scrutiny process could influence and shape the implementation of the Leeds Inclusive Growth Strategy. The Board focused on changes in the labour market and how the strategy could support interventions to address skills, pay and progression to benefit those resident in our most deprived areas. It was resolved at this meeting that this would be the Scrutiny Boards main inquiry for the 2018/19 municipal year.

1.2 Following the conclusion of the inquiry the Board agreed its inquiry report on the 10 of April 2019 which specified a number of recommendations. Recommendation 4 of the report states 'To support ongoing accountability, transparency and challenge through formal governance processes, the Director of City Development is requested (a) to provide the annual inclusive growth update report in July 2019 and thereafter as determined by the Scrutiny Board.

2. Best Council Plan Implications

2.1 The Leeds Inclusive Growth Strategy was adopted by Executive Board in June 2018 which was subsequently the focus for a Scrutiny Board inquiry during 2018/19. The Board has committed to provide continued support and challenge throughout 2019/20 regarding the implementation of the strategy and the delivery of its ambitions.

3. Main issues

3.1 The Director of City Development and the Director of Resources and Housing has provided an annual inclusive growth update report in the form of the 'Leeds Inclusive Growth Strategy 2018 – 2023, One Year On' which is due to be considered by Executive Board on the 24 July 2019. This report is appended for the Board's consideration.

3.2 Appropriate senior officers have been invited to the meeting to discuss the attached report and address any issues raised by the Scrutiny Board.

4. Corporate considerations

4.1 Consultation and engagement

4.1.1 The Scrutiny Boards may wish to express views on aspects of the appended report.

4.2 Equality and diversity / cohesion and integration

4.2.1 Leeds Inclusive Growth Strategy 2018 – 2023, One Year On was subject to Equality Impact Assessment where appropriate which is detailed in the papers to Executive Board, 24 July 2019.

4.3 Council policies and the Best Council Plan

4.3.1 The Inclusive Growth Strategy is a core strategy underpinning the Best Council Plan for 2020/21.

Climate Emergency

4.3.2 This is a factual report introducing 'Leeds Inclusive Growth Strategy 2018 – 2023, One Year On'. Specific climate implications are outlined in the appended Executive Board report 24 July 2019.

4.4 Resources, procurement and value for money

4.4.1 All financial implications are detailed in the main body of the Executive Board 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 Scrutiny Board may wish to challenge aspects of risk whilst considering the Leeds Inclusive Growth Strategy 2018 – 2023, One Year On report, and explore how risk would be mitigated.

5. Conclusions

5.1 Details of the Leeds Inclusive Growth Strategy 2018 – 2023, One Year On position has been provided to the Executive Board for its meeting on 24 July 2019 and this report is now appended for the Scrutiny Board's consideration in accordance with the findings outlined in recommendation 4 of the Scrutiny Inquiry report into The Leeds Inclusive Growth Strategy.

6. Recommendation

6.1 That the Scrutiny Board considers the relevant information within the attached Executive Board report and agrees any specific scrutiny actions that may be appropriate.

7. Background documents[1]

7.1 None.

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

This page is intentionally left blank

Leeds CITY COUNCIL

Report author: Fiona Bolam / Gareth Read

Tel: 0113 378 7745

Report of the Director of City Development

Report to Executive Board

Date: 24 July 2019

Subject: Leeds Inclusive Growth Strategy 2018 – 2023, One Year On

Are specific electoral wards affected? If yes, name(s) of ward(s): City wide	☐ Yes	☒ No
Has consultation been carried out?	☒ Yes	☐ No
Are there implications for equality and diversity and cohesion and integration?	☒ Yes	☐ No
Will the decision be open for call-in?	☒ Yes	☐ No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	☐ Yes	☒ No

Summary

1. Main issues

- This paper provides an update to Executive Board on the progress made by the city on delivering Inclusive Growth since publication. Although the strategy is a five year plan an annual update is appropriate to showcase some of the projects being undertaken across Leeds, particularly as the last 12 months has been so productive.
- The One Year On document is appended to this report and sets out our 12 Big Ideas for Inclusive Growth, and under each of these provides some key projects and progress reports. This is not an exhaustive list of everything going on in the city, rather a broad selection ranging from large scale achievements with implications across the region, highlights include securing the new Headquarters of Channel 4, our success in tackling childhood obesity, and working with key Leeds businesses in our Inclusive Anchors programme, to local projects such as new community housing in Chapeltown, digital inclusion workshops and Asset Based Community Development.
- The report also updates some of the data in the Growth Strategy and provides new figures to help quantify all that is being achieved across the city. Inclusive Growth is a relatively new concept and as such requires a new way to measure success. Typically growth is determined through economic activity such as the value of the economy over time, the number of jobs or unemployment. Inclusive Growth rejects the idea that wealth will 'trickle down' the economy in favour of approaches to

stimulating growth that promote fairness, address distributional issues and ultimately reduce inequality.

- The document also highlights the growing need to tackle climate change and reaffirms the council's commitment to this aim following the declaration of a Climate Emergency in April. There are many projects across the city which are helping to reduce our carbon footprint, including our district heating network piping cheap low carbon heat to Council homes, upgrading 92,000 street lamps, insulating homes, improving air quality and a new Clean Air Zone, tackling flooding and moving forward with plans to make Leeds a Hydrogen City.
- A One Year On report will be produced each year to update Executive Board and showcase the great work that communities and citizens of Leeds are doing to deliver Inclusive Growth. To further help deliver our goals, we have formed an Inclusive Growth Deliver Partnership with 12 new Big Idea Ambassadors from across the city. These will meet for the first time this week and will be a valuable asset over the next 12 months and beyond.
- Our work on inclusive growth is beginning to see results, but we are not complacent as there are still significant issues in the city, not least inequality which remains a stubborn problem for many of our communities. Leeds has some of the most disadvantaged wards in the country and these need more support, which will be a focus for the new Ambassadors.

2. Best Council Plan Implications

- The Leeds Inclusive Growth Strategy was adopted by Executive Board in June 2018 and together with the Health and Wellbeing Strategy forms the foundation for the Best Council Plan.

3. Resource Implications

- The measures in this report do not have a direct impact on funding, nor set out a budget. The One Year On report is an overview of many different projects run in the city. The projects which are run in full or in partnership with the council have been assessed for resources and value for money elsewhere.

Recommendations

Executive Board is recommended to:

a) Note the Leeds Inclusive Growth Strategy One Year On report attached as Appendix A, welcome its findings and congratulate all the people involved in delivering projects that benefit Inclusive Growth across the city.

b) Agree to support the new 12 Big Idea Ambassadors and the Inclusive Growth Delivery Partnership.

c) Note that the Director of City Development is the lead officer for the implementation of the Leeds Inclusive Growth Strategy.

1. Purpose of this report

1.1 This report introduces the Leeds Inclusive Growth Strategy One Year On report attached at Appendix A which sets out progress made on the Inclusive Growth agenda over the last 12 months.

2. Background information

2.1 The Leeds Inclusive Growth Strategy 2018 – 2023 provides a framework for how best to deliver growth that is inclusive and benefits all of our citizens and communities. It sets out a series of ideas and actions for growth, as well as broad themes of the Leeds economy and targeted sectors.

2.2 The strategy has been well received by partners and stakeholders, with many making pledges setting out what they will do to help us deliver our aims. Since the publication of the strategy further pledges have been received bringing the total to over 50 and some of these are detailed in the One Year On report, all are published in full at www.leedsgrowthstrategy.com.

2.3 The council is delivering three workshops centred on the three themes in the strategy of People, Place and Productivity. The first of these was held in April under the theme People and attended by 100 partners, it showcased some of the projects underway in the city included the Leeds Ambassadors, our health partners and new approaches to education. Some of these are detailed in the One Year On report. The next event on Productivity will take place in September.

2.4 Executive Board were updated on the Inclusive Growth Delivery Partnership in January, and since then we have advertised for our 12 Big Idea Ambassadors. Following a good response from a high calibre of applicants these have now been selected, with consultation from Members, and the first meeting of the partnership takes place this week co-chaired by the Leader of the Council.

3. Main issues

3.1 The One Year On report is a showcase of some of the great projects taking place across the city. Leeds has many strong communities and the wide variation of projects and events outlined in the report demonstrates just how dynamic and broad the Leeds economy is. It is important to note that the projects in the report are not a comprehensive list, rather a selection of some of the things happening in Leeds. Inclusion does not mean these projects are elevated above other great work happening in our communities.

3.2 A year is a good length of time to take stock of the Inclusive Growth agenda, and whilst it is not a long period for showing economic change (and the economic analysis in the Leeds Inclusive Growth Strategy remains valid) there has been a lot of developments over the last 12 months to showcase. The Inclusive Growth Strategy set out our ambition clearly and rather than repeat this the One Year On report has a clear project focus.

3.3 The structure of the document focusses on the 12 Big Ideas, it provides a short update on the strength of the Leeds economy, and also has a focus on projects being undertaken across the city to address Climate Change. The bulk of the report showcases projects delivering under the three themes of the strategy: People, Place and Productivity, and the following sections highlight some policies, programmes and projects highlighted in the report.

Strengths / Challenges

3.4 A year is a short period of time when looking at the Leeds economy but the most recent data shows that the city is still experiencing growth and is the main driver of the Leeds City Region. Despite this issues with inequality remain and Leeds has some of the most disadvantaged wards in the country. Over 172,000 people in Leeds live in poverty, and in-work poverty continues to rise and now affects over 70,000 people.

3.5 The city has key strengths in financial and business services, advanced manufacturing, health, and creative and digital industries. Leeds has a strong knowledge-rich employment base linked to the city's universities and teaching hospitals which are major innovation assets. Leeds also performs well in terms of business start-ups, with strong growth in digital and medical technologies, telecoms and creative industries. Strong private sector growth since 2010 has maintained the city's employment rate above regional and national averages.

3.6 Leeds has a relatively strong position on most health and social care indicators compared to other Core Cities, and there has been some notable improvements such as smoking reduction and people surviving longer with long term conditions. But there are still issues particularly the stalling of improvements in life expectancy for people living in our deprived areas who continue to have poorer health outcomes and in some cases, in line with national trends, progress has slowed and the gaps have widened.

3.7 Educational attainment remains a challenge, Leeds underperforms against other core cities for Foundation and Key Stage 2, but performance improves for older child at KS4. Worryingly, the attainment gap between children who are on free school meals and those who are not widens throughout their education and the city's performance is generally below comparator areas.

3.8 As with the wider national picture, productivity remains a challenge in the city. A key area for concern is the 'hollowing-out' of skilled and semi-skilled occupations, traditionally in the manufacturing sector, but increasing across a wider range of sectors. Although Leeds produces lots of highly skilled jobs, recent employment and output growth has seen a rise in 'lower productivity' sectors such as consumer-services and this continues to impact on growth and productivity.

3.9 Transport investment is still an issue for the city, as there remains a disparity between funding nationally, for example IPPR North figures show spending of £4,155 per capita planned for London, compared to just £1,600 in the North.

People

<u>Falling Childhood Obesity</u>

3.10 Our approach of linking health and activity is paying dividends. We are the only large city in the UK, and one of a few in Europe, that is reducing childhood obesity rates through interventions such as Henry (Health, Exercise, Nutrition for the Really Young). This programme equips parents with the skills, knowledge and confidence to provide a healthy and active family environment. The programme mainly works with families of children aged between 0 -5, recognising that getting the best start in life is a great way to prevent obesity as children get older. The results are clear, there has been a 6.4% fall in obesity rates in 4-5 year olds in recent years, with the biggest falls recorded in some of the most deprived neighbourhoods, where rates fell nearly 9%.

Age Friendly Leeds

3.11 Leeds has a comparatively young population, but in line with demographic change seen globally, we expect the number of people over 65 to rise by one third over the next 15 years. Our Age Friendly Leeds initiatives enable older people to stay in their homes longer, improving quality of life saving the NHS and council money. We are using technology to help people connect with their neighbours and prevent loneliness. Leeds Beckett University and the council are working with Samsung to develop devices which meet the needs of older people in the city.

Inclusive Anchors programme

3.12 Anchor institutions are big, locally rooted organisations like councils, colleges, universities, hospitals and other big businesses. Together they employ over 48,000 people across the city, spend hundreds of millions of pounds, and deliver vital services. They have a big impact on local communities and economies. Over the past year our Inclusive Anchors Programme has produced many benefits with the core focus on procurement, employment and a healthy workplace.

Place

Asset Based Community Development

3.13 ABCD is a new approach to using assets that are already in communities to inspire and nurture people in a way that recognises and celebrates the uniqueness of neighbourhoods. Local assets could be: a patch of unused land, a neighbour who knows the local baby groups, a local business who is happy to share their office space, a fast-food restaurant where young adults meet or a retired teacher looking to meet new people. The assumption is that, given the tools and the opportunity, small groups of local residents can change the things that they believe need changing in their community better than anyone else.

Chapeltown Community Housing

3.14 This is the UK’s first Housing Infrastructure Fund scheme to start building and demonstrates how the city is able to speedily leverage funding to deliver housing. In partnership with Unity Housing Association the council is redeveloping a brownfield site in the heart of Chapeltown to provide new housing for the elderly, more affordable and community housing. We are awaiting a decision on much larger £55m HIF bid for infrastructure schemes that will support the delivery of 9,000 new homes in the city centre.

Connecting Leeds

3.15 Transport investment continues at pace in the city. Progress in the last 12 months include:

- A programme of bus priority corridors and new park & ride sites that start on site this year
- Continued investment in high quality cycling infrastructure
- Securing £20m funding to pedestrianise parts of the city centre around the Headrow
- Improvements to Leeds Station in the concourse and a new platform to increase capacity

- Beginning construction on the East Leeds Orbital Road, unlocking housing development and improving congestion

Productivity

3.16 100% Digital Leeds

3.17 The challenge:

- 90,000 adults in Leeds don't have essential digital skills
- 50,000 people in Leeds are not online
- 40% of council housing tenants are not online

Our solution is 100% Digital Leeds and the council has invested £1 million to increase the digital confidence, capability and connectivity. Improving digital skills has many benefits, it can help people be better informed, pay less for things, be more employable, feel more independent, be less isolated, and live better, easier, longer lives. Some of the things we've done over the last 12 months include:

- Biggest tablet lending scheme in the country
- 26 community organisations have joined the Online Centres Network
- Digital inclusion grants programme for the third sector
- Over 600 Digital Champions recruited/trained
- Extended free council Wi-Fi to 20 community centres
- Over 2,000 people have registered with the Learn My Way online learning platform and have completed over 12,000 online courses

Nexus

3.18 The University of Leeds opened its £40m state of the art Innovation and Enterprise Centre, Nexus in April, which connects business to world-leading research at Leeds University. It provides a range of innovative services including conducting research for companies, improving business performance by developing new techniques or technologies, de-risking investment in research and innovation, providing access to a portfolio of patented technologies, and access to talent and training programmes. Nexus forms part of the Leeds Innovation District, which is developing at a fast pace as both universities are currently developing their estates and the Leeds General Infirmary realigning its city centre site.

Next Steps

3.19 Whilst we continue to move forward with delivering Inclusive Growth, there is still more to do and we are not complacent to the challenges. The Leeds Inclusive Growth Delivery Partnership has now been formed and will help to continue delivering Inclusive Growth and turn the corner on issues facing the city over the next 12 months.

3.20 The Leeds Inclusive Growth Delivery Partnership will work together to agree the outcomes we are seeking for our themes: people, place and productivity. We have developed a framework of indicators to measure inclusive growth, and will select which are most relevant to tell us when we are turning the curve and achieving our outcomes.

3.21 Measuring our success is important, but establishing a baseline for inclusive growth over this year has proved to be challenging. Identifying and obtaining meaningful data outside the usual standard measures for example,GVA, which doesn't tell us how benefits of economic growth are distributed and employment figures which has a a time lag in the data.

3.22 As there is still no standard framework for measurement of Inclusive Growth, this allows us to create bespoke indicators for Leeds that reflect our economy. Mixing those standard measures, with a range of indicators that tell us more about the lives, health and wellbeing of the people who live and work in Leeds. Several economic consultants and foundations have developed their own versions of measurement focussing on a mix of typical indicators combined with broader, societal goals such as better health, or time for family and friends. Evaluating different models has enabled us the development of our own range of indicators based on the good elements of existing models, the availability and reliability of data. We are working in partnership with Leeds University to create a tool for Leeds that will be proposing is used to set a baseline for this year and can understand progress on Inclusive Growth moving forward.

4. Corporate considerations

4.1 Consultation and engagement

4.1.1 The Leeds Inclusive Growth Strategy was subject to extensive consultation and adopted in June 2018. Since then further partnership work across the city has taken place including the appointment of the 12 Big Idea Ambassadors, this was done with cooperation from Members.

4.1.2 The Leader of Council and Executive Member for Inclusive Growth and Culture has been consulted on the One Year On report.

4.2 Equality and diversity / cohesion and integration

4.2.1 Themes running through this report have an impact on equality and diversity. The Council aims to improve the lives of all its citizens and has a duty to foster good relations between different groups in the community. The Inclusive Growth Strategy encourages inclusive growth, aiming to ensure that the benefits of a prosperous economy impact on all Leeds citizens, this includes supporting young people, people with disabilities and those suffering from mental health issues.

4.2.2 An Equality Diversity, Cohesion and Integration screening has been undertaken to assess the impact of this report on equality and diversity and is attached as an Appendix.

4.3 Council policies and the Best Council Plan

4.3.1 The Inclusive Growth Strategy is a core strategy underpinning Leeds City Council policies. Inclusive Growth is also a key driver of the Best Council Plan for 2020/21.

<u>Climate Emergency</u>

4.3.2 The One Year On report has a section on Climate Change and showcases some of the many projects across the city which are helping to reduce our carbon footprint, including our district heating network which pipes cheap low carbon heat to some Council homes, upgrading 92,000 street lamps, insulating homes, improving air quality and a new Clean Air Zone, tackling flooding and moving forward with plans to make Leeds a Hydrogen City. It reaffirms the council's commitment following the declaration of a Climate Emergency in March.

4.3.3 The Climate Emergency requires a renewed focus on promoting active travel, sustainable development, reducing waste and supporting biodiversity as our local economy continues to grow.

4.4 Resources, procurement and value for money

4.4.1 The measures in this report do not have a direct impact on funding, nor set out a budget. The One Year On report is an overview of many different projects run in the city. The projects which are run in full or in partnership with the council have been assessed for resources and value for money separately.

4.5 Legal implications, access to information, and call-in

4.5.1 There are no legal implications arising from the recommendations in this report..

4.5.2 This report is eligible for Call-In.

4.6 Risk management

4.6.1 There is always a risk to the Leeds economy through both policies and external pressures. The Council recognises that growing the economy has positive benefits to the city.

4.6.2 Specific financial risks, including fraud, and risks in relation to safeguarding, business continuity and information governance are not considered to be impacted by the recommendations in this report.

5. Conclusions

5.1 This report presents an update on the Leeds Inclusive Growth Strategy 2018 – 2023 for Members. The One Year On report sets out a series of projects that have helped the city achieve its aim on delivering Inclusive Growth for the benefits of all our citizens.

6. Recommendations

6.1 Executive Board is recommended to:

a) Note the Leeds Inclusive Growth Strategy One Year On report attached as Appendix A, welcome its findings and congratulate all the people involved in delivering projects that benefit Inclusive Growth across the city.

b) Agree to support the new 12 Big Idea Ambassadors and the Inclusive Growth Delivery Partnership.

c) Note that the Director of City Development is the lead officer for the implementation of the Leeds Inclusive Growth Strategy.

7. Background documents[1]

7.1 None

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

This page is intentionally left blank

LEEDS INCLUSIVE GROWTH STRATEGY

ONE YEAR ON

Leeds
CITY COUNCIL

For enquiries: ***growth.strategy@leeds.gov.uk***
More information is available at ***www.leedsgrowthstrategy.com***

TWELVE **BIG** IDEAS

These act as an action plan to encourage inclusive growth in the city. Our big ideas are focused on supporting **PEOPLE**, **PLACE** and **PRODUCTIVITY**.

- BEST CITY FOR HEALTH AND WELLBEING
- PUTTING CHILDREN AT THE HEART OF THE GROWTH STRATEGY
- EMPLOYERS AND PEOPLE AT THE CENTRE OF THE EDUCATION AND SKILLS SYSTEM
- WORKING TOGETHER TO CREATE BETTER JOBS, TACKLING LOW PAY AND BOOSTING PRODUCTIVITY
- SUPPORTING PLACES AND COMMUNITIES TO RESPOND TO ECONOMIC CHANGE
- DOUBLING THE SIZE OF THE CITY CENTRE
- BUILDING A FEDERAL ECONOMY - CREATING JOBS CLOSE TO COMMUNITIES
- 21ST CENTURY INFRASTRUCTURE
- LEEDS AS A DIGITAL CITY
- BACKING INNOVATORS AND ENTREPRENEURS IN BUSINESS AND SOCIAL ENTERPRISES
- PROMOTING LEEDS AND YORKSHIRE
- MAXIMISING THE ECONOMIC BENEFITS OF CULTURE

Page 24

1. FOREWORD

The past year has been full of positives for Leeds. We have had some great successes, including being selected as the home of the new national headquarters for Channel 4, being the only city with an Outstanding Ofsted rating for Children's Services, and the only UK city seeing a decline in childhood obesity, particularly in our least well off areas. These achievements are the result of deliberate local policies, and examples of real achievements in our determination to deliver Inclusive Growth.

We have had many successes, but there is still much more to do. Tackling inequality remains our top priority in Leeds and we are determined to do more to help our most disadvantaged neighbourhoods, from improving education for our young people right up to meeting the social care challenge of our ageing population.

Earlier in the year Leeds declared a Climate Emergency, and I am making this one of our priorities as a council. At the latest meeting of the Local Government Association I was proud to second a motion to adopt the UN Sustainable Development Goals and to support our declaration of a Climate Emergency, as councils come together to focus on this issue at the national stage. Local authorities can't do this on our own and we are dependent on national government making significant policy changes, however, we are committed to continue to do all we can at a local level. Our focus for Leeds is now centred on Three Pillars, delivering Inclusive Growth, improving the Health and Wellbeing of all our citizens, and tackling Climate Change.

Northern cities like Leeds have faced decades of chronic under investment as a disproportionate amount of funding has been directed to London and the South East. Rebalancing the national economy therefore remains a huge priority and we are working closely with our neighbouring towns and cities to make the case for change. Our cities and regions are drivers of growth, as well as hubs for international trade and centres of innovation and local people know what is best for their communities.

Our Leeds Inclusive Growth Strategy sets out our strong ambitions to ensure all our citizens are able to reach their full potential and benefit from the prosperity of a growing city. We are committed to working more closely with partners and I am grateful that more have pledged to support our strategy and the people of Leeds over the past year.

Councillor Blake,
Leader, Leeds City Council

2. INTRODUCTION

Since the publication of the Leeds Inclusive Growth Strategy in June 2018 there has been a continued push throughout the city to create a strong economy set within a compassionate city.

The Strategy sets out clear policies for the city that aim to deliver Inclusive Growth. Rather than being a more conventional economic plan, our approach seeks to ensure that the benefits of prosperity and growth reach all our communities and citizens. This means tackling inequalities across the city, raising skill levels, creating more and better jobs, improving health and wellbeing, focussing on our communities, embracing the digital revolution, supporting innovators and entrepreneurs, and harnessing the economic benefits of all sectors.

This report does not revisit the aims of the Strategy, instead it will focus on examples of what has been achieved over the last 12 months against each of our Big Ideas. A series of projects are outlined that showcase the diverse work our communities are engaged with.

The report is not an exhaustive list of everything happening in the city, rather it is a selection of projects that highlight different parts of our economy. Some are council driven, others are in partnership with stakeholders, and many are being delivered by external stakeholders and businesses.

CASE STUDY

GIRLTECHLCR 2019

#GIRLTECHLCR is an annual Leeds Digital Festival event from Ahead Partnership. This interactive 'tech for girls' event aims to better educate young women about career paths in digital.

This year it was hosted by thebigword and Leeds City Council for Year 9 pupils across five Leeds schools. It included 18 of the region's brightest tech employers and a guest panel of female role models.

Following the event there was a 44% uplift in the number of female students saying they would consider a career in digital/tech after taking part, and 100% said it increased their understanding of how to get into different careers.

3. LEEDS ECONOMY

A year is a short period of time when looking at the Leeds economy but the most recent data shows that the city is still experiencing growth and is the main driver of the Leeds City Region. We have key strengths in financial and business services, advanced manufacturing, health, and creative and digital industries. Leeds has a strong knowledge-rich employment base linked to the city's universities and teaching hospitals which are major innovation assets. Leeds also performs well in terms of business start-ups, with strong growth in digital and medical technologies, telecoms and creative industries. Strong private sector growth since 2010 has maintained the city's employment rate above average for the region.

Leeds continues to buck the trend in Foreign Direct Investment, this has been a real success story for the city in recent years. According to this year's EY Attractiveness Survey, while FDI projects in the UK's 11 Core Cities outside of London fell by 10% overall in 2018, Leeds had a strong year with 21 new projects, a rise of 11%. This makes Leeds the third best performing UK city outside of London, up from fifth in the previous year.

Development is also strong, with over 1000 more homes built in 2018 than 2017. There were 21 major commercial developments started in 2018, the highest numbers since before the crash in 2008. Leeds also saw the highest amount of health and education space under construction and the second highest number of office development on record.

In the Strategy we published some independent economic forecasts outlining GVA growth (the measure of the value of goods and services produced in Leeds) and additional job creation. The economy is edging towards the high scenarios for both indicators demonstrating the fundamental strength of our broad based economy, our strong and dynamic workforce, and our innovative and resilient companies.

450,000
PEOPLE WORK IN LEEDS

75%
IN THE PRIVATE SECTOR

77%
OF WORKING AGE POPULATION IN WORK

EARNINGS IN LEEDS ARE
ABOVE
REGIONAL AVERAGE

Page 29

Leeds has a relatively strong position on most health and social care indicators compared to other Core Cities, and there has been some notable improvements such as smoking reduction and people surviving longer with long term conditions. But there are still issues particularly the stalling of improvements in life expectancy for people living in our disadvantaged areas who continue to have poorer health outcomes and in some cases, in line with national trends, progress has slowed and the gaps have widened.

Educational attainment remains a challenge, Leeds underperforms against other core cities for Foundation and Key Stage 2, but performance improves for older children at KS4. Worryingly, the attainment gap between children who are on free school meals and those who are not widens throughout their education and the city's performance is generally below comparator areas.

As with the wider national picture, productivity remains a challenge in the city. A key area for concern is the 'hollowing-out' of skilled and semi-skilled occupations, traditionally in the manufacturing sector, but increasing across a wider range of sectors. Although Leeds produces lots of highly skilled jobs, recent employment and output growth has seen a rise in 'lower productivity' sectors such as consumer-services and this continues to impact on growth and productivity.

The next 12 months will see even more change to the city, as Brexit continues to create uncertainty in the economy. Whilst Foreign Investment is a real success story for the city, 40% came from Europe last year, and looking at our exports, eight of the top ten of West Yorkshire's largest trade partners are in Europe. In terms of labour Leeds is not as reliant as other areas of the UK on overseas workers, but this labour still makes up 12% of our workforce and there is heavy reliance on overseas workers in certain sectors. The overall impact of Brexit very much depends on the government's future economic policy but we are working closely with partners across the region to plan responsibly to mitigate impacts and harness any opportunities.

PLEDGEUPDATE:

Leeds city college

The College has doubled the amount of students they have supported to find apprenticeships.

The number of students offered traineeships has increased significantly.

As of May 2019, 229 students were matched to industry placements through the T-Level Capacity Fund, exceeding the target number of 208.

The College is developing 'I'M in GREEN' to support environmental sustainability and there has been cross college engagement in a range of activities around it.

172,000

PEOPLE LIVE IN RELATIVE POVERTY

20%

OF CHILDREN LIVE IN POVERTY, COMPARED WITH

17%

NATIONALLY

IN-WORK POVERTY IS GROWING AT OVER

70,000

There remains a disparity between funding nationally, for example in transport investment IPPR North figures show spending of £4,155 per capita planned for London, compared to just £1,600 in the North.

4. TACKLING CLIMATE CHANGE

Climate Change provides one of the greatest challenges to humanity today, having detrimental impacts on both society and the environment internationally, nationally and locally. In March the Council declared a "Climate Emergency". Bradford, Calderdale, Kirklees and others have also done so highlighting an increase in activity across the Leeds City Region and the rest of the country.

The independent Leeds Climate Commission has developed science-based carbon reduction targets that are based on Leeds's per capita 'share' of the global carbon budget. These five yearly targets are accompanied by an emission reduction roadmap for Leeds that shows the extent of action that will need to be taken across all sectors.

Page 30

Leeds has achieved a reduction of 43% in emissions from its 2005 baseline, largely as a result of decarbonisation of the electricity grid. The Leeds Climate Commission advised that to stay within our carbon budget we must achieve a further reduction of 27% by 2025 and an additional 15% by 2030, equating to an overall reduction of 85% from our 2005 baseline.

Although the threats are very real, a shift to a zero carbon economy provides real opportunities for new growing sectors and the chance to improve quality of life. It is estimated that Leeds could save £277m a year if it exploited cost-effective opportunities for energy efficiency and low carbon development. Some examples of recent progress include:

- Our district heating network is now piping cheap low carbon heat to Council homes, a waste product from the Recycling and Energy Recovery Facility: We have converted 1,440 flats from electric storage heaters to district heating, with connection of a further 543 flats that are on existing gas fired district heating systems.
- Over 92,000 street lamps are being upgraded to LED saving nearly 9000 tonnes of carbon each year
- Our council vehicles are switching to electricity and the Council now runs one of the largest low emission vehicle fleets in the country
- Our Warm for Wellbeing and Warmer Homes fund are saving people money on their bills and increasing fuel efficiency

But we are aiming to take this further, and Leeds is supporting Northern Gas Networks H21 project under which it would be one of the first cities in the UK to convert its gas grid to hydrogen as part of a transformation of the north's energy system and what Northern Gas Networks state is "the world's largest CO2 emission reduction project, preventing 12.5 million tonnes of CO2 being emitted into the atmosphere each year".

Plans for the second phase of the Flood Alleviation Scheme include the planting of up to two million trees along the river to reduce water run-off. That would mean an additional 2.5 trees for every man, woman and child in Leeds.

Page 31

TACKLING CLIMATE CHANGE HAS ECONOMIC BENEFITS

We forecast that Leeds could save £277m a year by 2030 by exploiting the following options across the city.

TRANSPORT COSTS IN THE CITY COULD BE REDUCED BY

£150 MILLION

HOUSEHOLD ENERGY BILLS ACROSS THE CITY COULD BE CUT BY

£81 MILLION

RUNNING COSTS FOR SCHOOLS, HOSPITALS, OFFICES ETC COULD BE CUT BY

£31 MILLION

BUSINESS OPERATING COSTS COULD BE REDUCED BY

£14 MILLION

PLEDGE:

First Bus

We pledge to ensure new vehicles are fitted with the latest low emission engines to reduce harmful emissions and thereby improving air quality whilst working with partners to encourage modal shift from cars to public transport, cycling and walking

1

BEST CITY FOR HEALTH AND WELLBEING

- Working in partnership to improve the health of the poorest the fastest
- Building on our strength as a leader of health innovation by further developing our workforce and attracting new skilled jobs in growing sectors such as digital and medtech
- Supporting healthy, active lifestyles to enable people of all ages to fully realise their social, educational and economic potential
- Working with schools, colleges and universities to open up opportunities for our residents to develop their skills and promote social mobility
- Enabling more people to manage their health in the community and workplace, working with people to promote prevention and self-management

Page 32

Health and Wellbeing Strategy

In Leeds, our Health and Wellbeing Strategy is having a big impact on people's physical and mental health. Leeds is a pioneer of health and care integration, putting the person at the heart of the system. We are increasingly known for building on the assets and strengths of people and communities and shifting resources to support healthy and active lives for people of all ages. These two approaches are working together as we develop a new model of integrated care tailored to the needs of our neighbourhoods: Local Care Partnerships.

Falling Childhood Obesity

Our approach of linking health and activity is paying dividends. We are the only large city in the UK, and one of a few in Europe, that is reducing childhood obesity rates through interventions such as Henry (Health, Exercise, Nutrition for the Really Young). This programme equips parents with the skills, knowledge and confidence to provide a healthy and active family environment. The programme mainly works with families of children aged between 0 -5, recognising that getting the best start in life is a great way to prevent obesity as children get older. The results are clear, there has been a 6.4% fall in obesity rates in 4-5 year olds in recent years, with the biggest falls recorded in some of the most deprived neighbourhoods, where rates fell nearly 9%.

Leeds Care Record

The ground-breaking Leeds Care Record allows us to join up our data connecting 2 million patient records. We are now using our learning to work with colleagues across Yorkshire and Humber to develop a regional shared care record. We are working with digital health organisations such as mHabitat, Samsung, and NHS Digital to develop our 100% digital approach and design solutions which empower people to take control of their own health, including apps to enable people to manage their own conditions such as diabetes.

Leeds Health and Care Academy

The Leeds Health and Care Academy is beginning to transform the culture, capacity and capability of our health and care workforce. It is the first of its kind and is designed to radically change learning and development for the 57,000 strong healthcare workforce in Leeds. It recently hosted its first Jobs Fair in May 2019 and is raising aspirations and promoting social mobility in priority neighbourhoods, to ensure the health and care workforce better reflects the diversity of the city.

160
MED-TECH AND DIGITAL HEALTH BUSINESSES

57,000
STRONG HEALTHCARE WORKFORCE

6.4%
FALL IN OBESITY RATES IN 4-5 YEAR OLDS IN RECENT YEARS

50
NEW PHD RESEARCHERS AT THE UNIVERSITY OF LEEDS TO UNLOCK THE POTENTIAL OF ARTIFICIAL INTELLIGENCE (AI) IN MEDICAL DIAGNOSIS AND CARE

Age Friendly Leeds

Leeds has a comparatively young population, but in line with demographic change seen globally, we expect the number of people over 65 to rise by one third over the next 15 years. Our Age Friendly Leeds initiatives enable older people to stay in their homes longer, improving quality of life saving the NHS and council money. We are using technology to help people connect with their neighbours and prevent loneliness. Leeds Beckett University and the council are working with Samsung to develop devices which meet the needs of older people in the city.

Our partnership with Leeds on ACTIVAGE, a European Union funded pilot led by Samsung, aims to reduce social isolation through using the latest Smart Internet of Things technology to monitor falls and vital statistics, so older people can live independently, safely in their homes and communities for longer

Kit Lam - Samsung
European Head of Innovation

Page 34

2

PUTTING CHILDREN AT THE HEART OF THE GROWTH STRATEGY

- Strengthening the role of schools and developing students to contribute to the economy to their full potential, including getting them ready for the world of work, improving careers advice and business engagement in schools
- Reducing disparity in educational attainment and raising standards
- Extending Early Years provision, linking this to supporting more parents to get into work or to progress into better jobs

"3 As" Strategy - Attendance, Attainment and Achievement

Launched in September 2018, 3As is based upon three principles - that children, young people and parents play a key role in the development of the projects, that it is a partnership approach, and a need to change organisations and structures.
One of the core aspects of this strategy is to equip frontline non educational professionals with the skills and knowledge to emphasise the importance of good educational outcomes within their interactions with young people and families.

Leading the way in Children's Social Care Services

Leeds Children's Social Care services was rated 'outstanding' by Ofsted following an inspection in November, making it the only core city in the country to achieve this under the current framework. Despite the council having experienced cuts year on year to its government grants Leeds has managed to continue improving its services, being at the forefront of innovation within children's social care, supporting children in need of help and protection, children in care and care leavers. Inspectors described the council as 'ambitious for its children, encourages children to realise their potential and celebrates their achievements.' They commended the progress made in delivering Child Friendly Leeds.

50 Things to do before you're five

50 Things Leeds is a free app and further resources that promote local low and no cost fun ideas and activities for families with young children, supporting language and literacy development and encouraging confidence and achievement. Built on a strong evidence base, 50 Things helps children access a range of life experiences at a young age. This aims to support children to begin school well prepared and in a strong position to learn. It is revolutionising the way that we interact with our city's youngest children and their families.

What we've done over the past year:

1,600

TICKETS GIVEN TO DISADVANTAGED CHILDREN IN LEEDS SO THEY CAN ENJOY **THE CRICKET WORLD CUP 2019, SHOWS AT THE FIRST DIRECT ARENA, ICE SKATING AT MILLENNIUM SQUARE** AND MANY MORE

VOICE AND INFLUENCE OF CHILDREN AND YOUNG PEOPLE ENABLED OVER

32,000

CHILDREN AND YOUNG PEOPLE TO VOTE IN ELECTIONS AND BALLOTS

15TH LEEDS CHILDREN'S MAYOR ELECTIONS WITH

51

SCHOOLS ENTERING AND

7,770

CHILDREN AND YOUNG PEOPLE VOTING

OVER

750

BUSINESSES, ORGANISATIONS AND INDIVIDUALS HAVE JOINED OUR CAMPAIGN

CASE STUDY

Work experience for our children with special educational needs

With support from the Council students from six specialist inclusive learning centres have been working together to set up a pop-up shops. The first was based in Kirkgate Market in the run up to Christmas and this was so successful it has been repeated this July, in the St John's Centre. Students have been meeting on a regular basis to make all the key decisions about the pop-up shop, and all items sold have been handcrafted by students. The Compass House project provides students with valuable and meaningful work experience as part of developing a curriculum for life.

Page 35

3

EMPLOYERS AND PEOPLE AT THE CENTRE OF THE EDUCATION AND SKILLS SYSTEM

- Bringing employers and education providers together to develop and commission education and training to meet employers' needs and economic priorities
- Supporting our current and future workforce to be resilient to economic change
- Tackling the skills gap at all levels

Working with employers to develop the best courses for Leeds students

Leeds Trinity University has developed a new Computer Science degree working with local employers, this was co-designed and delivered within 18 months and is now in its first year of teaching. Working directly with employers allows the course to be modified to keep up with the fast pace of the tech sector, allowing not only the best academic teaching but also training in soft skills important to tech employers, such as Sky and PWC. Following the success of working with these innovative companies, Trinity expanded their partnership and now offers all second year students a module in digital skills.

Degree Apprenticeships

These allow employers to benefit from the apprenticeship levy introduced in April 2017 and 30% of students at Leeds Trinity University are now apprenticeships. This includes three hundred new police officers recruited by West Yorkshire Police under a new training pathway. The trainees will be educated and mentored by experienced police officers at West Yorkshire Police's Learning and Development Centre and will complete a Police Constable Degree Apprenticeship at Leeds Trinity in Horsforth.

Ambition Leeds

Last October a new £500,000 training academy for the region's top retail and hospitality talent launched in Leeds. This is a joint project between Leeds BID, Leeds City Council and Landsec, in direct response to demand from retailers who are looking for skilled recruits to join their workforce. It provides bespoke training delivered under one roof by some of the region's most respected education partners. In its first three months the academy supported over 250 businesses and 500 individuals with a wide range of skills to improve the sector.

What we've done over the past year:

HELPED OVER
5,000
PEOPLE INTO WORK AND OVER
7,000
ADULTS IMPROVE THEIR SKILLS
8 IN 10
FROM OUR MOST DISADVANTAGED COMMUNITIES

395
BUSINESS SUPPORTED

APPRENTICESHIP HUB SUPPORTED OVER
10,000
YOUNG PEOPLE

LEEDS APPRENTICESHIP RECRUITMENT FAIR HAD A RECORD ATTENDANCE OF OVER
6,000
PEOPLE

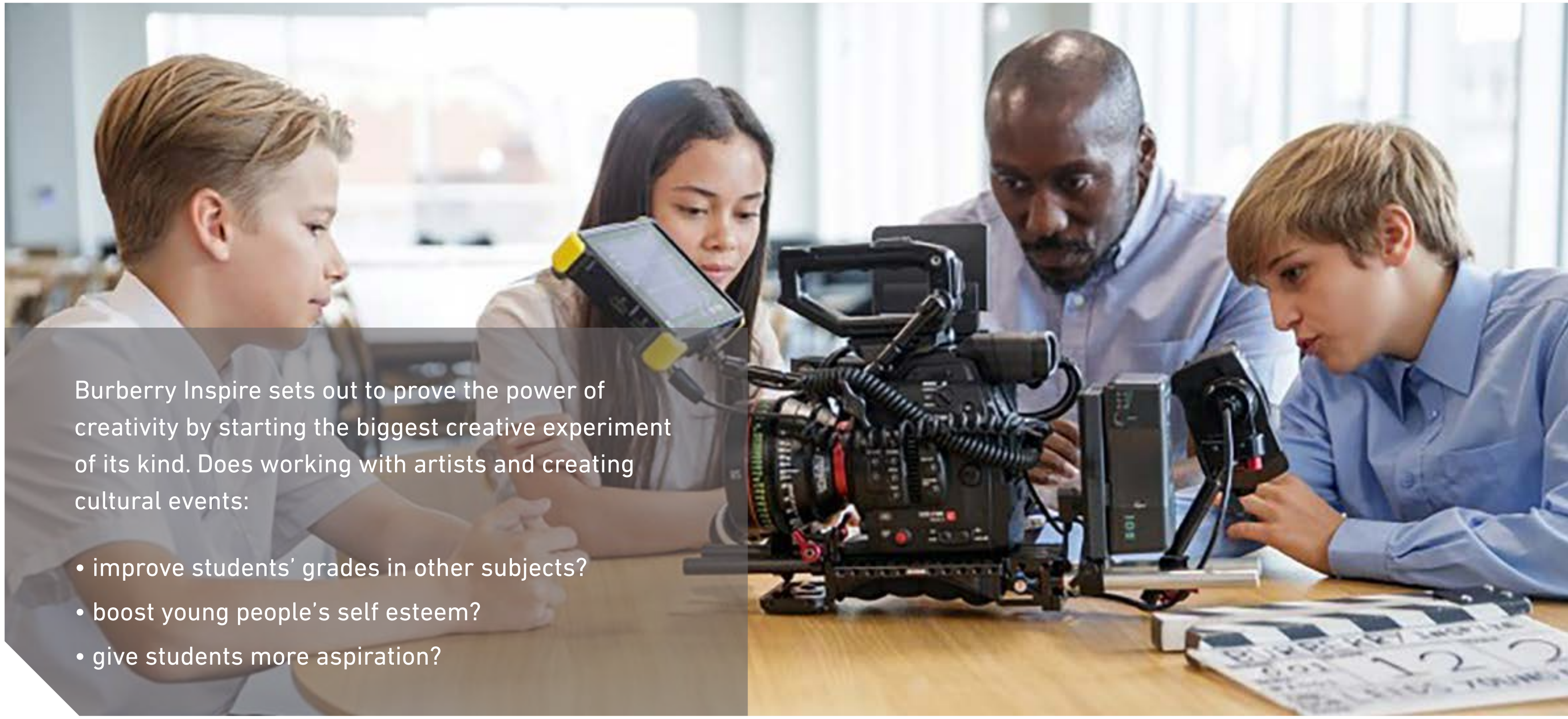
600
LEEDS CITY COUNCIL APPRENTICESHIPS

CASE STUDY

Burberry Foundation

The 'Burberry Inspire' programme gives Key Stage 3 students wide-ranging, hands-on experience in different areas of the creative arts. It is being delivered to various Leeds schools and is run by local creative powerhouses across theatre, film, dance and art: Leeds Playhouse, Leeds Young Film, Northern Ballet and The Hepworth in Wakefield. Young people will benefit hugely from access to the essential and transferable skills that these cultural organisations can offer, and the impact on their personal and academic development will be measured by the Policy Institute at King's College London.

Page 37



Burberry Inspire sets out to prove the power of creativity by starting the biggest creative experiment of its kind. Does working with artists and creating cultural events:

- improve students' grades in other subjects?
- boost young people's self esteem?
- give students more aspiration?

Page 38

4

WORKING TOGETHER TO CREATE BETTER JOBS, TACKLING LOW PAY AND BOOSTING PRODUCTIVITY

- Encouraging employers to pay the Real Living Wage
- Initiatives to support firms and people to improve their skills and progress into better jobs
- Continued investment in small scale productivity gains in SMEs
- Developing a strategic approach to corporate responsibility and procurement
- Securing specific commitments from organisations within the city to support inclusive growth and promote the city

New commitment to delivering Inclusive Growth across the region

As part of the West Yorkshire Combined Authority (WYCA) and Leeds City Region Enterprise Partnership's (LEP) commitment to deliver inclusive growth, from now on, businesses who receive a grant of over £50,000 will be expected to make additional commitments. Examples could include: apprenticeship schemes, offering training to low paid staff to help them progress, offering work opportunities to local people with disabilities or health issues, a supply chain audit to identify opportunities to buy more from local suppliers, or a commitment to paying the Real Living Wage within an agreed timescale.

Inclusive Anchors Programme

Anchor institutions are big, locally rooted organisations like councils, colleges, universities, hospitals and other big businesses. Together they employ over 48,000 people across the city, spend hundreds of millions of pounds, and deliver vital services. They have a big impact on local communities and economies. Over the past year our Inclusive Anchors Programme has produced many benefits with the core focus on procurement, employment and a healthy workplace.

Supporting business and individuals in leeds and the wider region

What we've done over the past year:

BUSINESS GROWTH PROGRAMME DELIVERED OVER

£9 MILLION

GRANT FUNDING TO

212

LEEDS BUSINESSES RESULTING IN

1,092

JOBS

AD:VENTURE PROVIDED SUPPORT TO

824

LEEDS BUSINESSES INCLUDING GRANT SUPPORT TO

57

BUSINESSES, WHICH CREATED

125

ADDITIONAL JOBS

DIGITAL ENTERPRISE PROVIDED NEARLY

£1.5 MILLION

OF GRANT FUNDING TO

307

LEEDS BASED BUSINESSES, RESULTING IN

107

ADDITIONAL JOBS

CASE STUDY

Inclusive Anchors – Some of our projects

Leeds Teaching Hospitals Trust - Employability Programme

This initiative aims to provide more job opportunities to people in disadvantaged communities. St James Hospital is a good example as it is surrounded by some of the city's priority neighbourhoods. This year a series of outreach activities have taken place including promoting vacancies at the hospital, information sessions and skills assessments in adjacent neighbourhoods. So far 174 local residents have been supported to take up training and employability courses tailored to support them at upcoming NHS assessment days to access living wage jobs at the hospital.

New ways of working with communities

As an inclusive anchor, one of the ways Leeds Beckett University supports local communities is through offering student co-designed architectural services. This helps local communities access expert skills, which may otherwise prove unaffordable. The New Wortley Community Centre was its first major commission, believed to be the largest student co-designed architecture project built in the UK. Completed in 2018, the new centre plays a pivotal role in the community, has brought with it a raft of benefits including job shops, IT and skills classes, back-to-work volunteering opportunities, and health and wellbeing classes and drug rehabilitation.

Procurement

The Council is working with the Centre for Local Economic Studies to study the procurement practises of our Anchor Institutions. We analysed six of our Institutions spending from their top 1,800 suppliers, totalling over £1.1 billion. Our research shows that at least 50p in every pound leaks out of the local economy but if we could shift around 10% of the Anchors total spending to suppliers in the city, this could result in an additional £150 -200 million circulating in the local economy each year. We are now using this information to work with our Anchors to create further opportunities for local suppliers, provide good quality jobs and community benefits through procurement.

LOCAL ANCHORS PROCUREMENT SPEND

48%

WITH LEEDS SUPPLIERS

33%

WITH ORGANISATIONS BASED IN OR WITH A BRANCH IN THE

20%

MOST DISADVANTAGED AREAS IN LEEDS

40%

IS SPENT WITH SME'S

New Wortley Community Centre - Designed with support from our Anchors.

Their ex-offenders programme has dramatically reduced the local re-offending rate, from a 34% national average to 5% for the 150 people who took part.

5

SUPPORTING PLACES AND COMMUNITIES TO RESPOND TO ECONOMIC CHANGE

- Targeting investment and intervention to tackle poverty in priority neighbourhoods
- Improving housing and quality of place in locations of change to tackle poverty and support growth
- Building more homes
- Transforming the role of town centres as economic and service hubs
- Making assets work to support growth and communities

Page 40

More Council Housing

Changes to government regulations announced in October 2018 enable the council to begin a more ambitious programme of housebuilding. During the last year 71 new council homes were built across three sites at Bramley, Beeston and Whinmoor. The council currently has a further 430 new homes at various stages of the design, planning and development. In addition to this we have identified sites for around 800 new council homes, including extra care housing for older people and we are making significant progress against our target of 1,500 new homes over the next 5 years.

Community Asset Transfers

The success of transferring assets to communities, such as Bramley Baths in 2013, has led to more communities taking control of local buildings. Last year Yeadon Town Hall was transferred to the community, where a consortium of local people now operate the space, retaining the existing facilities whilst increasing use of the theatre and delivering their own productions. Enabling communities to control their local assets can result in increased usage, a sense of ownership and pride, more innovative ways to generate income, the potential for external funding unavailable to the council, and delivers on our Inclusive Growth ambitions. Other examples include Pudsey Cemetery Chapels, Meanwood and Kentmere Community Centres.

Chapeltown Community Housing

This is the UK's first scheme to start building from the government's Housing Infrastructure Fund and demonstrates how the city is able to speedily leverage funding to deliver housing. In partnership with Unity Housing Association the council is redeveloping a brownfield site in the heart of Chapeltown to provide new housing for the elderly, more affordable and community housing. We are awaiting a decision on a much larger £55m HIF bid for infrastructure schemes that will support the delivery of 9,000 new homes in the city centre.

More Affordable Homes

We have worked closely with The Guinness Partnership to deliver more affordable housing. The Partnership recently purchased a site at Leeds Dock, part of the funding was granted by Homes England ensuring that at least 35% of the homes built on site are affordable.

3,430

NEW HOMES BUILT INCLUDING

433

AFFORDABLE HOMES

1500

NEW COUNCIL HOMES OVER THE NEXT 5 YEARS

Page 41

CASE STUDY

ABCD

Asset Based Community Development is a new approach to using assets that are already in communities to inspire and nurture people in a way that recognises and celebrates the uniqueness of neighbourhoods. Local assets could be: a patch of unused land, a neighbour who knows the local baby groups, a local business who is happy to share their office space, a fast-food restaurant where young adults meet or a retired teacher looking to meet new people. The assumption is that, given the tools and the opportunity, small groups of local residents can change the things that they believe need changing in their community better than anyone else.

ABCD is relatively cheap to set up and has been successfully piloted in three neighbourhoods in Seacroft, Armley and Chapeltown and we are expanding this work to 11 neighbourhoods, with a long term vision to cover the whole city, which could be in the region of around 50 - 60 neighbourhoods. There is growing interest in ABCD and its health, wellbeing and wider community benefits across the Local Authority as well as applying the principles within community healthcare services and increasing support for the approach from GP practices within the emerging Local Care Partnerships.

ABCD Vision For Leeds

For everyone in Leeds, including those with care and support needs, to have the opportunity to contribute to, be valued by, and be involved with where they live. For communities to recognise their assets, forge strong connections with one another and feel able to make the changes they want to see.

ABCD in action - an example:

Kirsty's Mum was worried about her because she was only managing to take her son with high support needs to school, go home and get into bed until it was time to pick him up from school again in the afternoon. Her Mum was convinced that Kirsty had more to offer and introduced her to the Community Builder. After a chat the Community Builder found out that Kirsty knew Makaton, a basic sign language. Kirsty was supported to run an 8-week course at the community centre so others could learn this important skill. Leading this course build up Kirsty's confidence considerably. Since then Kirsty identified her love of acting and joined a community drama group. Last summer Kirsty auditioned for and was awarded the lead role at Leeds Playhouse's 'Searching for the Heart of Leeds' play.

Page 42

6

DOUBLING THE SIZE OF THE CITY CENTRE

- Delivering new jobs, homes, a new city park and a revitalised waterfront in the South Bank, as one of the most significant regeneration projects in Europe
- Creating an Innovation District around the universities and hospital
- Rebuilding Leeds Station, the busiest transport hub in the north, including HS2 and Northern Powerhouse Rail
- Supporting development and regeneration of Quarry Hill, Eastgate, and the West End
- Connecting people to jobs by improving links between the city centre and surrounding communities

The city centre is experiencing development at an unprecedented rate, and this is forecast to continue including at Quarry Hill, Leeds Dock, Wellington Street and the Innovation District. HS2 will spark a catalyst for even more opportunities throughout the South Bank including a new city park.

Climate Innovation District

The ‘Climate Innovation District’ is providing new family housing in the city centre, these ‘passivhaus’ houses set new benchmarks in sustainability in housing design and delivery, alongside significant new pedestrian and cycling infrastructure including a new bridge over the Rive Aire.

First White Cloth Hall

Work has started on site at the First White Cloth Hall, first opened in 1711, this grade II* heritage asset is one of the most significant historic buildings in the city. As part of this development, a number of heritage skills events have been delivered which provide traditional skills training to counter the gradual reduction of these skills so vital to the proper maintenance of our traditional building stock, thus providing important upskilling opportunities.

Our Spaces Strategy

We want to create a city centre that looks as good as it feels, whilst representing the wonderfully diverse culture, heritage and communities within Leeds. Our spaces are important because they celebrate identity, promote culture and diversity, build resilience and support growth. Plans for major transformations and redevelopment of public spaces in Leeds for the next decade have been launched through the Leeds Our Spaces Strategy.

Page 43

Connecting Leeds

Progress in the last 12 months includes:

- A programme of bus priority corridors and new park & ride sites that start on site this year
- Continued investment in high quality cycling infrastructure
- Securing £20m funding to pedestrianise parts of the city centre around the Headrow
- Improvements to Leeds Station in the concourse and a new platform to increase capacity
- Beginning construction on the East Leeds Orbital Road, unlocking housing development and improving congestion

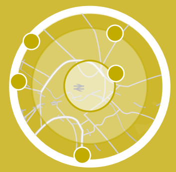
A More Useable City Centre

The second phase of the City Connect cycle superhighways are nearing completion on Wellington Street and St Peter's Street. The first cycle superhighway had a 30% growth in use last year showing that when the safe infrastructure is provided significant mode shift will occur.

The Headrow Gateway scheme will pedestrianise parts of Cookridge Street and New Briggate next year. Further schemes will follow for the Corn Exchange area and in the South Bank where traffic dominated streets will be transformed to create links to the new city park.

Park and Ride in Leeds has been a huge success with people having used the Temple Green and Elland Road services to make almost 2.5 million journeys on ultra-low emission buses. Between them the two sites are responsible for removing the congestion and pollution of around 9,000 car journeys from the city centre's streets every week.

7



BUILDING A FEDERAL ECONOMY - CREATING JOBS CLOSE TO COMMUNITIES

- Strengthening transport links to enable people to access jobs
- Supporting growth and investment in main economic hubs in the north, south, east and west of the city including:
  - Aire Valley Enterprise Zone
  - Thorpe Park
  - Thorp Arch
  - White Rose
  - Capitol Park
  - Kirkstall Forge
  - Leeds Bradford Airport

Page 44

Thorp Arch

The British Library's archive is based here and is developing its British Library North plans. The primary focus of the British Library North programme is to invest in the estate on their existing site at Boston Spa to expand archival-standard storage facilities for the collections. Alongside this, the British Library is looking to deliver an expanded culture and learning programme in the run up to the Leeds 2023 cultural festival – also the British Library's 50th birthday.

Kirkstall Forge

Following completion of 110,000 sqft of office space, phase 2 of the the £400 million development is progressing which includes a further 200,000 sqft of commercial space. The first show homes are under construction, with the housing developments to progress thereafter.

Capitol Park

Phase two of Capitol Park is planned on a substantial area of land adjacent to the site, which has been formally allocated for development in the Site Allocations Plan, and could create another 5,000 jobs.

East Leeds Extension

This will enable the delivery of around 5,000 new homes. Following a Public Inquiry overseen by an independent Planning Inspector in February, the government has approved the use by the Council of a Compulsory Purchase Order to acquire the land required to deliver the East Leeds Orbital Route (ELOR), to unlock development land for new homes and community facilities. This will provide a major new travel corridor around north and east Leeds, including facilities for pedestrians and cyclists, alongside improvements to the Outer Ring Road and over 80 hectares of woodland and planting.

White Rose

Chinese firm Dahua and the digital sports content and media company, Perform Media moved into White Rose, joining other global businesses including HSBC, Capita, O2, WSP, HMRC and Gather & Gather. Work is developing on proposals for a new Rail Halt in this location.

Thorpe park

In April the new £48 million retail park, The Springs opened at Thorpe Park including a 10 screen cinema. Once complete Thorpe Park will span across a 275 acre mixed-use development and provide 13,000 jobs. In total 44% of the site will be dedicated green space and 7,000 trees, 20,000 shrubs and hedges, 50,000 bulbs and 15,000 aquatic plants will be planted. The business case for the Thorpe Park rail halt is being progressed by the West Yorkshire Combined Authority.

Leeds Bradford Airport

This year a £12m three-storey extension to the terminal building has begun which will significantly improve the function of the airport and enable future growth. Business cases for enhanced surface access – through new road and a new Parkway Station – are progressing with consultation with communities and partners taking place.

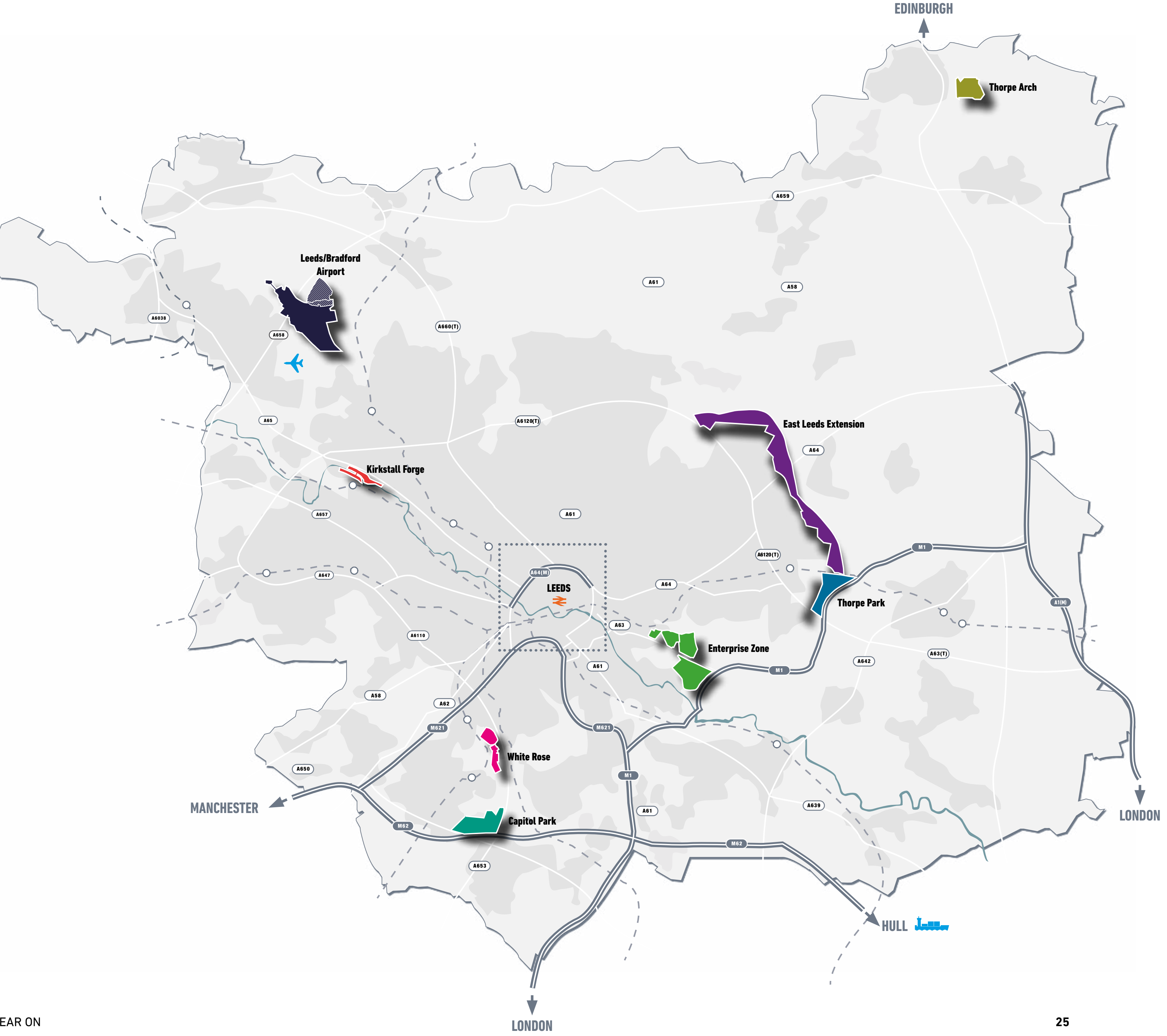
Enterprise Zone

University of Leeds is investing in a new campus, this will include the 'Institute for High Speed Rail and Systems Integration', a £64m state of the art rail testing facility that will become a global centre for high speed rail research and development. The university is working closely with HS2 to ensure its facilities align with the needs of the industry.

Local employer Premier Farnell has invested £60m in the Enterprise Zone.

Peel Logistics Property UK has acquired 43 acres in the area, with a planning application being submitted for 800,000 sqft of development. This is one of the largest commercial transactions in the UK this year.

Page 45



8

21ST CENTURY INFRASTRUCTURE

Coordinating plans and leveraging investment to improve infrastructure including:

- Transport
- Smart cities
- Low carbon energy - electricity, hydrogen and water networks
- Social infrastructure - schools, health services, community centres and sports facilities
- Flood protection
- Green infrastructure
- Housing of the right quality, type and range in the right places

Page 46

There have been several improvements to Leeds' infrastructure over the past 12 months that have helped reduce the city's carbon footprint. These include:

Flood Alleviation Scheme Phase 2

The council is committed to keeping the city safe from flooding especially following the devastating Boxing Day flood in 2015. The first phase of the Flood Alleviation Scheme raised the protection levels in most of the city centre to a 1 in 100 year flood, protecting over 3,500 residential and commercial properties.

Phase 2 of the Leeds Flood Alleviation Scheme was given the green light in June and will be delivered in two stages, it uses natural flood management techniques to help slow the flow of the River Aire. Alongside engineering works such as flood walls and a flood storage area, this will reduce flood risk and provide better protection for over 1,000 homes and nearly 500 businesses. Not only does the scheme prevent flooding but it also has many other environmental benefits including a flagship Natural Flood Management programme which includes the creation of new woodland, woody debris dams and wetland areas, which can slow the flow of rainwater into the river, helping to reduce the risk of flooding and mitigate the impacts of climate change.

Clean Air Zone

The Government has identified that some parts of Leeds are likely to fail legal limits for air pollution by 2020 and has directed the Council to improve air quality within the shortest possible time. This has led to Leeds introducing a Clean Air Zone which was due to come into effect in January 2020. The government has now delayed this as they work on delivering the digital systems required, and the council is waiting for the government to outline new timescales.

The zone places a charge on the most polluting vehicles inside the zone, but this does not include private vehicles or light goods vehicles which will not be charged. The Clean Air Charging Zone will reduce air pollution and protect the health of everyone in Leeds, by encouraging businesses to transition to cleaner, less polluting vehicles that won't be subject to charges. To help businesses do this, we are offering a range of support packages for those based or primarily operating within the zone.

Knostrop Energy & Recycling Facility in Leeds

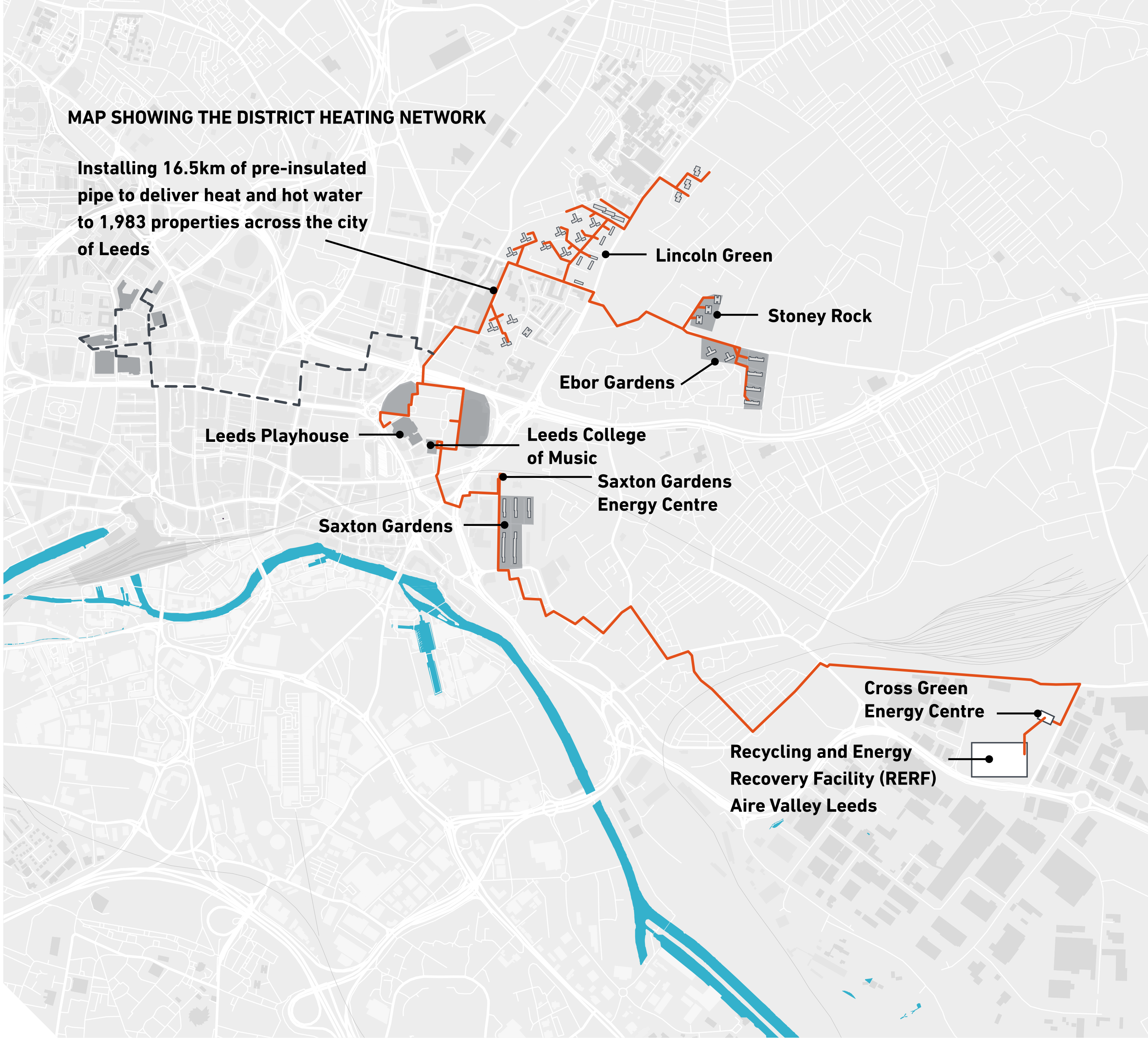
Yorkshire Water has invested £72m into the facility as part of their commitment to renewable energy. Opened in June this year, the facility will recycle 94% of Leeds sewage sludge and use it to generate electricity, it will reduce Knostrop's carbon footprint by over 17,500 tonnes of CO2 per year.

CASE STUDY

District Heating

In May the council completed construction of Phase 1 of the district heating network which supplies lower cost, low carbon heat from the Recycling and Energy Recovery Facility (this cutting edge plant already achieves CO2 savings of 62,000 tonnes per year) to households and businesses in Leeds through a network of super insulated underground pipes. Flat conversions have now commenced and over 120 flats have already been connected with tenants expected to save around 10% on fuel bills on average. The scheme has also started supplying heat to the Leeds Playhouse, the first non-domestic customer.

Phase 2 will result in a further 2.4km of pipework connecting the network to the city centre to add additional customers and connect many of the Council's most important buildings including the Town Hall, Art Gallery, Civic Hall and Museum. The energy delivered via district heating is estimated to deliver CO2 savings of 60% to the buildings concerned. The extension also enhances the opportunity to extend the network to the South Bank in future phases, reducing bills and pollution.



Page 47

9

LEEDS AS A DIGITAL CITY

- Promoting and growing the digital sector
- Making every business a digital business
- Developing a workforce that can be resilient in the context of technological change
- Strengthening digital and data infrastructure (including 5G), promoting Leeds as a smart city and using data to help address challenges
- Increasing digital inclusion, so all people can access services, education and training
- Using digital technology and data to improve health outcomes and tackle health inequalities

Page 48

Full Fibre Rollout

In June a new 1Gbps capable Fibre-to-the-Home broadband network was announced for the city. This £120 million investment will connect to over 85% of homes in Leeds when it is fully installed by 2025.

#techmums

This year Leeds Libraries and Employment and Skills have worked with Tech Mums to set up three clubs across Leeds. #techmums Clubs aim to ensure mums in the city have the digital skills they need and Leeds is the first city outside of London to deliver the 10 week course. The course covers a range of subjects from online safety and social media to basic coding, and has been credited with opening doors to jobs and further education. So far 42 Tech Mums have graduated from the course.

100% Digital Leeds

There are still over 90,000 adults in Leeds that don't have essential digital skills. In addition to this 50,000 people in Leeds are not online and this includes 40% of council housing tenants. To tackle this the council has invested £1 million into 100% Digital Leeds, working with the Good Things Foundation to increase digital confidence, capability and connectivity. Improving digital skills has many benefits, it can help people be better informed, pay less for things, be more employable, feel more independent, be less isolated, and live better, easier, longer lives.

Digital Council of the Year 2019

In June Leeds City Council won Digital Council of the Year at the 2019 Digital Leaders 100 Awards. This award is given to local authorities delivering digital transformation both within their organisations and in the way they are providing public services.

Some of the things we've done over the last 12 months through 100% Digital Leeds include:

BIGGEST
TABLET LENDING SCHEME IN THE COUNTRY

26
COMMUNITY ORGANISATIONS JOINED THE ONLINE CENTRES NETWORK

DIGITAL INCLUSION
GRANTS PROGRAMME FOR THE THIRD SECTOR

OVER
600
DIGITAL CHAMPIONS RECRUITED/TRAINED

EXTENDED FREE COUNCIL WI-FI TO
20
COMMUNITY CENTRES

OVER
2,000
REGISTERED WITH LEARN MY WAY ONLINE LEARNING PLATFORM AND COMPLETED OVER
12,000
ONLINE COURSES

PLEDGE:

Reed Smith

We are supportive of the Leeds Growth Strategy and pledge to:

- *Continue recruiting a diverse range of local talent*
- *Build new and foster existing relationships with local schools, colleges and universities*
- *Support local charities*
- *Continue doing everything we can to 'be green' in our energy and performance-efficient office*
- *Source materials from local manufacturers, investing in the local economy*
- *Demonstrate that jobs for people with disabilities are both available and achievable*

Leeds attracted the most tech investment of any Northern city in 2018 and had 12% more business scale-ups and 82% more venture capital investment than Manchester.

TECH HUBS - PROGRESS OVER THE LAST YEAR

Opened this year

- Avenue HQ comprises over 200 co-working spaces and 35 offices.
- Co>Space North is a physical and virtual hub that provides a focal point for digital innovation in health and care in the North of England.
- Nexus is a new £40m state of the art Innovation and Enterprise Centre based at the University of Leeds.
- Barclays Eagle Labs is a space specifically designed for businesses and ambitious entrepreneurs to scale quickly.
- The Walk, run by Market Gravity is a new retail tech incubator.

Opening soon

- East Street Arts Convention House is a new innovative art and tech hub.

10

BACKING INNOVATORS AND ENTREPRENEURS IN BUSINESS AND SOCIAL ENTERPRISES

- Supporting start-ups and scale-ups
- Boosting innovation throughout the economy, including commercialising knowledge from universities and government, and supporting firms of all sizes in all sectors to improve their products, processes and capabilities
- Promoting social enterprises and innovation in public services

Page 50

Nexus

The University of Leeds opened its £40m state of the art Innovation and Enterprise Centre, Nexus in April, which connects business to world-leading research. It provides a range of innovative services including conducting research for companies, improving business performance by developing new techniques or technologies, de-risking investment in research and innovation, providing access to a portfolio of patented technologies, and access to talent and training programmes.

Businesses already in Nexus include Thought Beanie, whose patented EEG (brainwave monitoring) technology allows an individual to track what's going on inside their brain, and the Connected Places Catapult set up by Innovate UK which specialises in bringing together businesses, universities, local authorities and investors to commercialise innovation. Nexus forms part of the Leeds Innovation District, which is developing at a fast pace as both universities are currently developing their estates and the Leeds General Infirmary is realigning its city centre site.

NorthInvest

NorthInvest is a not-for-profit organisation, fully established in the last 12 months, connecting tech and digital start-ups with mentors and investors in the North of England. They coach entrepreneurs and early stage tech sector start-ups to become investment ready, then support them with matching and introductions to potential investors. NorthInvest support the deal process for angels and entrepreneurs to support smooth progression.

Future Fashion Factory

Securing £5 million government funding earlier this year as part of a National Industrial Strategy programme for cutting edge design and innovation, the Future Fashion Factory is an industry-led project aiming to harness new digital and textile technology to improve the competitiveness of the region's fashion industry.

Using new technologies and R&D the project will develop ways to increase the commercial value of waste textile materials and increase quality and precision during manufacturing which will generate cost-savings and enable smaller clothing runs. It will also use artificial intelligence and big data to improve targeting of new markets and faster communication, enabling greater certainty on a range of products, pinpointing demand and improve overall management decision-making in design, manufacturing, sales and marketing.

PLEDGE:

KPMG

We will bring our best in UK and global best practice to the City; we will focus on investments in the City in this area (such as in Nexus and our work as a sponsor of NorthInvest); we will use our role within the MIT REAP team to use evidence to support the right interventions for the City and we will use our role as convener to support making Leeds both nationally and globally known as a place to invest and grow your business.

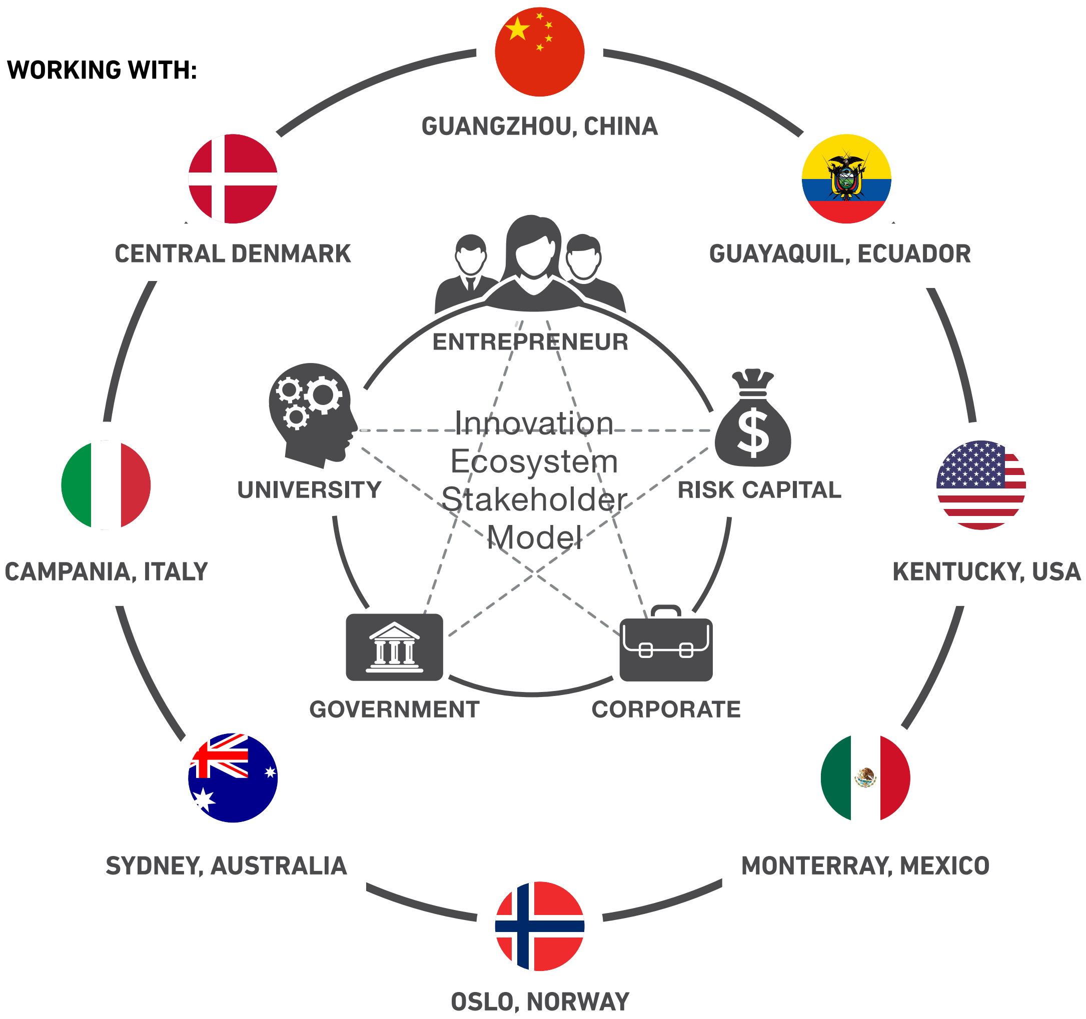
Page 51

CASE STUDY

MIT REAP (Regional Entrepreneurship Acceleration Program)
This prestigious two year programme, which began in October 2018, is hosted by the Massachusetts Institute of Technology (MIT) in Boston. It aims to create innovation-driven entrepreneurship and deliver growth. We are particularly focussed on ways to make our innovative eco-system as inclusive as possible, through looking at funding pathways for entrepreneurs, reducing risk and allowing people without financial security to be able to develop their ideas.

There are four workshops over the two year programme, three in Boston and one selected in a participating region. Leeds has been chosen as the host and will welcome delegates from all eight of the other regions and MIT in January 2020.

WE ARE WORKING WITH:



11

PROMOTING LEEDS AND YORKSHIRE

- Building on recent progress to increase awareness of Leeds as place to invest, visit and live
- Inward investment, including strengthening links with London
- Tourism
- Attracting and retaining talented people
- Using our ambition to be a compassionate city as a powerful marketing message

Record numbers of visitors

Our museums and galleries welcomed a record number of visitors over the past year, as 1.7 million people enjoyed a spectacular array of exhibitions and displays, an increase of 23%. Added to this Visit England have listed the Art Gallery, City Museum and Kirkstall Abbey in Yorkshire and Humberside's Top 9 most visited free attractions.

Inward Investment

Foreign Direct Investment into Leeds has risen 11% this past year. We continue to strengthen relationships across the globe with delegation visits to China, Hong Kong, U.S and Europe. In June Leeds hosted the first China Forum, aiming to help partners benefit from the huge potential of the Chinese visitor market. In partnership with the Business Confucius Institute and Will Zhuang, Visit Leeds are delivering a package of business support to assist partners to maximise the opportunities of the Chinese market.

In the UK our Leeds in London programme is strengthening our links to the capital particularly in our digital and tech sectors. International law firm, Reed Smith, is an example of a business expanding in the North by locating their new tech hub in Leeds.

THE VALUE OF TOURISM FOR THE YORKSHIRE ECONOMY HAS GROWN TO

£9BN

PER YEAR

VALUE OF EXPORTS IN YORKSHIRE & HUMBER HAS RISEN TO OVER

£18BN

LEEDS IS THE

4TH

MOST POPULAR UK CONFERENCE DESTINATION

50,000

PEOPLE ATTENDED LEEDS PRIDE IN 2018

80,000

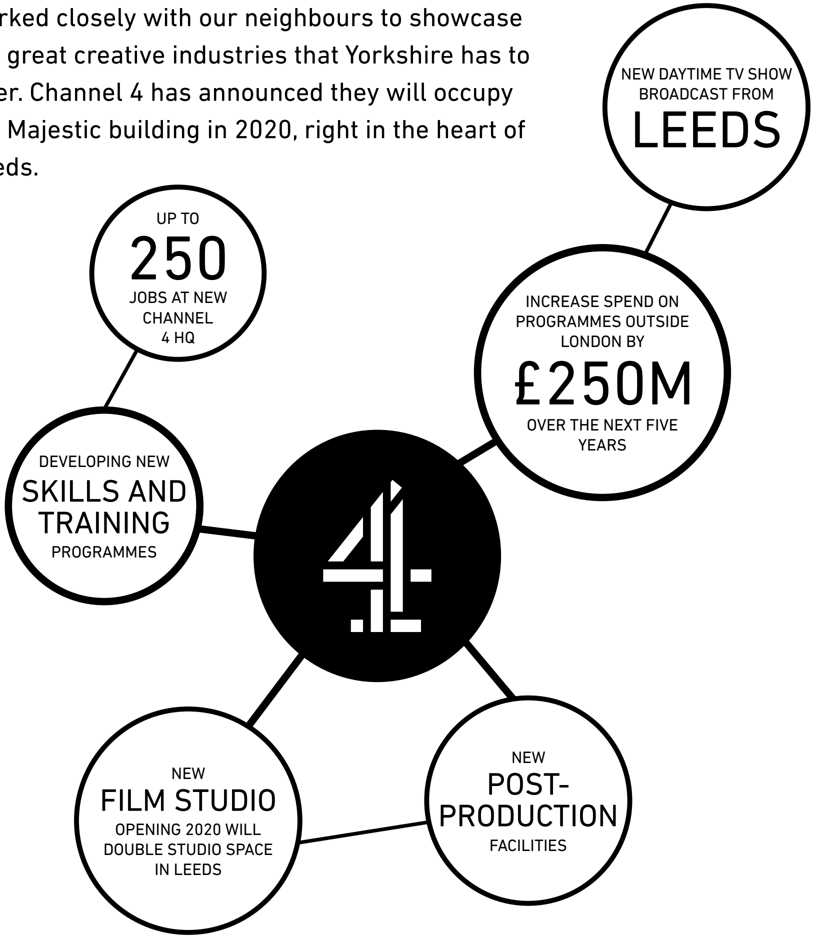
VISITORS ATTENDED LIGHT NIGHT

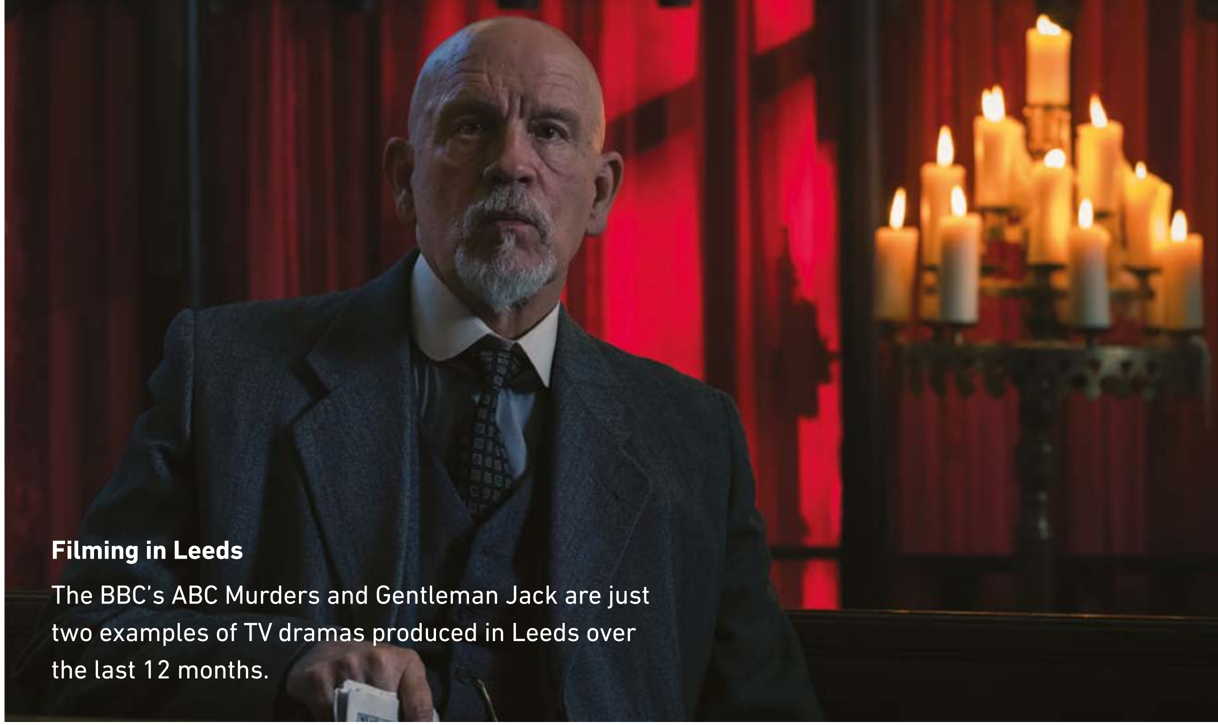
Leeds is ranked as the third highest destination for retail spend outside London, and it sits just outside the European top 20

CASE STUDY

Channel 4

Last October, Channel 4 announced that Leeds would be the new location of their national headquarters following a UK wide competition in which every major city outside of London participated in the bidding process. This is a fantastic opportunity for the whole region and we worked closely with our neighbours to showcase the great creative industries that Yorkshire has to offer. Channel 4 has announced they will occupy the Majestic building in 2020, right in the heart of Leeds.





Filming in Leeds

The BBC's ABC Murders and Gentleman Jack are just two examples of TV dramas produced in Leeds over the last 12 months.

Page 53

12

MAXIMISING THE ECONOMIC BENEFITS OF CULTURE

- Increasing visitors and enhancing the image of Leeds through major cultural and sporting events and attractions
- Growing the cultural and creative sector as well as boosting creativity across the wider economy, education system and communities
- Supporting the city's ambitions to deliver a Year of Culture in 2023

Leeds Culture Trust - 2023

The Leeds Culture Trust has been formed to deliver a year of culture in 2023. Following the successful appointment of Ruth Pitt last November, in June it was announced that the ground-breaking and highly respected theatre director Kully Thiarai will become the new CEO and creative director of Leeds 2023, working to bring together a world class programme celebrating the best of cultural life in Leeds. The council aims to support 2023 by pledging around £2.5m per year for the next five years and the trust will then aim to raise the remainder of its proposed £35m budget though private sponsorship and donors.

Creative Workspaces

The Growth Strategy identified that many creative businesses were being priced out of the city centre and fringe areas. We have done further work to quantify this and found affordability is a challenge for businesses involved in creative production, arts/design and creative occupations which are an important part of the mix of a young dynamic city economy.

The council is allocating funding to secure and improve existing spaces and is looking to create more creative spaces in and around the city centre in the long term. The first phase of this work aims to provide funding for three spaces, the Leeds Arts Hostel in Mabgate, Hope Foundry again in Mabgate and the Leeds Media Centre in Chapeltown to support the creative community.

Active Leeds

Sport has once again been all over Leeds. Whilst it was not to be Leeds United's year there have been many great successes including the Tour de Yorkshire, Leeds Triathlon, hosting the Cricket World Cup in the new Headingley Stadium and we will soon host the Union Cycliste Internationale (UCI) Road World Championships. More people than ever before have joined Active Leeds to improve their health and move more.

Centre for Cultural Value

Leeds is to become the home for the UK's first Centre for Cultural Value, bringing together researchers with expertise in conflict resolution, education, health and wellbeing, and community regeneration with artists, cultural organisations and local communities. Based at the University of Leeds the centre will advance understanding of the value of the UK's arts and culture sector and its unexplored potential.

Standing at six metres high, the painted bronze sculpture Hymn by Damien Hirst is on display in the city centre.

Page 55

Yorkshire Sculpture International

A festival of sculpture across Leeds and Wakefield this summer. The UK's largest dedicated sculpture festival hosting a series of exhibitions, international commissions, events and learning programmes not seen on this scale anywhere else and part of the build up to Leeds 2023.

A report from Arts Council England shows the arts and culture sector in Yorkshire and Humber was more productive than any other region in the country, and twice as productive as London.

PLEDGEUPDATE:

Northern Ballet

Northern Ballet continues to be a world class leading ballet company based in Leeds and 2018/19 has been our most successful year to date.

Some of the things we've done:

Spotted! Programme continues to identify gifted and talented young dancers through workshops in schools and in the community. Most of this work is targeted at schools with high levels of pupils with protected characteristics, particularly those of BAME heritage and low socio-economic backgrounds. In 2018/19, Spotted! worked with 10 schools and introduced ballet to 686 pupils.

In Motion - our specialist wheelchair dance programme split classes into two age groups for the first time – one for young people and one for adults.

Dance for Parkinson's - this exciting pilot project began in September 2018 and offered weekly tailored dance classes for people in our community living with Parkinson's. The sessions aimed to develop participant's strength, balance, coordination and confidence in their own bodies, with an opportunity for refreshments and socialising after each class, helping to build a community and alleviate isolation among participants.

6. MEASURING INCLUSIVE GROWTH

Inclusive Growth is a relatively new concept. Typically growth is determined through economic activity such as the value of the economy over time, the number of jobs or unemployment. Inclusive Growth rejects the idea that wealth will ‘trickle down’ the economy in favour of approaches to stimulating growth that promote fairness, address distributional issues and ultimately reduce inequality and as such requires a new way to measure success.

As there is still no standard framework for measurement of Inclusive Growth, this allows us to create bespoke indicators for Leeds that reflect our economy. Several economic consultants and foundations have developed their own versions of measurement focussing on a mix of typical indicators combined with broader, societal goals such as better health, or time for family and friends. Evaluating different models has enabled us to develop our own range of indicators based on the good elements of existing models. Designing our own model has been challenging as the availability and reliability of data is insufficient in many areas but it is important to give an honest interpretation of the city’s issues and give weight to more inclusive, non-traditional indicators to disrupt our way of thinking about how we measure success in the economy.

We are working in partnership with Leeds University to create a measuring tool that will be used to set a baseline for this year and can evaluate delivery moving forward. This is not quite ready yet, as we continue to map data across the city but the process has helped us define what Inclusive Growth means for Leeds. We welcome views from other cities both in the UK and internationally as we shape our understanding of Inclusive Growth.

A paper will be published on the Leeds Inclusive Growth Strategy website shortly which provides more detail.

PLEDGEUPDATE:

Page 57

Ahead Partnership

Over the past year Ahead Partnership has engaged with more education partners and employers than ever before, developing exciting new activities at primary, secondary, FE and HE level, including activities especially for special educational needs and disabilities (SEND) students.

They continue to work in some of the most disadvantaged areas of the city, and over the last year 98% of the young people they worked with said their activities gave them a chance to meet people from the working world, and 93% said they motivated them to work harder at school. In the Inner East area alone Ahead have worked with 3,192 young people, introducing them to and taking part in activities with 339 business volunteers.

7. MOVING FORWARD AND OUR BIG IDEA AMBASSADORS

Whilst we've made good progress this year, we want to move further, faster. That's why we have appointed 12 Inclusive Growth Ambassadors, one for each of our Big Ideas to help us deliver on our ambitions. When we advertised for the Ambassadors earlier in the year we had a great response with many qualified candidates put forward from a wide range of businesses and community organisations.

Together the Ambassadors will bring experience and expertise to the Inclusive Growth Delivery Partnership. Each Ambassador will be responsible for their own Big Idea, and will help us link better with partners and bring fresh ideas to the issues we face. More details and biographies will be available at the Leeds Inclusive Growth Strategy website.

In order to engage more widely we have begun running a series of events on our three themes of People, Place and Productivity. The first 'People' event was held in April and included workshops from universities, local businesses and community groups. These events will continue with the next 'Productivity' workshop held in September at Nexus, the new innovation centre at the University of Leeds.

At a regional level, our work will help us feed into the Local Industrial Strategy and Northern Powerhouse priorities, and we are still committed to a broader devolution deal to secure more control over our investment and infrastructure.

The next 12 months will build on the progress outlined in this report. There is still more to do, particularly for our disadvantaged communities as issues such as inequality remain a stubborn issue for the city.


NEXUS

Leeds
CITY COUNCIL

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 or has already been considered, and
- whether or not it is necessary to carry out an impact assessment.

Directorate: City Development	**Service area:** Economic Development
Lead person: Gareth Read	**Contact number:** 0113 37 87745

1. Title: 'Leeds Inclusive Growth Strategy – One Year On' report for Executive Board
Is this a: [X] **Strategy / Policy** [ ] **Service / Function** [ ] **Other** **If other, please specify**

2. Please provide a brief description of what you are screening
This screening document is in relation to the "Leeds Inclusive Growth Strategy – One Year On" paper, due to be discussed by Executive Board in July 2019. The paper relates to the Leeds Inclusive Growth Strategy that was published in June 2018. The strategy is owned by the whole city and sets out our vision for economic growth that is inclusive and aims to benefit all the people of Leeds. The strategy, alongside the Health and Wellbeing Strategy, are the two pillars for the Best Council Plan. We have developed 12 big ideas under the themes of People, Place and Productivity that following consultation we consider will encourage inclusive growth in Leeds.

The EB paper reports on the delivery of the strategy and its big ideas since launch, highlighting some of the work that has taken place within the council as well as from partners and organisations across the city.

3. Relevance to equality, diversity, cohesion and integration

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

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

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

Questions	Yes	No
Is there an existing or likely differential impact for the different equality characteristics?	X	
Have there been or likely to be any public concerns about the policy or proposal?		X
Could the proposal affect how our services, commissioning or procurement activities are organised, provided, located and by whom?		X
Could the proposal affect our workforce or employment practices?		X
Does the proposal involve or will it have an impact on • Eliminating unlawful discrimination, victimisation and harassment • Advancing equality of opportunity • Fostering good relations	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 Leeds Inclusive Growth Strategy aims to build a strong economy within a compassionate city, which reflects the values of the council and informs the revised Best Council Plan. It is promoting growth that is inclusive and supporting the reduction of inequality in Leeds. The projects and initiatives highlighted in the EB report are working towards outcomes including, but not limited to, tackling low pay and in work progression, equipping people with digital skills, closing the attainment gap for disadvantaged young people, and supporting job creation in priority neighbourhoods. The overall objectives are to reduce inequality, tackle deprivation and ensure the benefits of a growing economy reach all citizens of Leeds.
• **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 big ideas are designed to encourage sustainable, inclusive economic growth that results in raising living standards, reduces inequality and promotes people's health and wellbeing. Growth is not a certainty and a reduction in the economy will have a negative impact, and this may disproportionally affect those on lower incomes. Even when an economy shows signs of growth, this can sometimes benefit those on higher incomes and increase inequality. We have seen this nationally in recent years and this trend has led to a greater focus on "inclusive growth" as a way to tackle issues with inequality. Leeds is leading the way in this and has produced the UK's first Inclusive Growth Strategy. This is not a typical economic plan, but a framework to develop good growth. As such it is considered to have a positive impact on equality, diversity, cohesion and integration.
• **Actions**

(think about how you will promote positive impact and remove/ reduce negative impact) The Inclusive Growth Strategy is a citywide plan owned by everyone in Leeds. The council is collaborating with individuals and organisations across the city to ensure that this agenda is central to the Leeds economy as it grows. As highlighted in the report our ambassadors are coming from all aspects of the Leeds community – business, education providers and the third sector. We have had over 50 pledges from business and stakeholders across the city showing their commitment to inclusive growth, with updates from some of them on the last year's progress as well as their forward plan. In order to engage more widely we have begun running a series of events on our three themes of People, Place and Productivity. The first event (People) was attended by approx. 90 people from business, education, health and wellbeing and the third sector. It showcased work from Leeds Trinity University and Sky, the young people of Community Action to Create Hope (CATCH), Leeds Teaching Hospitals NHS Trust and Activage. The next event (Productivity) will engage new and different organisations to get them involved in the inclusive growth agenda.

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**
Gareth Read	Economic Development Manager	10/07/2019
Date screening completed		10/07/2019

7. Publishing
Though **all** key decisions are required to give due regard to equality the council **only** publishes those related to **Executive Board**, **Full Council, Key Delegated Decisions** or a **Significant Operational Decision.**

A copy of this equality screening should be attached as an appendix to the decision making report:

- Governance Services will publish those relating to Executive Board and Full Council.
- The appropriate directorate will publish those relating to Delegated Decisions and Significant Operational Decisions.
- A copy of all other equality screenings that are not to be published should be sent to equalityteam@leeds.gov.uk for record.

Complete the appropriate section below with the date the report and attached screening was sent:

For Executive Board or Full Council – sent to **Governance Services**	Date sent:
For Delegated Decisions or Significant Operational Decisions – sent to appropriate **Directorate**	Date sent:
All other decisions – sent to equalityteam@leeds.gov.uk	Date sent:

This page is intentionally left blank

Report author: Eve Roodhouse / Sue Wynne Tel: 37 83155

Leeds CITY COUNCIL

Report of the Director of City Development and the Director of Resources and Housing

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

Date: 31 July 2019

Subject: The Directors' response to the recommendations of the Scrutiny Inquiry into Information, Advice and Guidance provision in Leeds.

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

Summary of main issues

1. This report provides the response of the Director of City Development and the Director of Resources and Housing to the recommendations of the Scrutiny Inquiry into the Leeds Inclusive Growth Strategy 2018-2023.

2. The Scrutiny inquiry recommendations are welcomed and are seen as an opportunity to strengthen and build on the existing approaches to implement the Leeds Inclusive Growth Strategy. The focus of the Board on the reporting framework and the delivery of prioritised work streams to ensure that growth delivers tangible benefits that contribute to a reduction in inequalities in communities is welcomed. Giving this underpinning requirement greater visibility with stakeholders will support and strengthen work to better align partners' programmes and initiatives.

3. All the recommendations are accepted.

Recommendations

Scrutiny Board Members are asked to approve the responses to the inquiry recommendations as detailed in the report.

1 Purpose of this report

1.1 This report sets out the response of the Directors of City Development and Resources and Housing to the recommendations of the Scrutiny Board (Inclusive Growth, Culture and Sport) inquiry into the Leeds Inclusive Growth Strategy 2018 – 2023, which was adopted by Executive Board in June 2018.

1.2 As required by the constitution this report has been prepared in consultation with the Executive Members for Inclusive Growth and Culture; Resources; and Learning, Skills and Employment.

2 Background information

2.1 Following approval of the Leeds Inclusive Growth Strategy 2018 – 2023 by Executive Board on the 27 June 2018, the Scrutiny Board established the terms of reference for its inquiry on 5 September 2018. The Strategy aims to provide a framework for growth delivery that seeks to be inclusive, and will benefit all citizens and communities.

2.2 The inquiry added value by providing the opportunity to examine, challenge and shape the emerging implementation plans, the proposed performance and reporting framework and priorities for action. The Boards approach to ensuring a clear link between the strategic aims and actions to deliver measurable change that has a beneficial impact at both the city wide strategic level and for residents in our most disadvantaged communities has been particularly helpful.

3 Response to Scrutiny Recommendations

3.1 All the recommendations are welcomed and supported and require no further comment.

3.2 **Recommendation 1 –** That the Director of City Development aims to prioritise work streams, in this initial phase of the strategy, that support:

a) Big idea 4, 'Working Together to Create Better Jobs, Tackling Low Pay and Boosting Productivity', particularly in poorly paid sectors
b) 'Strengthening transport links to enable people to access jobs' (Big idea 7), to align with aspirations in the Leeds Public Transport Investment Programme (LPTIP)
c) The influence of the Council as a commissioner of goods and services to support inclusive growth.

3.3 The Director of City Development agrees the recommendation and has prioritised action on the access to good jobs, transport and procurement.

3.4 **Recommendation 2** – That the Director of City Development secures representation from the major bus operators in Leeds on the Core Delivery Partnership or, where that is not possible the Extended Delivery Partnership.

3.5 The Director of Development agrees the recommendation and has extended an invitation to the major bus operators to contribute to the Extended Delivery Partnership.

3.6 **Recommendation 3** – That the Director of City Development ensures that sustainability is built into performance measurement and focus, and that the mechanisms for reporting this are communicated to the Scrutiny Board in July 2019.

3.7 The Director of Development agrees the recommendation to ensure that sustainability is built into performance measurement.

3.8 **Recommendation 4** – To support ongoing accountability, transparency and challenge through formal governance processes, the Director of City Development is requested:

a) to provide the annual inclusive growth update report in July 2019 and thereafter as determined by the Scrutiny Board.

b) to present inclusive growth performance information to the Scrutiny Board as determined by the Scrutiny Boards work programme.

c) to provide data which identifies employment opportunities delivered for Leeds residents arising from Inclusive Growth projects.

The Board requests oversight of the tangible outcomes and impact that the IGS is providing to the stakeholders of Leeds once identified, and the (national or local) challenges that have subsequently been identified that create a risk of further disadvantage.

3.9 The Director of City Development agrees the recommendation to provide progress and performance reports including reporting on outcomes and employment opportunities arising from Inclusive Growth interventions led by the Council.

3.10 The first annual update on the implementation of the Inclusive Growth Strategy is due to be reported to the Executive Board in July 2019. Further updates will be provided to Scrutiny Board to align with its work programme.

3.11 **Recommendation 5** – That the Director of Resources and Housing reviews corporate reporting and decision making templates, including key delegated decision templates, and makes necessary adaptations to ensure that there is consideration of inclusive growth across all Leeds City Council services, which is clearly communicated to decision makers and (through already established publication processes) Leeds stakeholders.

3.12 The Director of Resources and Housing agrees the recommendation

3.13 **Recommendation 6** – That the Director of City Development provides an update on the intelligence gained from the CLES analysis of procurement expenditure and presents an overview of planned action and support, in response to the analysis outcomes. The update to be provided at the meeting of Scrutiny Board in July 2019, with further updates as directed by the Scrutiny Board.

3.14 The Director of City Development agrees the recommendation. The key findings from the research undertaken by CLES on the procurement expenditure undertaken by the Leeds Anchors Network is attached at Appendix 1. This includes the potential collaborative actions that the Network will seek to progress as a result.

3.15 **Recommendation 7** – That the Director of City Development works in collaboration with the Director of Resources and Housing to review the procurement policies and systems of Leeds City Council and to identify where they can be adapted, within legal frameworks, to:

a) Deliver social value to support inclusive growth priorities.

b) Better support Leeds SMEs to identify and tender for local authority contracts

The Scrutiny Board request an overview of the changes implemented, progress and impact in January 2020.

3.16 The Director of City Development and the Director of Resources and Housing agree the recommendations and undertake to report on the implementation of the Council's Procurement Strategy approved by Executive Board on 26 June and undertake to report back on the implementation of Social Value and support provided to SMEs to access the procurement process and secure contracts.

3.17 **Recommendation 8** – There is clear alignment between Leeds City Council employment and skills inclusive growth priorities and the ambition of LTHT therefore the Director of City Development is recommended to assist LTHT, and any other Anchor Institution who would benefit from Council support, in 'curating' investment and focus on this agenda. An update outlining the support provided to be communicated at the meeting of Scrutiny Board in January 2020.

3.18 The Director of Development agrees the recommendation and will report on the activity undertaken with Leeds Teaching Hospitals Trust and other Anchors at the Board's January 2020 meeting.

3.19 **Recommendation 9** – That the Director of City Development works in collaboration with the Director of Resources and Housing to explore how the Council can utilise its influence with supply chain organisations to promote the adoption of Real Living Wage for their employees. An update to be provided at the meeting of Scrutiny Board in January 2020.

3.20 The Director of Development and the Director of Resources agree the recommendation and have identified this an action to be addressed through the Procurement Strategy approved by Executive Board in 26 June 2019. An update on action taken will be provided to Scrutiny Board in January 2020.

3.21 **Recommendation 10** – That the Director of City Development provides an update on the good practice information gained from other Anchor Institutions which relates to employment practice, and outlines how this can be developed and applied by the Council. The update to be provided at the meeting of Scrutiny Board in January 2020.

3.22 The Director of City Development agrees the recommendation and will provide an update on best practice and activity undertaken by Leeds Anchors Network to the Board's meeting in January 2020.

3.23 **Recommendation 11** – That the Director of City Development works in collaboration with the Director of Resources and Housing to investigate how technology and social media can be used innovatively to provide a coherent package of information for front line staff and to connect with those who are furthest from the job market. A progress report is to be provided to the Scrutiny Board in January 2020.

3.24 The Director of Development agrees the recommendation and will provide an update report on the use of technology and social media used to support front line staff working to connect to and support those residents furthest away from the job market.

3.25 **Recommendation 12** – That the Director of City Development works in collaboration with the Director of Resources and Housing to provide a progress update report in January 2020 which outlines the extent to which officers from Housing Services, Active Leeds and Employment and Skills Services are successfully providing a joined up service, to support those furthest away from the labour market and in the greatest need of employment and skills support, and those in our most disadvantaged communities.

3.26 The Director of Development agrees the recommendation and will report back to the Board's meeting in January 2020 on the joint working between Housing and Employment and Skills Services and Active Leeds to support those furthest away from the labour market and or residing in Priority Neighbourhoods.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 The Strategy was informed by an extensive programme of consultation from July 2017 through to January 2018 with Community Committees, businesses, partners and stakeholders through meetings and events and the provision of on-line and printed material. Responses to the Strategy have been very positive, particularly our vision for inclusive growth and we have continued to strengthen this high level of engagement to articulate the actions required as we have moved into the delivery phase.

4.1.2 The Leader of the Council and the Executive Member for Resources and the Executive Member for Learning, Skills and Employment have been consulted on the response to the recommendations made by the Scrutiny Board.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 Supporting equality and diversity are underpinning themes of the strategy. The Council aims to improve the lives of all its citizens and foster good relations between different groups in the community. The Growth Strategy encourages and promotes action to deliver inclusive growth, aiming to ensure that the benefits of a prosperous economy impact on all Leeds citizens, this includes supporting young people, people with disabilities and those suffering from mental health issues.

4.3 Council policies and City Priorities

4.3.1 Our vision is to for Leeds to be the best city in the UK, one that is compassionate and caring, with a strong economy. This helps frame the Leeds Inclusive Growth Strategy which is a complementary addition to the council plan. Inclusive Growth is also a specific priority within the recently updated Best Council Plan for 2018/19 – 2020/21 in alignment with the Inclusive Growth Strategy.

4.3.2 The Leeds Inclusive Growth Strategy is aligned with and complimentary to the Leeds Health and Wellbeing Strategy 2016-21 which outlines the priority areas to help Leeds become the Best City for health and wellbeing. The Inclusive Growth Strategy contributes to this through Big Idea 1 which includes our ambitions to strengthen our role as a leader in health innovation business, increasing productivity through a motivated and healthy workforce and opening up opportunities to skills and work to all to promote social mobility.

4.3.3 Climate change and the need to consider the impact of our proposal on carbon emissions underpins the ambitions set out in Big Idea 8 to develop a 21st century infrastructure for the city which enables improved public transport, green infrastructure and running the city on green energy.

4.4 Resources and value for money

4.4.1 There are no new financial implications arising from the issue raised in this report. Council led activity identified within the report will be managed within existing resources.

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 Growing the economy has positive benefits to the city, however, there is always a risk to the Leeds economy through both policies and external pressures.

4.6.2 Specific financial risks, including fraud, and risks in relation to safeguarding, business continuity and information governance are not considered to be impacted by the recommendations in this report.

4.6.3 Existing and planned programmes of Council-led delivery are supported by risk management plans which are reviewed on a regular basis.

5 Conclusions

5.1 Following extensive consultation in the city and approval by Executive Board, the strategy was well received and continues to be supported by a wide range of stakeholders as the city wide plan to deliver inclusive growth, set out in the 12 big ideas. Building a strategy centred on inclusive growth means providing everyday jobs in everyday places. It will mean more money for public services, reduced unemployment and increased wages. Reducing inequality in our city will also boost our economic performance.

5.2 Successful delivery of the strategy can only be achieved through a partnership approach with business and stakeholders working alongside the council to take ownership of the strategy, to build a strong economy set within a compassionate city. The Scrutiny Board’s continued support to test and challenge the delivery arrangements, performance and reporting frameworks, and the impact over short, medium and longer term through tangible outcomes that contribute to a reduction in inequalities in communities is welcomed. Giving this underpinning requirement greater visibility with stakeholders will support and strengthen work to better align partners' programmes and initiatives.

6 Recommendations

Members of Scrutiny Board are asked to approve the responses to the inquiry recommendations.

7 Background documents[1]

7.1 There are no background documents.

[1] The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.

This page is intentionally left blank

June 2019

PROGRESSING PROCUREMENT PROCESSES AND PRACTICES IN LEEDS

Report prepared by

Centre for Local Economic Strategies

Presented to

Leeds City Council

The Centre for Local Economic Strategies is a company limited by guarantee no 4242937 with charitable status no. 1089503.

CONTENTS PAGE NO.

1 INTRODUCTION

This report presents the findings of research undertaken by the Centre for Local Economic Strategies (CLES) which sought to investigate the impact of spending by Leeds City Council, Leeds City College, Leeds College of Building, Leeds Trinity University, Leeds Beckett University and Leeds Teaching Hospital Trust.

The report is split into the following sections:

- Section 1 places the report within the context of wider Community Wealth Building and gives an overview of the methodology employed;
- Section 2 details the findings of the analysis of direct impact of Leeds City Council spending – a supply chain analysis and the results from an 'influenceable spend' workshop;
- Section 3 explores the wider impact of Council spend through detailing the results of a survey of the supply chain;
- Section 4 summarises an analysis of the direct impact of spending by the other five anchor institutions involved in the project; and
- Section 5 – details our recommendations and proposed next steps.

CLES has worked with Leeds City Council and the other five anchor institutions involved to understand more about their spend, and the behaviour of their supply chain. This work aims to bring greater benefit for Leeds in local economic, social and environmental terms. The recommendations contained within this report articulate what needs to happen next in terms of procurement, and the wider Community Wealth Building agenda. It is important to clarify that this work will take time; the figures in this report provide a baseline against which progress can be measured, but it is a change in the culture of politicians, officers and suppliers that will be the true measure of success for this approach.

1.1 Why this work is important

Our current growth model is failing. Last year, data from the Organisation for Economic Co-operation and Development (OECD) showed that the UK is the only developed economy in which wages fell while the economy was growing.[1] The UK is an economy where one in eight workers live in poverty,[2] and where 1.3 million people rely on food banks.

Part of the reason for this is the dominance of large global companies in key sectors of the economy. These firms crowd out smaller, often more locally rooted businesses, with profits from local operations flowing out to, often distant, shareholders. This means that while profits of these large firms have increased at an unprecedented rate, competition has suffered with small and medium sized businesses struggling to challenge their dominance. At a local level this has contributed to a hollowing out of local economies and a stagnation of wages.

The importance of procurement

Recent years have seen unprecedented cuts to local authority budgets across the country. Many authorities have been forced to find efficiency savings in their budgets through the scaling back or complete withdrawal of some services.

As budgets continue to dwindle, and it becomes more and more difficult to put resources on the ground, attention has turned to other, locally-controlled ways to affect positive change for people and place. One such lever is the commissioning and procurement practices of local authorities. Whilst these have been one of the major means through which local authorities have made savings, they also present a significant opportunity, with some changes, to progress economic, social and environmental objectives.

Since 2012 there has been emphasis in national legislation on the dual role of commissioning and procurement of achieving both efficiency (through a focus on cost) and effectiveness (through a focus on outcomes) in the Public Services (Social Value) Act (2012). This Act effectively requires all public authorities to have regard to economic, social and environmental wellbeing in connection with public service contracts. This means that the potential 'social value' offered by suppliers is considered

[1] https://www.ft.com/content/83e7e87e-fe64-11e6-96f8-3700c5664d30
[2] https://www.jrf.org.uk/press/uk-poverty-2017-country-reaches-turning-point

alongside considerations of cost, quality and efficiency giving a more balanced consideration of value for money.

What is an inclusive economy?

An inclusive economy is an economy which is focussed on social goals, social justice, environmental sustainability and prosperity for all. It contrasts to inclusive growth which aims to improve living standards and share the benefits of increased prosperity more evenly across social groups. From an inclusive growth perspective, inclusion is about what happens socially to growth after we have growth. Whilst helpful, however, this aim is limited, and limiting, given the scale of the social issues and economic challenges facing our society.

By contrast, an inclusive economy offers a more voracious conceptual frame to the social benefits that flow from, or feed into, economic activity. In essence, an inclusive economy is a functioning economy which is intrinsically married to social goals, social justice, environmental sustainability and prosperity for all. This is not inclusion after the fact of growth, or inclusion which fits within a liberal market frame. Instead inclusive economy seeks to develop inclusion with or without growth, whilst seeking to address the fundamental social flaws of market liberalism. Inclusive economy is not merely about the poor social effects of economic growth outcomes, it is about addressing the causes which are created by the market liberal approach to growth. This agenda is aligned to a belief in heterodox economics and new forms of economic democracy and urban development such as new municipalism,[3] an alternative characterised by the current wave of progressive policy and practice, emerging across Europe and beyond. This new wave is driven by a need for resilience, and a much deeper concern for place action on economic and social justice.

Consequently, this approach prompts local government to take a more 'activist' position: stepping into the market to enable, mediate and cajole other actors as a means of maximising local community and commercial benefit. Fundamentally this relates to building local wealth, securing social outcomes and new models of ownership. Above all, this is about the principle of economic gains, which occur through the actual functioning of the economy, not just via 'after-the-fact' benefits or through the redistribution of any growth. Work by CLES with Local Municipalities (i.e. Barcelona, Oldham, Preston and Birmingham) and similar work of organisations such as The Democracy Collaborative in the USA, is reflective of this new wave.

What is Community Wealth Building?

Mainstream local economic development has little to offer in countering the distorting effect of global firms on local businesses. Instead it focuses on contributions to GDP, with little recognition of failure of the wealth created by these businesses to translate into wealth for local businesses and employees. By contrast Community Wealth Building aims to grow the local business supply base so that wealth generated in a place doesn't flow out but is broadly held, with local roots, so that income is recirculated and employees are provided with opportunity, dignity and well-being. Through Community Wealth Building we are seeing a democratic, social and economic movement, which seeks to provide resilience where there is risk and local economic security where there is precarity

Community Wealth Building has a particular focus on the activities of Anchor institutions. Anchor institutions are large established organisations, rooted in local communities, which can improve local economic and social wellbeing through the directing of their spend, employment practices, and use of land and assets. At the heart of the Community Wealth Building approach, then, are five strategies for harnessing existing resources to enable local economies to grow and develop from within:

[3] https://cles.org.uk/blog/local-government-the-commons-the-time-has-come/

1

Plural Ownership of the economy

At the heart of community wealth building is the principle that wealth is broadly held. Cooperatives, mutually owned businesses, SMEs, municipally owned companies and local banks enable the wealth generated in a community to stay in that locality and play a vital role in counteracting the extraction of wealth.

2

Making financial power work for local places

Community wealth building seeks to increase flows of investment within local economies. It does this by harnessing the wealth that exists locally, rather than by seeking to attract national or international capital. For example, pension funds are encouraged to redirect investment from global markets to local schemes. Mutually owned banks are supported to grow, and regional banking charged with enabling local economic development is established.

3

Fair employment and just labour markets

Often the biggest employers in a place, the approach Anchors take to employment can have a defining effect on the employment prospects and incomes of local people. Community wealth building not only aims to improve employment opportunities but also worker rights by, for example, promoting recruitment from lower income areas, inclusive employment practices, committing employers to paying the Real Living Wage and building progression routes for employees.

4

Anchor purchasing

Community wealth building promotes the progressive procurement of goods and services, as this spending power can be a means through which greater economic, social and environmental benefits can be achieved. By adapting their procurement processes and decision making, anchor institutions can create dense local supply chains and ecosystems of local enterprises, SMEs, employee owned businesses, social enterprises, cooperatives and other forms of community ownership.

5

Socially productive use of land and property

Anchors are often major land holders and can support equitable land development (through establishment of Community Land Trusts) and development of under-utilised assets for community use. In terms of financial investments, directing pension funds to local investment priorities can bring transformative capital to locally rooted enterprises.

Community Wealth Building has huge potential. For example, Manchester City Council increased their local spend by around 20% over a 5-year period, through the development of an ethical procurement policy, and applying a 20% social value weighting to tender decisions. This is estimated to have created 6,000 additional jobs in the city.

In Preston, there is cooperation across anchors to look at different elements of Community Wealth Building in addition to anchor spend. The development of cooperatives has been prioritised, and Council pension funds have been used to raise capital for physical redevelopment projects. In addition, there are plans for the development of a local bank, to provide affordable finance to individuals and organisations that are not catered for by mainstream lenders. This approach has managed to inject an additional £70 million back into the Preston economy and the city was the most improved in the 2018 Good Growth for Cities index.

These are concrete examples of what can be achieved through a Community Wealth Building approach and Leeds City Council and the city's other anchors now have the opportunity to apply these principles and build an inclusive economy.

1.2 Methodology

CLES' work has sought to challenge the way in which procurement is currently undertaken in Leeds City Council and other anchor institutions in the city; draw upon practice from elsewhere; baseline the local economic impact of procurement spend; and offer tailored advice as to how social value can become far more embedded in commissioning and procurement processes and in contract monitoring. The methodology for the four elements of this work is set out below:

1.2.1 Supply chain analysis

Leeds City Council supplied CLES with a list of the top 300 suppliers (by value of the contract) for financial year 2017/18. CLES analysed this procurement spend and particularly the extent to which spend is with organisations in two key geographical areas of focus:

- Leeds – we explore levels of spend within the Council boundary;
- West Yorkshire – we explore levels of spend within the region, comprising the local authority boundaries of Bradford, Calderdale, Kirklees, Wakefield, and Leeds.

CLES utilise the spend with the top 300 suppliers for several reasons; it accounts for the vast majority of total spend; is a widely adopted scale of analysis, and will allow for comparisons to be made with other studies; and it is also important to CLES that we can support organisations to independently complete the analysis in future and using the top 300 provides robust data and a manageable process in terms of required capacity.

The focus was on spend in financial year 2017/18 (1 April 2017 to 31 March 2018). To undertake the analysis, CLES cross referenced spending totals upon suppliers and their postcodes against a list of postcodes for each of the geographies of focus. Where suppliers' main postcode was not in the Leeds City Council boundary, CLES undertook further research to find a local postcode. It is important to note that for the purposes of our analysis, we take the most local postcode to the geographies of focus and attribute all Council spend to that postcode; so for example, if Leeds City Council were to use a global energy firm for its utilities, but they have a depot in Leeds, we would use the postcode of the local depot.

As well as interrogating the extent to which spending was in the two geographies, for Leeds based suppliers only we also examined the geographical ward in which the supplier was based, and the extent to which suppliers were based in 20%, 10% and 1% most deprived neighbourhoods in the country. In addition for the top 300 suppliers, spend with small and medium sized enterprises (SMEs) was charted, and explored; together with analysis of the industrial sector of each supplier.

1.2.2 Influenceable spend workshop

The spend analysis outlined above produced a list of suppliers that do not have a base or branch in West Yorkshire. For the influenceable spend workshop we went through this list with procurement staff to understand a bit more about the nature of the contracts, the goods and services being provided, the performance of the supplier, and the social value they deliver. The aim of the discussion was to whittle down this long list produced by the supply chain analysis, to leave a number of contracts where there may be potential for alternative suppliers to engage in a procurement process for these contracts. See Section 2.2 for the analysis.

1.2.3 Supplier survey

CLES has sought to explore the wider impact of contract spend with the top 300 suppliers (by value) to Leeds City Council in financial year 2017/18. Data was gathered through issuing an electronic survey to the suppliers, to allow us to understand the extent to which suppliers re-spend back in the local and regional economies. This has been done through asking specific questions of suppliers as to the extent to which their workforces are Leeds or West Yorkshire residents and the extent to which their suppliers are based in these geographies. See Section 3.1 for the analysis

1.2.4 Supporting an anchor network in Leeds

Leeds City Council recognise that collaboration between anchor institutions in the city is an important step to grow and scale this approach. Work has been conducted by Nicky Denison and Les Newby to develop a network of anchor institutions in the city, committed to working together to amplify their impact on the local economy. Engagement with the anchor institutions involved in the network indicated that five of the organisations wished to explore procurement as a potential area of collaboration

Following a meeting of the Leeds anchor institutions with CLES Associate Director Frances Jones on 9th November 2018, it was decided that five of the anchor institutions would like a more detailed analysis of spend. Therefore, for Leeds Beckett University, Leeds City College, Leeds College of Building, Leeds Teaching Hospital Trust; and Leeds Trinity University, CLES undertook a spend analysis in line with the methodology outlined in Section 1.2.1.

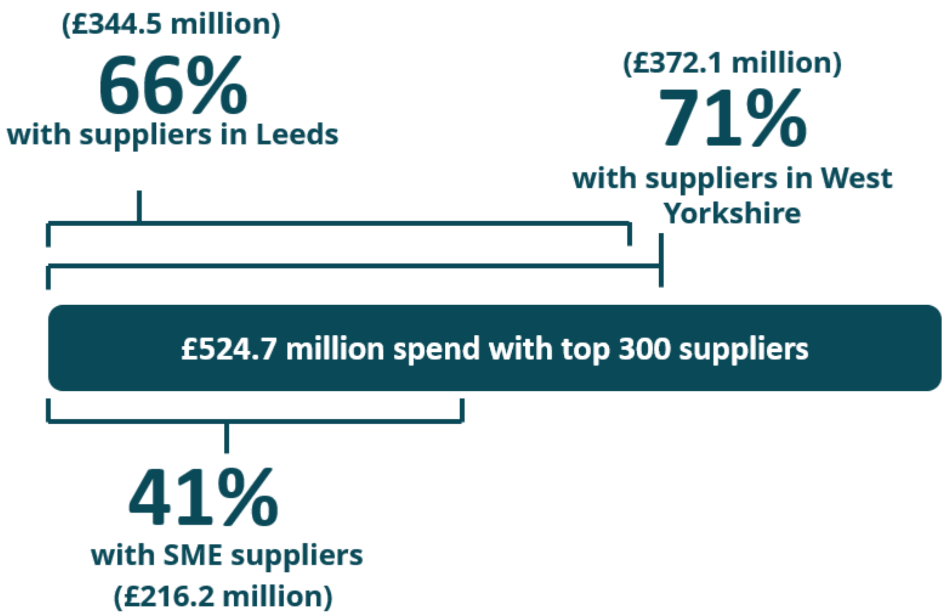
2 MEASURING DIRECT IMPACT

This section of the report details the findings of the analysis of the City Council's spend, and the 'influenceable spend' workshop.

2.1 Spend analysis

This section of the report identifies and highlights the spend of Leeds City Council upon procuring goods and services from its top 300 suppliers (by value). Figure 1 highlights the headline findings from the procurement analysis of the top 300 spend of Leeds City Council for 2017/18. Further detail on each of these findings is provided in the subsequent analysis.

Figure 1: Headline findings from Leeds City Council procurement analysis



During the 2017/18 financial year, Leeds City Council spent a total of £524,681,881 upon procuring goods and services from its top 300 suppliers (by value). The value of these contracts ranged from £27.8 million to £225,000.

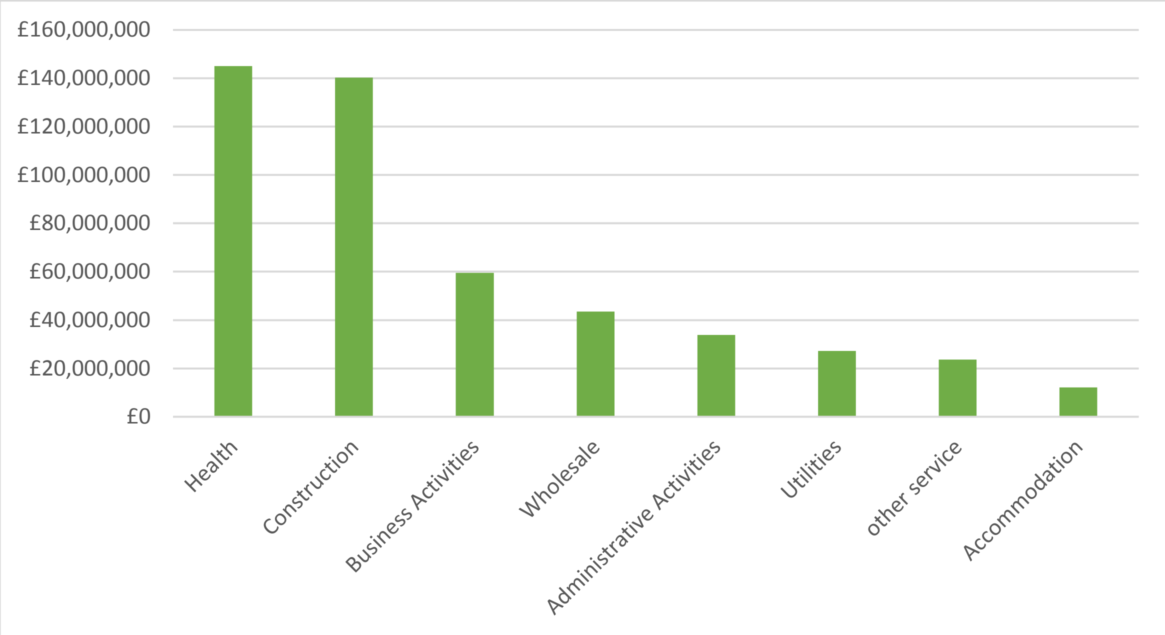
2.1.1 Spend with suppliers by industrial classification

For the top 300 suppliers, CLES has categorised suppliers and levels of spend by the types of goods and services provided. To do this, we utilised the information held on the Council database, together with information from the ORBIS and Companies House databases. Figure 2 shows the amount of spend and proportion of total spend with the top 300 suppliers by industrial classification. The chart only shows sectors where there has been spend in 2017/18 in excess of £10 million (representing 92% of Leeds City Council spend - there are 6 sectors not represented[4]), and highlights that:

- The highest level of spend in financial year 2017/18 was with organisations classified Health at £145,000,492. This spend was with 119 suppliers and is equivalent to 28% of spend with the top 300 suppliers;
- The second highest level of spend in financial year 2017/18 was with organisations classified as Construction at £140,345,454. This spend was with 53 suppliers and is equivalent to 27% of spend with the top 300 suppliers.

[4] 'Communications; Manufacturing; Transport; Mining and Quarrying; Public Administration; Education

Figure 2: Spend by industrial classification



2.1.2 Spend by size of supplier

This section of the report will look at the value and proportion of Leeds City Council spend with organisations based on their size. We utilised the information provided by the Leeds City Council database to search for the size of each supplier in the Orbis directory.

- In financial year 2017/18 Leeds City Council spent £258,023,426 with SMEs[5];
- This spend was with 198 suppliers and equates to 49.2% of procurement spend by Leeds City Council with its top 300 suppliers;
- The national benchmark for SME spend is 52% of total private sector business revenue;[6]
- In financial year 2017/18 Leeds City Council spent £46,798,331 with microbusinesses[7];
- This spend was with 73 suppliers and equates to 8.9% of procurement spend by Leeds City Council with its top 300 suppliers;

2.1.3 Spend by type of supplier

This section of the report will look at the value and proportion of Leeds City Council spend with organisations based on their type. We utilised the information provided by the Leeds City Council database to search for the type of each supplier in the Orbis directory.

- In financial year 2017/18 Leeds City Council spent £407,093,428 (equivalent to 78% of spend) with 213 private limited companies;
- During the same period Leeds City Council spent £42,813,207 (equivalent to 8% of spend) with 41 companies with charitable status[8];

Organisations should be seeking to develop diverse supply chains with a plurality of types of providers. We know that locally owned or socially minded enterprises are more likely to employ, buy and invest locally. This means that rather than extracting wealth they contribute to local economic development. For this reason, community wealth building seeks to promote locally owned and socially minded enterprises. These include public sector insourcing, municipal enterprises, worker ownership, co-

[5] Classified as 'Very Small', 'Small', 'Medium Small' and 'Medium'. The definitions used to classify they categories are contained within Tab four of the supplementary spreadsheet.
[6] Department of Business, Energy and Industrial Strategy (2018) Business Population Estimates 2018
[7] Classified as 'Very Small'. The definitions used to classify they categories are contained within Tab 4 of the supplementary spreadsheet.
[8] Those listed as 'charitable organization' or 'limited company by guarantee'

operatives, community ownership and local private ownership. These models enable wealth created by users, workers and local communities to be held by them, rather than flowing out as profits to shareholders.

2.1.4 Spend with suppliers by geography

Using the supply chain information provided by Leeds City Council, CLES calculated the extent to which procurement spend for 2017/18 was with Leeds and West Yorkshire based suppliers. Prior to running the analysis, CLES undertook further research to identify organisations which have a national administrative postcode but are based or have a branch within the region. For these organisations, we have gathered further postcodes and it is these that shape the analysis. Table 1 demonstrates the findings of this analysis:

Table 1: Spend by geography

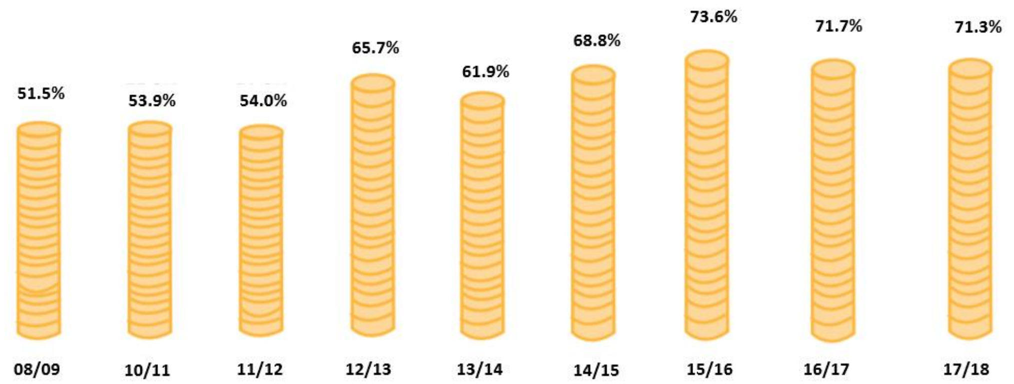
Geography	Spend	Proportion of total spend with top 300 suppliers
Leeds	£344,478,285	65.7%
West Yorkshire (including Leeds)	£372,102,484	70.9%
Non-West Yorkshire	£152,579,398	29.1%

It is difficult to compare these findings with other authorities because the economies of local places and regions are very different, in terms of the scale of them and also the nature of the business base. However, there are publicly available data from Manchester City Council to provide context to these figures. Figure 3 below shows the results of 9 years of spend analysis and charts the proportion of spend that is with suppliers based in, or with a branch in Manchester.

In addition, an analysis of 26 spend analyses conducted by CLES, saw the average local (local authority) spend at 36%, with its wider regional spend as being 62%. Therefore, on this measure Leeds City Council has a higher proportion of local spend than our average analysis.

It is important to note that although the geography of the supply chain is an important indicator, and that spend with local suppliers is considered to innately generate social value, it is more important to measure the local social value being generated by contracts and to recognise that all contracts have the potential to contribute to local priorities. Indeed, CLES have seen many examples of non-local suppliers who have provided significant social value as part of a contract. It is not enough to simply utilise local suppliers.

Figure 3: Spend analysis from Manchester City Council (2008-09 to 2017/18)



2.1.5 Spend with Leeds based suppliers

- During the 2017/18 financial year, Leeds City Council spent a total of £524,681,881 upon procuring goods and services from its top 300 suppliers (by value);

- Of this, £344,478,285 is spent with suppliers based in, or with a branch in, the Leeds City Council boundary; this equates to 65.7% of spend upon the top 300 suppliers;
- 184 of the Council's top 300 suppliers are based in, or have a branch in the Leeds City Council boundary.

Spend with Leeds based suppliers in areas of deprivation

For Leeds based suppliers, and utilising the 2015 Index of Multiple Deprivation, it is possible to identify how much of Leeds City Council's spend upon its top 300 suppliers (by value) is with organisations based in the most deprived neighbourhoods, or LSOAs[9]. For this measure we have used the overall deprivation domain.

The breakdown of spend in areas of deprivation within Leeds is as follows:

- £13,085,704 or 4% of spend with Leeds based suppliers is with organisations based in, or with a branch in, the 1% most deprived LSOAs nationally (there are 9 suppliers in these areas);
- £115,861,564 or 34% of spend with Leeds based suppliers is with organisations based in, or with a branch in, the 10% most deprived LSOAs nationally (there are 51 suppliers in these areas);
- £137,366,175 or 40% of spend with Leeds based suppliers is with organisations based in, or with a branch in, the 20% most deprived LSOAs nationally (there are 61 suppliers in these areas).

To provide context, in 2015 there were 16 LSOAs in Leeds in the 1% most deprived nationally (3% of LSOAs in Leeds; 105 in the 10% most deprived (37% of LSOAs in Leeds); and 148 LSOAs in Leeds were in the 20% most deprived (52% of LSOAs in Leeds).

Tab 2 of the supplementary spreadsheet highlights the Leeds based suppliers based in the 20% and 10% most deprived LSOAs nationally and the amount spent by the Council with them. Leeds City Council should seek to engage with these organisations to maximise the social value generated as a result of these contracts.

Spend with Leeds based suppliers by industrial sector

We have broken down the £344,478,285 spend with Leeds based organisations by industrial sector. This illustrates that:

- During the 2017/18 financial year the highest spend in Leeds was with organisations classified as Health at £133,743,025 (39% of total spend with Leeds based suppliers);
- Spend with Construction organisations comprised £80,427,633 (23% of total spend with Leeds based suppliers);
- Wholesale, Business Activities, Administrative Activities and Utilities have 9% 7% 7% and 5% of spend respectively.
- The remaining 10% of spend are distributed relatively evenly between 8 other categories – Transport, other service, Communications, Public Administration, Mining and Quarrying, Manufacturing, Education and Accommodation.

Spend with Leeds based suppliers by ward

For Leeds based suppliers, we have also identified the extent to which they are based in the each of the city's 33 wards. The figures for spend for each of the wards can be found in Tab 1 of the supplementary spreadsheet, however the headline findings are:

- The ward with the highest spend is Garforth & Swillington at £63,664,567.63, this is equivalent to 18.5% of total spend with suppliers based in Leeds (this spend is with 17 suppliers);
- In total, there has been spend in 30 of Leeds' 33 wards.

2.1.6 Spend with West Yorkshire based suppliers

The procurement analysis also revealed the scale of spend by Leeds City Council with suppliers based in West Yorkshire (including Leeds):

[9] Lower Layer Super Output Areas are a geographic hierarchy used within the reporting of small area statistics in England and Wales. LSOAs are built from groups of contiguous Output Areas and have been automatically generated to be as consistent in population size as possible, typically containing four to six Output Areas, with a minimum population of 1000 and a mean of 1500.

- £372,102,484 is spent with suppliers based in, or with a branch in West Yorkshire (including Leeds);
- This equates to 70.9% of all procurement spend by Leeds City Council upon its top 300 suppliers;
- In numerical terms, 222 of Leeds City Council's top 300 suppliers are based in, or have a branch in, West Yorkshire;
- £27,624,198 is spent with suppliers based in the other 4 Local Authority areas of West Yorkshire outside of Leeds.

2.1.7 Spend with Non West Yorkshire suppliers

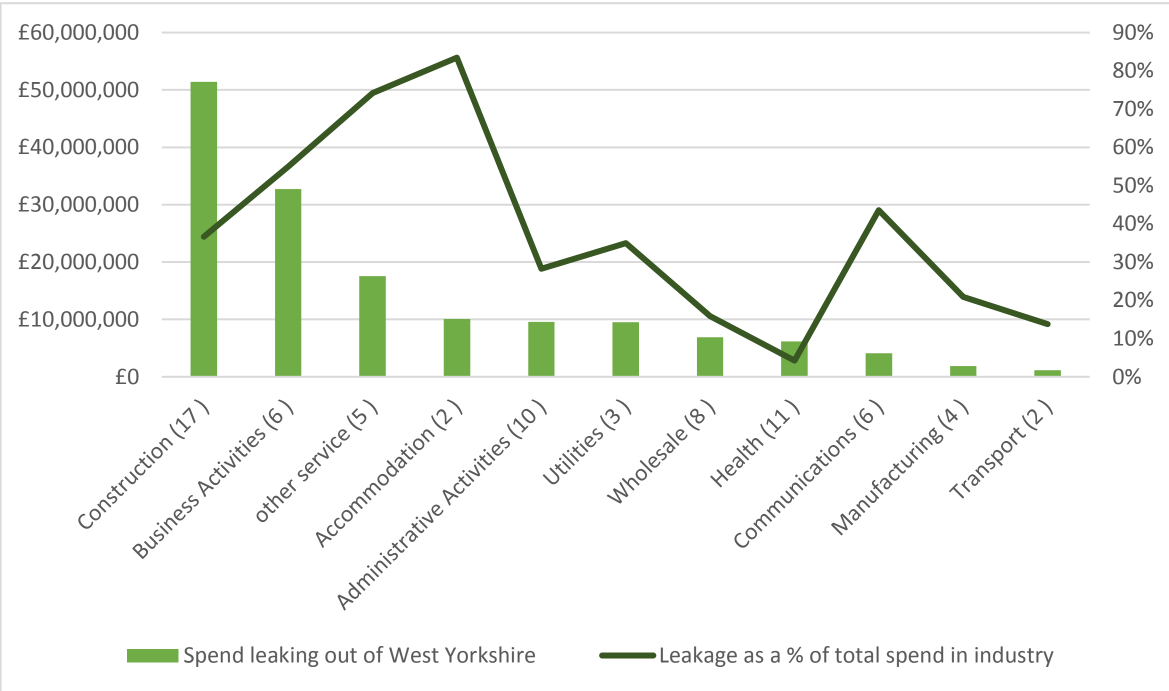
From the analysis of suppliers and their postcodes, we are also able to identify organisations within the top 300 suppliers to Leeds City Council which are not based in Leeds or West Yorkshire:

- In financial year 2017/18, £152,579,398 was spent with suppliers not based in West Yorkshire;
- This is equivalent to 29.1% of Leeds City Council spend with their top 300 suppliers leaking out of the West Yorkshire economy;
- This spend is with some 78 organisations; a list of which is detailed in Tab 3 of the supplementary spreadsheet.

The key sectors, where there is either a high value of leakage from the West Yorkshire economy, or a high proportion of total spend in a sector leaks are:

- In 2017/18 there was £51,404,442 spend by Leeds City Council upon 17 organisations classified as 'Construction' based outside of West Yorkshire;
- Leeds City Council spent £32,700,729 with 6 organisations based outside of West Yorkshire classified as 'Business Activities';
- 83% of all spend by Leeds City Council upon organisations classified as Accommodation (£10,097,694) is spent with two organisations based outside of West Yorkshire

<u>Figure 4: spend with suppliers that are not based in West Yorkshire</u>



CLES have met with Leeds City Council procurement staff to discuss the influenceable spend within their top 300 suppliers for 2017/18 (see Section 2.2).

2.2 Influenceable spend workshop

This sub-section of the report details the activities that were undertaken to explore the 'influenceable spend' of Leeds City Council.

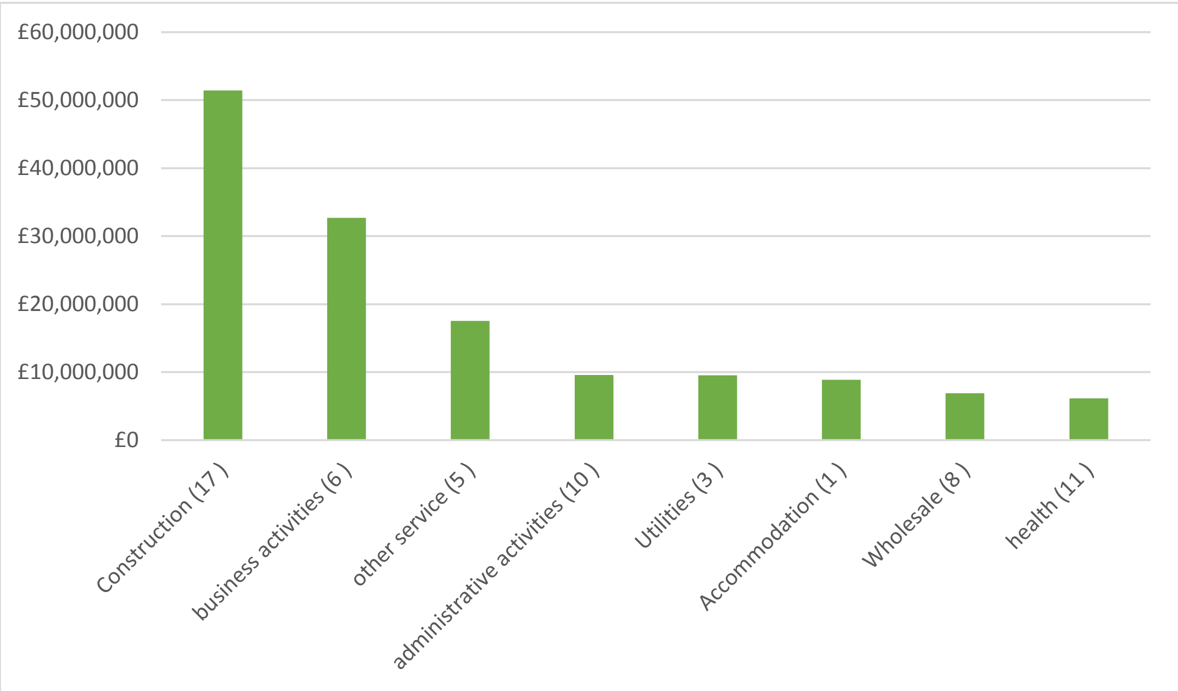
2.2.1 Method

Our method for an influenceable spend workshop is to take a list of suppliers who are shown by the spend analysis activity to not have a regional (in this case West Yorkshire) base or branch, to a meeting with procurement staff. The purpose of the meeting is to consider each of the suppliers in turn and consider whether this spend is 'influenceable' currently – we would argue that in the long-term all spend is influenceable. For the purpose of this exercise, influenceable spend is that with suppliers who are based outside of West Yorkshire where there may be scope for alternative provision of the goods or services. In order to make a judgement on each contract, we ask those at the meeting to consider the following questions:

- Does the supplier have a local or regional presence? (we have undertaken some work to seek alternative postcodes for non-regional suppliers, however there are often suppliers that officers can identify as local);
- Does the spend result in benefits for Leeds? (does the supplier deliver local social value as part of the contract or wider operations or do they provide an exceptional service and/or);
- Is the contract tied up in a national procurement framework and therefore the Council has no discretion over?
- Is the Council engaged in a long-term contract with the supplier? (anything 2+ years would be best considered when this exercise is repeated);
- Is the contract still in place, or has it run its course/was a one-off purchase?
- Is there a local market for the goods or services in question?

Tab 5 of the supplementary spreadsheet illustrates the list of suppliers that were discussed in the influenceable spend workshop. Figure 5 below illustrates non-regional spend by industrial sector, the proportion of total spend in each sector with the top 300 organisations that leaks out of the West Yorkshire economy and the number of suppliers in each category that are not based in or have a branch in West Yorkshire (this number is in brackets after each sector on the chart). Postcode analysis found 77 suppliers, with a contract value of £151,372,712 that were based outside of West-Yorkshire.

Figure 5: Potentially influenceable spend by industrial sector



2.2.2 Findings

The influenceable spend workshop with members of Leeds City Council's procurement team whittled down the list of suppliers, using the above questions as a frame, to generate a list of 8 suppliers (as detailed in Table 2), where there is opportunity to influence the spend. There is also further interrogation required on some contracts.

It should be noted that it is not the intention of Leeds City Council to move all spend within the local authority boundaries. This exercise is about identifying sectors or areas in which market engagement could encourage a wider range of suppliers to compete in the tender process.

Table 2: Potentially influenceable contacts

Supplier	Spend
Rullion IT Plus Limited	£1,629,497
Yorkshire Transformations Limited	£1,587,636
3GS (UK) Limited	£284,080
AP PAVERS	£278,570
GIBSONS GARDEN MACHINERY LTD	£269,012
Sanmet Ltd	£259,124
LYRECO UK LIMITED	£233,671
Action For Children	£228,734

3 EXPLORATION OF WIDER ECONOMIC IMPACT

This section of the report details the findings from the survey of the top 300 suppliers to Leeds City Council. The purpose of the survey is to understand what happens to the Council spend once it reaches the supply chain, principally the extent to which they re-spend upon local employee wages and local suppliers of their own. We have also included two questions around social value, to understand what the supply chain are already delivering and to produce some evidence on the nature of their employment practices. The survey of suppliers was sent electronically to Leeds City Council suppliers, and 83 out of the top 300 suppliers completed the survey.

3.1 Supplier survey

The following analysis details the re-spend figures for Leeds City Council suppliers derived from the survey. The actual survey findings have subsequently been used as proxies to determine the re-spend of non-responding suppliers.

3.1.1 Re-spend of suppliers in Leeds

Table 3 details the contract spend by Leeds City Council in 2017/18 with responding suppliers, and the amount re-spent by suppliers upon their own employees and their own suppliers who are based in, or a resident of, Leeds City. The suppliers which responded to the survey re-spent over £4.8 million on employees and their own suppliers who are resident or based in Leeds, which is equivalent to 17p in every £1.

Table 3:Re-spend in Leeds by responding suppliers

Type of re-spend	Contract spend by Leeds	Re-spend by suppliers on Leeds resident employees/suppliers	Proportion of local spend
Employees	£36,624,302	£2,385,766	£0.07
Suppliers	£24,782,035	£2,511,926	£0.10
Total	-	**£4,897,692**	**£0.17**

Using the information generated from the supplier survey responses, we can utilise proxies to derive estimates of the local re-spend of contractors and suppliers which did not respond to the survey. Overall, the survey identified that suppliers to Leeds City re-spend 17p in every £1 in the Leeds boundary. By applying this ratio to the total spend with Leeds Council suppliers of £524,681,881, we estimate that Leeds Council suppliers re-spent £87,360,778 back in the Leeds economy on local suppliers and employees of their own.

3.1.2 Re-spend of suppliers in West Yorkshire

Table 4 details the contract spend by Leeds City Council in 2017/18 with responding suppliers, and the amount re-spent by suppliers upon their own employees and their own suppliers who are based in, or a resident of, West Yorkshire. The suppliers which responded to the survey re-spent over £7.8 million on employees and their own suppliers who are resident in West Yorkshire (including Leeds), which is equivalent to 26p in every £1.

Table 4:Re-spend in West Yorkshire by responding suppliers

Type of re-spend	Contract spend by Leeds Council	Re-spend by suppliers on West Yorkshire resident employees/suppliers	Proportion of local spend
Employees	£36,624,302	£4,215,622	£0.12
Suppliers	£24,782,035	£3,662,919	£0.15
Total	-	**£7,878,540**	**£0.26**

Using the information generated from the supplier survey responses, we can utilise proxies to derive estimates of the local re-spend of contractors and suppliers which did not respond to the survey. Overall, the survey identified that suppliers to Leeds City Council re-spend 26p in every £1 in the West Yorkshire boundary. By applying this ratio to the total spend with Leeds City Council suppliers of £524,681,881, we estimate that Leeds City Council suppliers re-spent £137,944,058 back in the West Yorkshire economy on local suppliers and employees of their own.

62% of Leeds City Council suppliers responding to the survey paid all their staff a Living Wage of £9 per hour, as advocated by the National Living Wage Foundation. On average 81% of responding Leeds City Council suppliers' employees were employed on a permanent basis.

The final question related to the wider benefit suppliers brought for Leeds. This ranged from supporting (donations as well as in-kind support) and engagement with community groups. local charities and sports teams. Several suppliers said they provided mentors, offered work placements, apprenticeships and training programmes (such as through local Colleges).

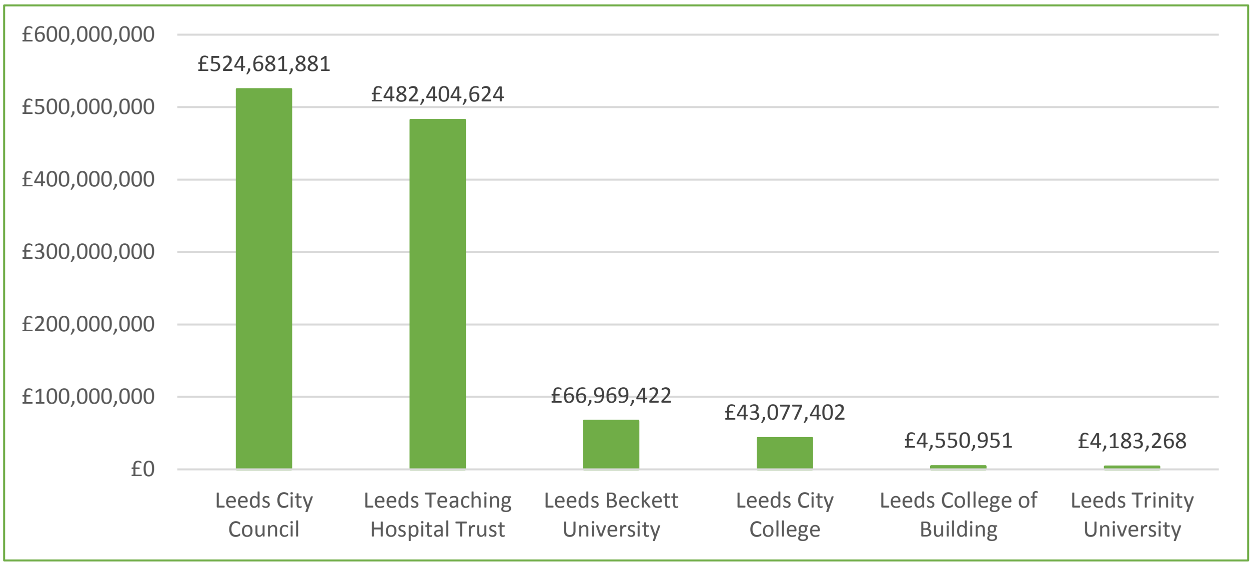
4 COLLECTIVE SPEND ANALYSIS

CLES undertook spend analysis for Leeds City Council, Leeds City College, Leeds College of Building, Leeds Trinity University, Leeds Beckett University and Leeds Teaching Hospital Trust. For each institution CLES has analysed the top 300 suppliers (by value of spend), so this collective analysis covers 1,800 suppliers. The analysis looks at levels of spend in Leeds and West Yorkshire (including Leeds), spend with suppliers in areas of deprivation, spend with SMEs, and spend with suppliers outside of West Yorkshire and Humber.

4.1.1 Total spend on suppliers

Across the six participating Anchor Institutions, a total of £1,125,867,547 was spent procuring goods And services in financial year 2017/18. Figure 4 breaks this spend down by institution. This is a significant level of spend, and when you also consider spend on employees wages and the scale of the assets that these institutions collectively own, it highlights the potential of collaboration between the group.

Figure 4:Total spend with top 300 suppliers by institution



4.1.2 Spend with SMEs

Across the six participating Anchor Institutions a total of £455,324,098 was spent procuring goods and services in financial year 2017/18 from suppliers that can be classified as SME. This spend was with 1,239 institutions and equates to 40.4% of spend with the top 1,800 institutions collectively.

To add further detail, £84,325,669 was spent with a collective 438 micro businesses.

4.1.3 Spend with suppliers in Leeds

Across the six participating Anchor Institutions a total of £540,831,070 was spent procuring goods and services in financial year 2017/18 that are based in or have a branch in the Leeds City Council boundary. This spend was with 650 organisations and equates to 48.0% of spend with the top 1,800 suppliers collectively.

Spend with suppliers in areas of deprivation

For Leeds based suppliers only, CLES have analysed the extent to which spend is with suppliers that are based in areas of deprivation. For this measure we have used the overall deprivation domain from the 2015 Indices of Multiple Deprivation.

The breakdown of spend in areas of deprivation within Leeds is as follows:

- £20,540,286 or 3.8% of spend with Leeds based suppliers is with organisations based in, or with a branch in, the 1% most deprived LSOAs nationally (there are 25 suppliers in these areas);

- £146,741,537 or 27.1% of spend with Leeds based suppliers is with organisations based in, or with a branch in, the 10% most deprived LSOAs nationally (there are 144 suppliers in these areas);
- £178,240,114 or 33.0% of spend with Leeds based suppliers is with organisations based in, or with a branch in, the 20% most deprived LSOAs nationally (there are 179 suppliers in these areas).

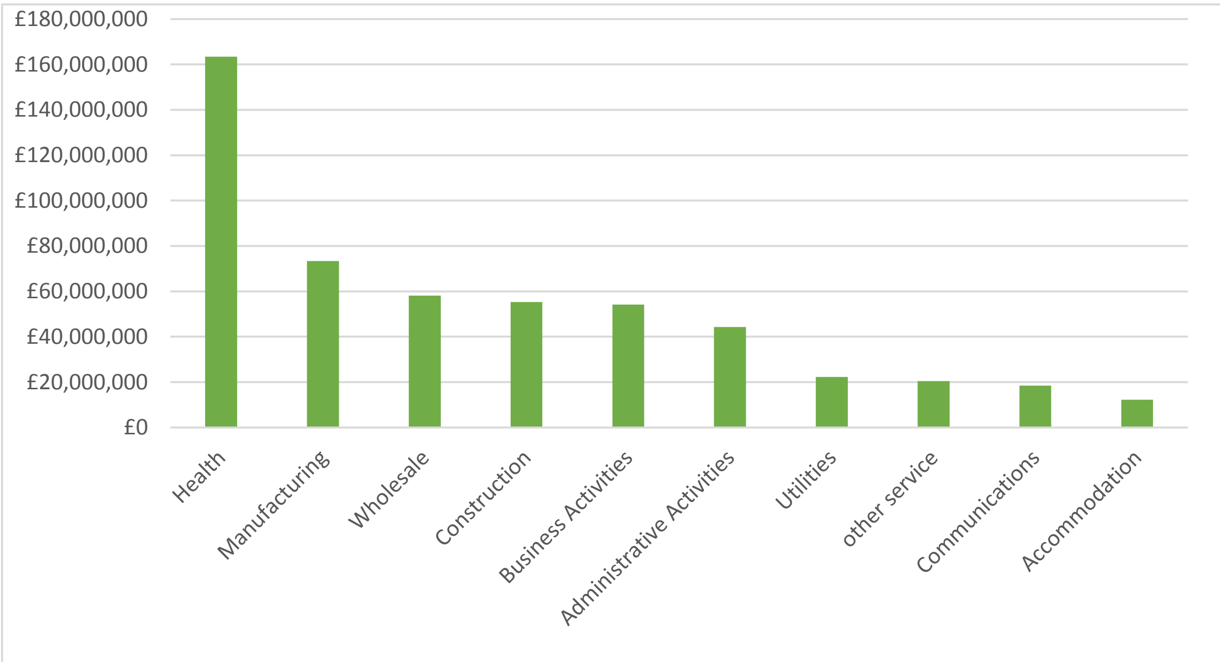
4.1.4 Spend with suppliers in West Yorkshire

Across the six participating Anchor Institutions a total of £591,037,289 was spent procuring goods and services in financial year 2017/18 that are based in or have a branch in West Yorkshire (including Leeds). This spend was with 863 institutions and equates to 52.5% of spend with the top 1,800 institutions collectively.

4.1.5 Spend with suppliers based outside of West Yorkshire

The analysis shows that across the six participating Anchor Institutions a total of £534,830,258 was spent procuring goods and services in financial year 2017/18 that are not based in West Yorkshire. This spend was with 937 institutions and equates to 47.5% of spend with the top 1,800 institutions collectively. Figure 5 illustrates this collective spend with non-regional suppliers by industrial sector.

Figure 5:Spend and proportion of spend upon non-West Yorkshire suppliers by sector



5 RECOMMENDATIONS

The recommendations below are intended to assist Leeds City Council and the other participating anchor institutions to make procurement a key means for delivering greater local social, economic and environmental benefit through a Community Wealth Building approach. They are also intended to broaden the focus of future work to consider land, property and assets and alternative ownership. These recommendations are based on the findings of the supply chain analysis, supplier survey, the influenceable spend workshop, from our discussions with participating anchors, and from CLES' experience of conducting this type of work elsewhere.

Leeds City Council Procurement and Commissioning

Recommendation 1 – Repeat the analyses to track progress

The spend analysis contained in this report is intended to provide a baseline for the impact of Leeds City Council's procurement spend. It is recommended that the Council repeat these analyses on an annual basis to track progress against the spend figures, in particular with SMEs and in areas of deprivation.

Recommendation 2 – Develop a contract monitoring system

The supplier survey undertaken for this project provides insight into the indirect impact of Council spending on key social and economic metrics. However, an on-going method for tracking the indirect impact of spend which is built into the contract management process would provide a comprehensive and up to date evidence base and enable tracking of the impact of action to embed a Community Wealth Building approach to procurement and commissioning.

Leeds City Council will be placing a renewed focus upon generating social value through procurement and commissioning and it is important to monitor delivery, both in terms of ensuring compliance and also demonstrating total scale of this wider impact. CLES recommends that whatever system that is developed for contract monitoring suppliers submit a 'social value return', to minimise demand on capacity of officers to process disparate contract data. This system need not be complex and could be developed internally.

Recommendation 3 – Communicate social value approach to suppliers and officers.

To assist suppliers and the wider business community to understand the approach being taken, and ultimately deliver social value, Leeds City Council must clearly communicate what they mean by social value, the priorities being pursued, and this should be applied throughout the commissioning and procurement cycle. This could take the form of a social value guidance and communication materials, alongside face to face engagement through workshops, webinars and supplier engagement events.

Recommendation 4 - Create a deeper understanding of the market by undertaking analysis of market supply

The extent to which social value can be generated from a supply chain is related to the strength of the market. In a Community Wealth Building approach, anchor institutions seek to use their purchasing power to grow dense local supply chains of socially responsible and democratically owned businesses. As a starting point in this Leeds should undertake an analysis of key sectors of the local market where spend is significant and gather intelligence about the profile of potential suppliers. This insight can then be combined with the data generated from the spend analysis conducted here to identify opportunities to open-up procurement opportunities for local, socially focused suppliers to compete. Once this work is done an increased social value weighting could be introduced in these key sectors.

Recommendation 5 - Engage with suppliers in areas of deprivation around the delivery of social value

The spend analysis has shown that Leeds have 61 suppliers (with which there was a spend of £137 million in 2017/18) that have a presence in areas within the 20% most deprived nationally. There is an opportunity here to work closely with these businesses to enhance their understanding and delivery of social value. Engagement with these businesses should be prioritised because the delivery of social value in these communities has the greatest potential impact.

Recommendation 6 – Provide support to a wider range of business types to engage in the procurement and commissioning process

A key element of Community Wealth Building is seeking to develop a diverse supply chain. Our analysis has shown that 198 of the top 300 suppliers can be classified as SME, 73 as microbusinesses and 41 are charities, which is encouraging. However, it is important that all types of organisation, including community businesses, CICs, and charities are able to access the opportunities to provide goods and services to the Council. There is a significant opportunity to link, via procurement, with the start-ups and small businesses in the city which are a feature of the Leeds economy.

In order to do this Leeds City Council should continually review how accessible their tendering process is. This may include a review of procurement portals and frameworks used; the volume of information requested through application forms; a review of where opportunities are advertised; or a review of the numbers and types of organisations that are bidding for opportunities.

In addition, it is important that all suppliers are supported to deliver social value. CLES is aware of the limited capacity of officers, and the size of the business base in the city. Therefore, it is important for Leeds City Council to engage and work with organisations that can provide support to business around social value.

Finally, it is important to ensure that the business support offer in the city is suitable for all business types including those organisations operating in the social economy. Again, this will require Leeds City Council to engage with providers across the city to harness existing resources and to link up existing services.

Wider Community Wealth Building

The first set of recommendations relate to procurement and commissioning. This work has shown the potential for an intentional approach to leveraging the spending power of the Council to build a more inclusive economy. A wider Community Wealth Building approach, encompassing the full range of anchor institution economic assets (including workforce, land, property and wider financial assets such as pension funds), would enable even greater impact to be secured. Below are several recommendations that would support the development a broader approach to building community wealth in Leeds:

Recommendation 7 – Build community wealth through anchor assets

Anchor institutions are often major land, property and asset holders. These represent an asset base from which community wealth can be generated. In community wealth building the aim is to ensure that any financial gain from anchor assets is harnessed for the benefit of local citizens. Furthermore, there is a desire to develop local economic uses, and extend local social/community use of assets which are currently under-utilised. This work is driven by an understanding that much public sector land and facilities are the commons[10] and should be used to develop greater citizen ownership of the built, open space and natural environment. Working with a number of anchor institutions CLES has helped these organisations identify opportunities for under-utilised assets to be brought into socially productive use.

Recommendation 8 – Build community wealth through anchor employment

The employment practice of Anchor Institutions has the potential to have a defining influence on local labour market and generate equitable local economic development. CLES has worked with a number of Anchor Institutions to understand the profile of their workforce, mapping employee postcodes against local data on deprivation. Conducting an analysis of this type would enable the Council to assess the extent to which people from deprived communities are accessing jobs within the organisation and estimate the economic value being generated through employment in different areas of the city. This data provides a robust basis for practical action to address barriers to employment in these areas.

Recommendations for anchor collaboration

Collaboration between anchor institutions can amplify the impact of community wealth building activity, enabling institutions to send strong messages to the market and collaborating to strengthen

[10] The are many definitions of the commons – from a CLES perspective the commons are a broader set of resources that include natural assets such as water, air and physical landscapes, but it also includes assets such as community centres, parks and playing fields. CLES believe that these resources should be held in common in perpetuity for all citizens and owned by private organisations.

their practice. Leeds is in a strong position to maximise the potential of such an approach given the groundwork that has already been undertaken to develop and sustain an anchor network.

Recommendation 9 – Continue to work together, through the anchor network to improve practice and amplify impact in key areas

We recommend that organisations continue to participate in the Leeds anchor network. This will not just benefit the practice of individual organisations, but also provide a platform to share key learning, increasing impact by both raising the bar and by keeping a consistent focus on improvement.

Recommendation 10 – Agree key outcomes to work on collectively

We recommend that the Leeds anchor network agree on key outcomes for the anchor network to work towards, collaborating where practical to amplify impact in key areas. This would not preclude anchors from pursuing individual priorities but would provide a focus for collective action. These outcomes may include:

- Identifying key sectors of relevance to multiple anchors where they could seek to grow dense local and socially virtuous supply chains which will achieve wider social and local economic value;
- Identifying key social value outcomes of relevance to the Leeds economy, prioritise them in social value approaches of multiple anchors and share learning on what works in delivering on these between anchors and across supply chains;
- Increase the proportion of Anchor employees from the most deprived areas of the city.

Leeds CITY COUNCIL

Report author: Sandra Pentelow
Tel: 3788655

Report of Head of Democratic Services

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

Date: 31 July 2019

Subject: Financial Performance – Outturn 2018/19

Are specific electoral wards affected? If yes, name(s) of ward(s):	☐ Yes	☒ No
Has consultation been carried out?	☐ Yes	☒ No
Are there implications for equality and diversity and cohesion and integration?	☐ Yes	☒ No
Will the decision be open for call-in?	☐ Yes	☒ No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	☐ Yes	☒ No

1. Purpose of this report

1.1 The purpose of this report is to provide Board Members with financial performance information relevant to the Board's terms of reference. Specifically, the Board is provided with details of the Council's financial outturn position for 2018/19 and invited to provide any comment on aspects that are relevant to its remit.

2. Background information

2.1 Each year the Council's financial outturn position for both revenue and capital is reported to the Executive Board. All Scrutiny Boards are then subsequently given the opportunity to consider and provide any comment on aspects of the outturn position that are relevant to their individual remits.

3. Main issues

3.1 Details of the Council's financial outturn position for 2018/19 for both revenue and capital have been provided to the Executive Board for its meeting on 26th June 2019. This report is appended for the Board's consideration (Appendix A). However, appendix 1 within the Executive Board report has been adapted to reflect information relevant to the Scrutiny Board (Infrastructure, Investment and Inclusive Growth).

3.2 Appropriate senior officers have been invited to the meeting to discuss the attached reports and address any issues raised by the Scrutiny Board.

4. Corporate considerations

4.1 Consultation and engagement

4.1.1 The Council's financial outturn is a factual report and therefore is not subject to consultation. However, all Scrutiny Boards are given the opportunity to provide any comment on aspects of the outturn position that are relevant to their individual remits.

4.2 Equality and diversity / cohesion and integration

4.2.1 The Council's revenue budget for 2018/19 was subject to Equality Impact Assessments where appropriate and these can be seen in the papers to Council on 21st February 2018.

4.3 Council policies and the Best Council Plan

4.3.1 The 2018/19 budget targeted resources towards the Council's policies and priorities. This report comments on the financial performance against this budget in support of our Best Council ambition of offering value for money through being an efficient and enterprising organisation. The Council is committed to spending money wisely and the Scrutiny Board can promote this value by providing support and challenge with regard to budget management for 2018/19.

Climate Emergency

4.3.2 Since this is a factual report detailing the Council's financial outturn position for 2018/2019 there are no specific climate implications, however management of the Council's budgets support the ambition of making Leeds carbon neutral by 2030.

4.4 Resources, procurement and value for money

4.4.1 All financial implications are detailed in the main body of the Executive Board 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 Budget management and monitoring is undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget that are judged to be at risk, for example the implementation of budget action plans, those budgets which are subject to fluctuating demand and key income budgets. To reinforce this risk-based approach, specific project management based support and reporting around the achievement of the key budget actions plans was in place for 2018/19. The Scrutiny Board may wish to challenge aspects of risk whilst considering the outturn report for 2018/19, and explore how risk would be mitigated.

5. Conclusions

5.1 Details of the Council's financial outturn position for 2018/19 for both revenue and capital have been provided to the Executive Board for its meeting on 26th June 2019 and this report is now appended for the Board's consideration in accordance with its terms of reference.

6. Recommendation

6.1 That the Scrutiny Board considers the relevant information within the attached Executive Board report and agrees any specific scrutiny actions that may be appropriate.

7. Background documents[1]

7.1 None.

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

This page is intentionally left blank

Report author: Victoria Bradshaw
Tel: 88540

Report of the Chief Officer Financial Services

Report to Executive Board

Date: 26th June 2019

Subject: Financial Performance - Outturn financial year ended 31st March 2019

Are specific electoral wards affected? If relevant, name(s) of ward(s):	☐ Yes	☒ No
Are there implications for equality and diversity and cohesion and integration?	☐ Yes	☒ No
Is the decision eligible for call-in?	☒ Yes	☐ No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	☐ Yes	☒ No

Summary of main issues

1. The purpose of this report is to inform members of the final outturn for the financial year 2018/19. The pre-audited accounts will be presented to the Corporate Governance and Audit Committee at its meeting on the 25th June 2019.

2. As set out below, the final position on the General Fund shows an underspend of £3.0m after the creation of a number of earmarked reserves. This is a reduction in the underspend of £0.25m when compared to the provisional outturn position received at Executive Board in April.

3. The 2018/19 budget assumed a contribution to the general reserve of £1.0m. However this planned final outturn underspend results in a net contribution to the general reserve of £2.3m. This planned contribution to the Council's general reserve will ensure that the Council continues to remain financially resilient. This needs to be seen in the context of the inherent uncertainty resulting from delays to the Government's next spending review, the unknown implications of both the Government's intended move to 75% business rate retention nationally and the outcome of the Government's Fair Funding Review. Adding to this uncertainty is the delay in the publication of the Government's green paper on adult social care which will hopefully provide greater certainty around their future funding intentions.

4. The Housing Revenue Account outturn position is a surplus of £1.1m and this has resulted in a corresponding reduction in the contribution required from the PFI reserve to support the 2018/2019 budget.

5. As at April 2018 the level of general reserve was £25.7m. As per table 3 at paragraph 5.1 the amount of general reserve at 31st March 2019 is £28.0m. This planned increase is in line with the Authority's strategy to increase reserves to strengthen financial resilience.

Recommendations

6. Members of the Executive Board are asked to;

   a. Note the outturn position for 2018/19, to agree the creation of earmarked reserves as detailed in paragraph 5.3 and to delegate their release to the Chief Officer Financial Services;

   b. To approve the use of the projected surplus from the 2018/2019 Leeds City Region Business Rates Pool to forward fund the projects which are detailed in paragraph 2.9. These projects were initially agreed by the Leaders of the member authorities of this Pool following its disbanding on the 31st March 2019;

   c. Note that the Chief Officer Financial Services will be responsible for the implementation of these actions following the 'call in' period.

1. Purpose of this report

1.1 This report sets out for the Board the Council's financial outturn position for 2018/19 for both revenue and capital. It also includes the Housing Revenue Account and expenditure on schools.

1.2 In addition the report highlights the position regarding other key financial health indicators including Council Tax and Business Rates collection statistics, sundry income, reserves and the prompt payment of creditors.

1.3 It should be noted that, in accordance with proper accounting practice, any significant event which occurs prior to the audit sign-off of the accounts in July 2019 could impact on the Council's final published outturn position and hence on the level of reserves. This is known as a post balance sheet event and, should such an event occur, it will be reported back to this Board at the earliest opportunity.

1.4 Executive Board will be aware that the Council's unaudited accounts went on deposit for public inspection on 31st May 2019.

2. Main Issues

2.1 The 2018/19 general fund revenue outturn position, after the creation and transfer of a number of earmarked reserves as detailed in paragraph 5.3, is a planned underspend of £3.0m.

Table 1 - summary outturn position

Directorate	Director	Staffing	Total Expenditure	Income	Total (under) /overspend	Provisional Outturn 2018/19
		£000	£000	£000	£000	£000
Adults & Health	Cath Roff	(771)	3,647	(3,647)	0	0
Children and Families	Steve Walker	353	5,724	(3,304)	2,420	2,518
City Development	Martin Farrington	(1,551)	5,945	(4,056)	1,890	1,773
Resources & Housing	Neil Evans	(562)	13,864	(13,265)	599	398
Communities & Environment	James Rogers	1,590	8,482	(8,860)	(377)	278
Strategic	Victoria Bradshaw	428	(287)	(7,248)	(7,535)	(8,216)
Total		**(513)**	**37,375**	**(40,380)**	**(3,003)**	**(3,250)**

2.2 Full details of the directorate variations, budget action plans and risk areas for the year can be found in the financial dashboards attached at Appendix 1. The main directorate issues contributing toward the outturn position are as follows:-

2.3 **Adults and Health** - the directorate has achieved a balanced position at the financial year-end.

There have been a number of variations throughout the year and additional government funding of £3.3m via the Winter Pressures grant was received.

There were staffing pressures within Provider Services, but overall slippage to fill posts across the rest of the directorate has delivered a £0.8m saving. This saving has helped mitigate increased expenditure within the Equipment Service to meet increased demand, assist with the NHS's Delayed Transfer of Care (DTOC) targets and to offset potential uncertainty in the market over the next few months.

There is a net £1.6m underspend on demand led budgets. However, this is after the application of £3.0m of the Winter Pressures monies to meet the overspends in home care and supported living. The relatively mild winter, together with improved system flow and the impact of the strengths-based approach has seen demand for residential and nursing placements reduce this year. A decrease in the number of Direct Payments to providers was also recorded.

Whilst further analysis is ongoing, it is currently assumed the majority of this underspend is due to the mild winter and therefore it is likely to be a non-recurrent saving. As a result this variation has been used to forward pay the borrowing costs associated with the refurbishment of South Leeds Intermediate Centre and the purchase of the Killingbeck site. This proposal will benefit the Adults and Health budget in future years since budgeted contributions to pay off the borrowing will now no longer be required.

Income is higher than initially budgeted for. This is a mixture of the Winter Pressures grant £3.3m, additional funding for Public Health to meet expenditure received from health partners and funds received from the CCG to enable development in future years; this includes funding to support the feasibility of developing an autism facility for meeting complex needs for service users within the Transforming Care cohort.

The directorate received the second year of a three year funding stream, referred to as the Spring Budget monies. Slippage has been evidenced this year and £5.3m of planned spend has been transferred to reserves to be utilised in 2019/20. Within Public Health, the contribution from the Health Inequalities Fund reserve was less than budgeted and will therefore be carried forward through reserves; in addition the Public Health grant has underspent by £572k which, in line with its ring-fencing rules, will be carried forward into the next financial year and will be partly used to contribute towards the budgeted grant reduction in 2019/20. Similarly the Leeds Adults Safeguarding Board has underspent by £76k and this underspend will be carried forward into the next financial year as part of their ring fenced arrangements.

2.4 **Children and Families –** the year-end position is an overspend of £2.42m which is a reduction of £0.1m from the provisional financial outturn position reported to Executive Board in April.

The overspend represents less than 1% of the gross expenditure budget for 2018/19. As projected, the outturn position does include a contribution of £1.6m from Adult Social Care (ASC) from a one-off underspend on demand-led budgets towards services provided by Children and Families to children over 16. Whilst this is significant the underlying overspend is lower than in the last three financial years and reflects the additional resources for demand-led budgets, early intervention work and investment in social worker staffing and training and development in recent years.

The major area of overspend was on the Children Looked After (CLA) budgets where the number of children being supported across a range of interventions was higher than budgeted.

The two highest cost placements, External Residential (ER) and Independent Fostering Agency (IFA), were both higher than the budgeted assumptions. At the end of March 2019 ER numbers were 62 compared to the budgeted number of 53. At the start of the financial year there were 64 children in ER placements. Numbers fell at the beginning of the year and then remained fairly constant for the rest of the year. At year end the number of IFA placements was 206 compared to the budgeted number of 179. As a result the ER budget overspent by £1.1m and the IFA budget by £0.4m, both in line with previous projections. There was also an increase in the number of financially supported non-CLA resulting in an overspend of £1.3m, including £0.3m on Special Guardianship Orders, £0.4m on the Leaving

Care budget and £0.6m relating to Section 17 (Children's Act 1989) costs associated with safeguarding and promoting a child's welfare. The CLA and financially supported non-CLA budgets have been increased by £2m in 2019/20.

The overall position on CLA in Leeds compares favourably to the national position. The CLA rate per 10,000 children in Leeds has remained fairly constant whilst the proportion of children who are looked after has risen by 4% nationally over the past three years. This is despite continuing population growth and growing deprivation in areas of the city. In similar areas of the country, the 'Statistical Neighbour' Local Authorities to Leeds, the proportion of children looked after rose by nearly 6%, with the average now well above the rate seen in Leeds.

As previously forecast, there was an increase of £0.36m in the Council's contribution to the One Adoption West Yorkshire Partnership. External legal disbursement costs exceeded the budget by £0.4m. Both these budgets have been increased in 2019/10 to reflect these pressures.

Transport related expenditure was £0.2m under budget with an underspend of £0.3m on mainstream school transport achieved mainly through the rationalisation of routes in the contracts managed by the West Yorkshire Combined Authority and an overspend of £0.1m on transport for children with Special Education Needs and Disabilities (SEND) and in social care. During the year there was a notable increase in the number of children requiring transport and also an increase in contract prices. This pressure was offset by savings of £0.28m from the successful roll out of Personal Transport Allowances (PTAs) and additional Dedicated Schools Grant (DSG) income of £0.25m. The 2019/20 budget includes an increase of £0.7m in the SEND and social care transport budget reflecting the underlying increase in numbers and costs.

Staffing was £0.35m overspent against a total staffing budget of over £83m with the main area of overspend in Social Care as recruitment increased during the last quarter of the year.

Key variations on income include the £1.6m contribution from ASC, £0.3m additional DSG funding from the High Needs Block towards the education cost of residential placements and £0.2m funding from Housing Services towards the costs of the Children Health and Disability (CHAD) team. This additional income was offset by a shortfall in traded income of £0.4m, mainly in Learning Improvement and music services, and £0.2m shortfall against budgeted from Clinical Commissioning Groups (CCGs) towards the cost of ER placements. The shortfall in traded income should be seen against the context of an increase in the number of schools becoming academies and general ongoing financial pressures in schools. There was a net overspend on Learning for Life of £0.7m, mainly as a result of a shortfall in Free Early Education Entitlement grant income.

The outturn position for the **DSG** is an underspend of £4m. This includes the additional funding for the High Needs Block announced by the Secretary of State for Education on the 17th December 2018 which resulted in an additional £1.76m of funding in both 2018/19 and 2019/20. The additional grant is the major reason for the improved position on the High Needs Block. Overall, spend on the High Needs Block was on budget although there was a reduced contribution to reserves of £0.67m against the budgeted £0.95m. The Early Years Block was £2.9m underspent, in line with projections and was mostly due to lower actual annual pupil numbers than is assumed in the Free Early Education Entitlement grant received from the Government. The Central School Services Block spent in line with the budget and there was an underspend of £1.1m on the Schools Block including £0.5m on the De-delegated school budgets and £0.5m on the growth fund which it is anticipated will be required in 2019/20. The overall position on general DSG is a surplus of £1.1m against the deficit of £3.4m brought forward from 2017/18. Whilst there is now a surplus on the overall DSG reserves there are still significant underlying financial pressures on the High Needs Block which will need to be managed in future years.

2.5. **City Development** – the outturn position for the year for City Development is an overspend of £1.89m which represents an increase of £0.12m from the provisional financial outturn position reported to Executive Board in April.

For 2018/2019 the budgeted return on the Council's commercial asset portfolio increased by £1m to £3.36m. A year-end pressure of £1.78m against this portfolio reflects the limited number of market opportunities with the right risk profile that were available to the Council in 2018/19.

The rising cost of electricity tariffs for street lighting accounts for £1.06m of the budget overspend, however this has been more than offset by savings in the winter maintenance budget due to the mild winter, which in turn has facilitated an increase in DLO productivity and substantial increase in turnover giving a resultant net saving of £1.5m.

A reduction in fee income resulting from slippage in the Capital Receipts Programme accounts for a budget pressure of £0.82m, the most significant issue being the delay in completing the sale of Leonardo/Thoresby. The Thoresby transaction represents a significant acquisition in the regional market and with its redevelopment will attract a number of new investments to the city. The disposal is in the final stages of completion, having incurred a short delay in finalising terms. The receipt from this sale will now be received in 2019/20 with a resultant increase in the level of fee income receivable in this year enabling a contribution to the general reserve to compensate for the budget pressure being funded in the intervening period.

Within the Planning function, a £0.60m pressure on external legal fees relating to Planning Appeals and a £0.13m shortfall in fee income were partially offset by a £0.30m saving on staffing and a £0.16m saving in premises and supplies and services.

A shortfall in markets income of £0.34m alongside spending pressures on running costs of £0.24m account for a £0.59m pressure in Markets and City Centre services.

The Arts & Heritage service overspent by £0.40m of which £0.17m related to additional spending pressures around the Carnival and Black Music Festival events with the balance due to pressures on staffing budgets.

Mitigating savings of £1.29m include one-off income from release of covenants £0.48m, staffing savings of £0.70m (mainly Asset Management) and utilisation of £0.30m of street lighting dispute resolution balances.

2.6 **Communities and Environment** – the overall outturn position for 2018/19 is an underspend of £0.377m. The main variations across the individual service areas are as follows:

There has been an overall underspend of £0.1m within Car Parking Services, mainly reflecting staffing/expenditure savings of £0.2m and additional Penalty Charge Notice income of £0.3m, partially offset by shortfalls in on-street parking income of £0.2m and Bus Lane Enforcement income of £0.2m.

The Waste Management service has underspent by £0.2m overall. Although the delayed implementation of the Refuse route review has resulted in a pressure of £0.7m, this has been offset by waste disposal savings of £0.6m, additional weighbridge and recycling income of £0.2m and all other expenditure variations across the service of £0.1m.

An overspend of £0.2m within Customer Access mainly reflects the challenges in delivering budgeted staffing efficiencies at the Contact Centre whilst maintaining performance levels in the face of increased call volumes (£0.2m). In addition there has been increased security provision in Community Hubs (£0.2m), although these overspends have been partially offset by additional income and expenditure savings across the service.

There has also been an overspend of £0.1m within Communities which mainly relates to Community Centres and is attributable to a combination of a shortfall in income and additional premises costs.

Within Electoral and Regulatory Services, there has been an underspend of £0.2m which includes reduced Registrars income of £0.1m (including the cessation of the Nationality Checking Service). This has been offset by savings within the Environmental Health service of £0.3m, mainly due to staffing savings and additional pest control income.

Other underspends within the directorate include the Cleaner Neighbourhoods and City Centre Teams (£0.1m) and Community Safety (£0.1m), with the underspends in these services mainly reflecting staffing/expenditure savings.

2.7 **Resources and Housing -** the Directorate outturned at an overspend of £0.6m (0.76%) which was an increase of £0.2m when compared to the provisional outturn reported to Executive Board in April.

The resources group of services had a collective underspend of £0.3m, meaning this group of services has more than delivered on the reduction of £3.5m of support services costs which had been assumed in the budget; This is despite some significant in year budget pressures.

Whilst there is an overall staffing pressure in the group, this mainly arises from recruitment within DIS and is offset by additional income. HR overspent by £782k, primarily arising from a reduction in schools income and there were pressures within financial services, mainly staffing, totalling £143k. These pressures are being offset by savings on staffing through managing turnover, vacant posts and additional income within Strategy and Improvement (£247k), Legal (£458k), Democratic Services (£242k) and Shared Services (£173k).

Housing and Property Services overspent by £0.7m, mainly arising from additional spend pressures in the responsive repairs budget in Corporate Property Management of £654k. This was partially offset by savings of £140k within the Strategic Housing Service mainly on staffing through managing vacant posts.

Leeds Building Services delivered a surplus of £9.4m, against the £9.6m target. The £200k shortfall arose mainly from vacant front line posts which led to an under recovery of overheads; these were partially offset by the use of sub-contractors to deliver works and savings in back office and overhead costs.

CEL services outturned in line with previously reported figures at £146k over the approved budget. Within Catering there was a £298k shortfall due to a combination of underlying income pressures and inflationary pressures on food costs; these pressures were offset by savings in Facilities Management of £103k and also additional net contribution from property cleaning and guarding services of £143k.

2.8 **Strategic and Central Accounts –** The outturn position for the Strategic & Central budgets is an underspend of £7.5m. There are a number of key variations within this figure.

A reduction of £7.9m in in-year costs arises as a result of funding PFI lifecycle costs through MRP over a 10 year period, combined with further savings in the debt budget net of prudential borrowing and a prepayment of prudential borrowing income by Adults and Health which will contribute to the Capital Reserve. There will be an impact on interest costs in future years as a result of deferring funding the PFI Lifecycle costs over a 10 year period.

There are income pressures of £1.3m on S278 income (income from developers) due to lower levels of development activity and New Homes Bonus grant received is £0.3m below budget due to levels of qualifying house building being lower than predicted. However, these pressures are more than offset by net additional S31 grant (business rates) of around £3.6m, of which £2.3m is the Authority's allocation of the £180m business rates levy account surplus announced by Government in the Provisional Settlement in December 2018.

A £0.8m pressure relates to a variation in income receivable within Legal Services and the former PPPU and there are shortfalls of £1.8m in respect of budgets for general and schools capitalisation. These are largely offset by contributions of £2.3m from the Insurance Reserve, of which £1m has been released following a review of the level of the insurance reserve required and £1.3m is to fund a projected overspend on insurance claims.

Other variations include a provision for the probable liability of £0.4m for tax on ELI payments in 2018/19 as a result of a change in legislation and a liability of £0.6m in respect of Stamp Duty Land Tax (SDLT) that is now payable to HMRC following the finalisation of the variation in the Merrion House lease, partially offset by a reduction of £0.2m in the estimated liability for the Carbon Reduction Commitment and increased miscellaneous corporate income of £0.3m.

2.9 During 2018/2019 Leeds City Council has been a member of the Leeds City Region Business Rates Pool which has been piloting 100% Business Rates retention. This Pool ended on the 31st March, to be replaced by the North Yorkshire & West Yorkshire Pool in 2019/20. The Leaders of the member authorities of the former Leeds City Region Business Rates Pool have agreed in principle to utilise the provisional 2018/19 surplus of £1.5m (Leeds' share £0.5m) to forward fund expenditure applicable to those member authorities in 2019/20: namely 2019/20 Leeds City Region Secretariat subscriptions, West Yorkshire Transport Fund contributions and to support the WYCA 'China/India Desk' to support and strengthen the region's inward investment activity.

As such, it is recommended that Executive Board note the Leaders' agreement to utilise the projected Pool surplus to forward fund costs in 2019/20 and approve the use of the Leeds share of the projected surplus to forward fund these costs. To enable this, and to hold funds allocated by the Pool to projects sponsored by the Council until they are required, it is proposed at paragraph 5.3 that a new earmarked reserve be created.

2.10 **Early Leaver's Initiative**

The Council has operated a voluntary retirement and severance scheme since 2010/11 which has contributed to a reduction in the workforce and subsequent savings which have contributed towards the Council being able to deliver balanced budget positions. In 2018/19 approval has been given for 66.74 FTE's to leave the Authority through the Early Leaver's Initiative and this will generate savings of £5.9m over the five year period up to and including 2023/24.

Utilising capital receipt flexibilities that the Government introduced in 2016 the Council has funded £1.4m of Early Leaver costs associated with staff exiting the authority in 2018/19.

3. Housing Revenue Account (HRA)

3.1 Following finalisation of the HRA, the outturn for the year is a surplus of £1.073m when compared against the 2018/19 budget.

3.2 Total income received was in line with budgeted expectations, although there are a number of variations to report. An increased level of Right to Buy sales (615 sales compared to the budget of 530 sales) resulted in lower rental income of £0.3m.

3.3 The budget for disrepair was overspent by £0.77m. This was largely as a result of a combination of resolving an increased number of disrepair cases.

3.4 Against a budget of £43.5m, expenditure on maintaining and repairing the Council's housing stock was £0.4m over budget.

3.5 Savings of £2.06m on employee costs arose due to a combination of posts being held vacant awaiting the implementation of new structures and turnover of posts.

3.6 Premises costs were approximately £0.3m higher than budgeted for. This was principally due to a £329k overspend resulting from an increase in utility costs.

3.7 Supplies and Services overspent by approximately £0.1m. This was principally due to urgent expenditure of £0.3m on sheltered accommodation furniture (funded from an earmarked reserve), £0.1m additional expenditure on Tenant involvement, £0.1m additional insurance expenditure offset with reduced bank transaction charges (£0.1m) and ICT charges (£0.2m) along with (£0.1m) savings across a range of other budget headings.

3.8 Services commissioned from the Council were £0.5m above the budgeted level. Additional expenditure of £0.1m on Community Safety, £0.2m on Supporting People and £0.4m on Community Hubs and £0.3m Disrepair Legal Services have been partly offset by (£0.3m) Parks and (£0.2m) Environmental Services charges.

3.9 The Capital charges overspend of £0.14m reflects additional costs of borrowing.

3.10 Following a review in the level of tenant arrears there was a reduction in the provision for doubtful debts of £0.8m.

3.11 The (£0.4m) underspend on the appropriation account partly reflects the impact of utilising reserves which were created from balances approved at the end of 2017/18, after the budget for 2018/19 was finalised. The key elements are Sheltered Accommodation furniture (£0.3m) and Housing Advisory Partnership (£0.1m).

3.12 The budgeted use of an insurance reserve was not required as large insurance claims are now forecast and the insurance premium recalculated annually. The Welfare Change reserve continues to be used to mitigate the impact on Universal Credit arrears. It is therefore proposed to transfer the insurance reserve to the Welfare Change reserve.

3.13 The surplus on the Housing Revenue Account is £1.1m. The result of this is that full budgeted use of the PFI reserve has not been required in 2018/19. Since the balance on the PFI reserve is now higher than budgeted for, the intention is that in 2019/20 £0.7m will be used to increase the Disrepair provision. This will mean the Disrepair provision remains at the 2018/19 level of £1.4m rather than the reduced amount that had originally been budgeted for in 2019/20.

3.14 In addition it is planned in 2019/20 that there will £0.373m contribution from the PFI reserve to partially offset the projected additional loss of rent income resulting from higher than budgeted Right to Buy sales.

4. Schools

4.1 The 2018/19 outturn position for schools is shown in table 2 below;

Table 2

Outturn	£m
Schools Reserves	
Balance Brought Forward	18.0
Net Contribution From Reserves	-1.5
Balance Carried Forward	16.5
Extended Services & Partnerships	
Balance Brought Forward	7.4
Net Contribution From Reserves	-1.1
Balance Carried Forward	6.3
Dedicated Schools Grant	
Balance Brought Forward	-2.9
Net Contribution To Reserves	4.6
Balance Carried Forward	1.7

4.2 As schools are funded from the Dedicated Schools Grant (DSG) their reserves are ring fenced and must be carried forward. At 31st March 2019, mainstream school reserves stand at £16.5m.

In accordance with previous decisions, the development costs of School PFI and BSF funded schemes are initially met by borrowing from the overall level of school reserves which is then repaid over a period of time and at the close of the year £0.1m was still outstanding. In addition, there is outstanding borrowing against school reserves for school VER costs totalling £0.3m together with a further £4.0m to support early intervention and preventative services in Children's Services in 2013/14.

After netting the above items from the £16.5m, the net mainstream schools reserves position totalled £12.1m as at 31st March 2019. There is also a further ring-fenced school reserve of £2m specifically relating to the carry forward of in year PFI scheme balances, giving overall school reserves of £14.1m as at 31st March 2019.

4.3 Extended Services & Partnerships reserves amount to £6.3m as at 31st March 2019. These include balances held by Area Inclusion Partnerships and Clusters.

4.4 At the start of 2018/19 the ring fenced DSG reserve was a deficit of £2.9m. During 2018/19 there has been an overall underspend on DSG services of £4m, which is as a result of an underspend on the Schools Block (£1.1m) and the Early Years Block (£2.9m). In total a surplus balance of £1.7m will be carried forward to 2019/20, comprising a general DSG balance of £1.1m with an additional surplus balance of £0.6m on the de-delegated DSG. This position will be reported to Schools Forum in June.

4.5 £0.4m of the £1.7m 2018/19 DSG surplus has been earmarked as a contribution towards the 2019/20 Schools Block Growth Fund. The surplus DSG balance also reflects the impact of the additional funding for the High Needs Block announced by the Secretary of State for Education on the 17th December 2018. The announcement resulted in an additional £1.76m funding in both 2018/19 and 2019/20. Despite this additional funding a significant increase in costs is forecast for the High Needs Block in 2019/20 due to demand and cost pressures.

5. Reserves

5.1 A full statement of all Council reserves can be found at Appendix 2. A summary of the reserves is shown in table 3 below;

Table 3

Reserves	**Balance at 31.3.18 £m**	**Transfer to/(from) £m**	**Balance at 31.3.19 £m**
General Fund:			
General reserve	25.7	2.3	28.0
Earmarked reserves	25.9	10.6	36.5
Ring-fenced & grant reserves	5.1	(0.4)	4.7
Total	**56.7**	**12.5**	**69.1**
Schools:			
Ring-fenced reserves	19.6	2.3	22.0
Housing Revenue Account:			
General reserve	6.5	0.0	6.5
Earmarked reserves	49.0	(9.7)	39.4
Total	**55.5**	**(9.7)**	**45.9**
Total Reserves	**131.8**	**5.2**	**137.0**

General Reserve

5.2 Table 4 below provides an explanation of the movement in the general reserve;

Table 4

General Fund Reserve	**£m**
Opening Balance 1st April 2018	**25.7**
Budgeted contribution	1.0
Change in incidence of receipt of Innovations Grant	(1.7)
In-year underspend	3.0
Closing Balance 31st March 2019	**28.0**

5.3 **Creation of New Earmarked Reserves**

It is recommended that the following earmarked reserves are created;

- A Public Health Children's Bereavement Reserve **£0.1m** to carry forward the in year underspend relating to funding allocated to establish a new Children and Family Bereavement Service to deliver the aims of the Childhood Bereavement Pathway 2017. The underspend has been allocated to projects that address the emotional wellbeing of young people, in line with the aims of the original allocation

- A Section 256 Reserve from a contribution from the CCG to be utilised within DIS of **£0.1m** to fund the costs of developing Digital Solutions for Personalised Care

- A Business Rates Distribution Reserve **£2.9m** to carry forward the Leeds share of the projected Business Rates Pool surplus (£0.5m) as detailed in paragraph 2.9 and to carry forward Pool funding of £2.4m earmarked for specific projects for which Leeds is the lead authority.

6. Capital Programme

6.1 The actual capital expenditure for General Fund and HRA in 2018/19 is £363.7m, an overspend of £10.8m or a 3% variation against the February 2019 Capital Programme projected outturn.

General Fund

6.2 The following table shows the in-year actual General Fund capital expenditure against the estimated level of capital expenditure:

General Fund	Feb 19 Estimate	Apr 19 Outturn	Variation	
	£m	£m	£m	%
Adults & Health	3.0	2.5	(0.5)	(15.7%)
Strategic and Central	16.3	16.0	(0.3)	(1.5%)
City Development	128.0	150.2	22.1	17%
Children & Families	48.1	43.4	(4.7)	(9.7%)
Resources & Housing	57.4	49.9	(7.5)	(13.1%)
Communities & Environment	10.0	9.0	(1.1)	(10.5%)
Total Spend	**262.9**	**271.0**	**8.2**	3%
Financed by				
General Fund Borrowing	136.4	150.0	13.6	10%
General Fund Capital Receipts	5.6	6.2	0.7	12%
General Fund Specific Grants and Contributions	120.9	114.8	(6.1)	(5.0%)
Total Funding	**262.9**	**271.0**	**8.2**	3%

6.3 A full breakdown of the net variations is detailed in Appendix 3. Comments are also provided for schemes that have a material variation of greater than +/-£250k.

6.4 The general fund borrowing variation is £13.6m or 10% of the expected spend on borrowing. The treasury outturn position is presented as a separate report to this Executive Board.

6.5 The General Fund capital programme delivered £271.0m of expenditure including major works on our Annual maintenance programmes, Strategic Investment Fund, Highways planned maintenance to our roads and streets network, Flood Alleviation, City Cycle Connect, East Leeds Orbital Road, Leeds Public Transport Investment Programme, Change in the Workplace, Learning Places programme, Schools Capital maintenance, provision of Adaptations grants, District Heating Network and vehicle replacement programme underpinning the council's emissions reduction programme.

Housing Revenue Account

6.6 The following table shows the in-year actual Housing Revenue expenditure against estimate:

HRA	**Feb 19 Estimate**	**Apr 19 Outturn**	**Variation**	
	£m	£m	£m	%
Council Housing Growth Programme	8.4	9.0	0.6	7.1%
Housing Leeds Council House Programme	80.0	82.0	2.0	2.5%
BITMO Council House Programme	1.7	1.7	0.0	0%
Total Spend	**90.1**	**92.7**	**2.6**	**2.9%**
Financed by				
HRA Self-Financing	71.2	71.3	0.1	0%
HRA Capital Receipts RTBs	14.9	15.1	0.2	1%
HRA Specific Grants and Contributions	3.4	5.0	1.6	47%
HRA Borrowing	0.6	1.3	0.7	117%
Total Funding	**90.1**	**92.7**	**2.6**	2.9%

6.7 The HRA capital programme delivered £92.7m of expenditure including £9m on our Council Housing Growth Programme and £83.7m on the refurbishment of our council house properties.

Capital Programme Resources

6.8 The following table details the overall capital financing position for the Council:

	Feb 19 Estimate £m	Apr 19 Outturn £m	Variation £m	
Net Capital Spend	**353**	**363.7**	10.7	3%
Financed by				
General Fund Borrowing	136.4	150.0	13.6	10%
General Fund Specific Grants and Contributions	120.9	114.8	(6.1)	(5.0%)
General Fund Capital Receipts	5.6	6.2	0.6	0%
HRA Self-Financing	71.2	71.3	0.1	0%
HRA Capital Receipts RTBs	14.9	15.1	0.2	1%
HRA Specific Grants and Contributions	3.4	5.0	1.6	47%
HRA Borrowing	0.6	1.3	0.7	117%
Total Funding	**353.0**	**363.7**	**10.7**	3%

6.9 Capital receipts of £1.4m have been utilised for the early leaver initiative (ELI) severance costs in 2018/19 to fund expenditure capitalised under the government's temporary flexibility for funding transformational change via capital receipts. In line with existing accounting policy £3.75m of receipts have been utilised to fund PFI liabilities, £12.36m have been used to repay debt and £0.5m of general receipts applied to fund in year spend. Borrowing of £2.6m has been undertaken in lieu of section 278 contributions.

6.10 HRA Council Housing Growth Programme, Housing Leeds and BITMO have utilised £71.3m of self-financing funding, £5m of external contributions, have utilised £15.1m of Right to Buy receipts and have borrowed £1.3m to fund the HRA programme in 2018/19.

6.11 The net debt of the Council as at 31st March 2019 is £2.06m. Further details of this and the debt financing costs will be presented in the 2017/18 Outturn Treasury Management report to this Executive Board.

7. Other Financial Performance.

7.1 The performance statistics for the year in respect of the collection of local taxation are as follows:-

	2010/11 Leeds Actual	2011/12 Leeds Actual	2012/13 Leeds Actual	2013/14 Leeds Actual	2014/15 Leeds Actual	2015/16 Leeds Actual	2016/17 Leeds Actual	2017/18 Leeds Actual	2018/19 Leeds Actual
Council tax	96.7%	96.6%	96.6%	95.7%	95.7%	95.9%	96.1%	96.1%	96.1%
Business Rates	97.9%	97.5%	97.6%	97.1%	97.3%	97.8%	97.5%	98.0%	97.8%

7.2 Following the introduction of the Council Tax support scheme in 2013/14 a 19% contribution scheme was implemented for working age claimants and this was increased to 26% for 2014/15 but was then subsequently set at 25% for the years between 2015/16 and 2018/19. The collection position for Council Tax and Business Rates at the end of March was as follows:

- Council Tax in-year collection rate – 96.1%, on target (96.1% in 2017/18). £343.3m has been collected in respect of 2018/19 bills, an increase of £20.6m compared to the previous year.

- Collection rate for those affected by Council Tax Support scheme – 73.3% (74.4% last year)

- Collection rate for those previously getting 100% Council Tax Benefit – 64.0% (64.7% last year)

- The collection of non-domestic rates for the year is 97.77% of the current net debit of £380.0m. This represents a decrease of 0.22% in comparison to 2017/18.

- Discretionary Business Rate Relief Scheme – against a budget of £500k in 2018/19 some £950k of local discounts were approved under the scheme to support the creation of employment and economic growth and to increase the business rates base.

Prompt Payment of Creditors

7.3 The prompt payment result at the year-end was 92.7% of undisputed invoices processed within 30 days or within contract terms.

8. Corporate Considerations

8.1 Consultation and engagement

8.1.1 This is a factual report and is not subject to consultation.

8.2 Equality and diversity / cohesion and integration

8.2.1 The Council's revenue budget for 2018/19 was subject to Equality Impact Assessments where appropriate and these can be seen in the papers to Council on 21st February 2018.

8.3 Climate emergency

8.3.1 Since this is a factual report detailing the Council's financial outturn position for 2018/2019 there are no specific climate implications.

8.4 **Council policies and best council plan**

8.4.1 The 2018/19 budget targeted resources towards the Council's policies and priorities. This report comments on the financial performance against this budget in support of our Best Council ambition of offering value for money through being an efficient and enterprising organisation.

8.5 **Resources and value for money**

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

8.6 **Legal implications, access to information, and call-in**

8.6.1 There are no legal implications arising from this report.

8.7 **Risk Management**

8.7.1 Budget management and monitoring is undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget that are judged to be at risk, for example the implementation of budget action plans, those budgets which are subject to fluctuating demand and key income budgets. To reinforce this risk-based approach, specific project management based support and reporting around the achievement of the key budget actions plans was in place for 2018/19.

9. Conclusions

9.1 The 2018/2019 financial outturn position for General Fund services, which is consistent with the provisional outturn position reported to April's Executive Board, results in a £3m contribution to the Council's general reserve. As a result the level of general reserve at 31st March 2019 is £28m.

9.2 The surplus on the Housing Revenue Account in 2018/2019 will be used to address identified pressures in 2019/20 in respect of disrepair and reduced rent income resulting from increased right to buy sales.

9.3 Expenditure in respect of the General Fund Capital Programme was £10.8m or 3% higher than that assumed in the February 2019 Capital Programme projected outturn.

10. Recommendations

10.1 Members of the Executive Board are asked to;

a. Note the outturn position for 2018/19, to agree the creation of earmarked reserves as detailed in paragraph 5.3 and to delegate their release to the Chief Officer Financial Services;

b. To approve the use of the projected surplus from the 2018/2019 Leeds City Region Business Rates Pool to forward fund the projects which are detailed in paragraph 2.9. These projects were initially agreed by the Leaders of the member authorities of this Pool following its disbanding on the 31st March 2019;

c. Note that the Chief Officer Financial Services will be responsible for the implementation of these actions following the 'call in' period.

11. Background Documents[1]

11.1 There are no background documents relating to this report.

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

APPENDIX 1

CITY DEVELOPMENT FINANCIAL DASHBOARD
2018/19 OUTTURN

The outturn position for City Development is an overspend of £1.89m, an increase of £0.12m from the provisional outturn position reported at period 11.

The Key variations at outturn are:

Planning - £597k external legal fees re planning appeals, £90k charge for the Contact Centre, and £134k shortfall on planning fee income, partially offset by savings on staffing (£305k), premises (£70k), and Supplies and services (£90k).

Markets and City Centre - £669k overspend due to City Centre Gates £97k, Markets maintenance and running costs £236k, and a shortfall in Markets income of £336k mainly due to vacant units.

Asset Management and Regeneration - a shortfall of £1.78m in Strategic Investment Income and a shortfall of £816k in capital receipt fee income (mainly due to the delay in the sale of Leonardo), partially offset by (£481k) of one off income (ease of covenants etc) and (£507k) underspend on staffing.

Highways - a £1.06m pressure in respect of electricity for Street Lighting has been more than offset by savings in the winter maintenance budget due to the mild winter, which in turn facilitated an increase in DLO productivity and substantial increase in turnover (net saving £1.5m). In addition Transport Planning function generated a net surplus from LPTIP design and feasibility work of £0.44m.

Arts & Heritage overspent by £403k, of which £165k relates to additional spending pressures around the Carnival and Black Music Festival events, and the balance due to additional staffing costs.

Resources and Strategy - £186k staffing and expenditure savings plus the use of £300k of PFI Street Lighting Dispute Resolution balances used to support the Directorates position and reflecting the re-focused arrangments to deliver the LED Street Lighting conversion programme.

Budget Management - net variations against the approved budget

				PROJECTED VARIANCES											
	Expenditure Budget £'000	Income Budget £'000	Latest Estimate £'000	Staffing £'000	Premises £'000	Supplies & Services £'000	Transport £'000	Internal Charges £'000	External Providers £'000	Transfer Payments £'000	Capital £'000	Appropriation £'000	Total Expenditure £'000	Income £'000	Total (under) / overspend £'000
Planning & Sustainable Development	9,219	(7,368)	1,851	(305)	(70)	(90)	(14)	719	0	0	0	0	239	134	**373**
Economic Development	1,984	(633)	1,351	(40)	3	(8)	(6)	31	0	5	0	0	(16)	76	**60**
Markets & City Centre	2,958	(3,612)	(654)	(27)	266	96	1	(5)	0	2	0	0	333	336	**669**
Asset Management & Regeneration	16,455	(20,034)	(3,579)	(507)	671	137	(3)	530	0	116	72	(228)	788	1,017	**1,805**
Employment & Skills	4,165	(2,450)	1,715	(54)	1	267	(7)	(9)	0	115	0	(67)	246	(335)	**(89)**
Highways & Transportation	62,532	(46,747)	15,785	(828)	1,763	1,613	561	223	1	(100)	0	0	3,233	(4,111)	**(878)**
Arts & Heritage	19,666	(9,379)	10,287	278	51	631	62	133	4	(73)	56	0	1,143	(740)	**403**
Active Leeds	24,654	(20,046)	4,608	(53)	299	(210)	(3)	(10)	(46)	88	699	(700)	65	(24)	**41**
Resources & Strategy	1,137	(618)	519	(15)	0	(67)	(2)	(3)	0	0	0	0	(87)	(409)	**(495)**
Total	**142,770**	**(110,887)**	**31,883**	**(1,551)**	**2,984**	**2,369**	**589**	**1,609**	**(40)**	**153**	**827**	**(995)**	**5,945**	**(4,056)**	**1,890**

Key Budget Action Plans and Budget Variations:

		Lead Officer	Additional Comments	RAG	Action Plan Value £'000	Forecast Variation against Plan/Budget £'000
A. Budget Action Plans						
1.	Planning and Sustainable Development	Tim Hill	Additional income from charging	A	(400)	134
2.	Economic Development	Eve Roodhouse	Expenditure savings	A	(120)	(16)
3.	Markets & City Centre	Steve Mason/John Ebo	Additional income from events and speciality markets	R	(70)	92
4.	Asset Management & Regeneration	Angela Barnicle	Strategic Investment Fund & fee income	R	(1,520)	1,250
5.	Highways and Transportation	Gary Bartlett	Fees & Charges	G	(810)	0
6.	Arts and Heritage	Cluny MacPherson	Savings via increased income opportunities across the Service	A	(400)	238
7.	Employment and Skills	Sue Wynne	Staffing & running cost savings	G	(20)	(89)
8.	Sport and Active Lifestyles	Cluny MacPherson	Reduction in the net cost of service via increased income, operational cost reductions and VAT exemption	G	(1,585)	41
			Total Budget Action Plan Savings		**(4,925)**	**1,650**
B. Other Significant Variations						
1.	Asset Management & Regeneration	Angela Barnicle	Shortfall in Strategic Investment Fund Income against 2017/18 Budget Action Plan			778
2.	Highways and Transportation	Gary Bartlett	Street Lighting Electricity Costs			1,057
3.	Asset Management & Regeneration	Angela Barnicle	West Gate Rent and Service Charge (net of expected £500k disturbance payment from ESFA)			340
4.	Asset Management & Regeneration	Angela Barnicle	Advertising Income			111
5.	Markets & City Centre	Steve Mason/John Ebo	Kirkgate Market Income and Security Costs. City Centre Gates.			577
6.	Arts and Heritage	Cluny MacPherson	West Indian Carnival			165
7.	Asset Management & Regeneration	Angela Barnicle	Additional Income - Symons House, Holdforth Court, Thornes Farm Way, ELOR Gas Easement, rents			(481)
8.	Resources & Strategy	Ed Mylan	Partial use of Street Lighting PFI Dispute Resolution Balances			(300)
9.	Asset Management & Regeneration	Angela Barnicle	Staffing Savings			(507)
10.	Planning and Sustainable Development	Tim Hill	Staffing Savings			(305)
11.	Asset Management & Regeneration	Angela Barnicle	Slippage in Capital Receipts Programme			566
12.	Highways and Transportation	Gary Bartlett	Winter Savings, improved DLO productivity, and additional capital fees			(1,935)
13.	Planning and Sustainable Development	Tim Hill	Planning Appeals External Legal Fees			597
14.	Resources & Strategy	Ed Mylan	Staffing and expenditure savings			(196)
15.	All	All	Other minor variations across services			(227)
			City Development Directorate - Forecast Variation			**1,890**

Appendix 2

Directorate	Description of Reserve	Balance at 1st April 2018 £k	Transfers To & From Reserve £k	Balance at Outturn 2018/19 £k	Reason for Reserve
	GENERAL FUND	**(25,677)**	**(2,315)**	**(27,992)**	
Adults & Health	S256 funding for health inequalities	(2,941)	630	(2,311)	Specific funding from Leeds South and East CCG for tackling health inequalities.
Adults & Health	Health and Social Care (CCG)	(2,749)	(1,505)	(4,254)	To fund Health and Social Care priorities
Adults & Health	Prisons Reserve	(205)	0	(205)	CCG funding for social work in prisons
Adults & Health	Drugs Reserve	(133)	0	(133)	Carry forward of external income for drug and alcohol priorities
Adults & Health	Transforming Care	(1,700)	(1,066)	(2,766)	Provision to mitigate against costs associated with the NHS England led transfer of care packages to a community setting, in accordance with 2017/18 budget report
Adults & Health	Social Care Development Reserve	(600)	(376)	(976)	Provision to meet costs associated with development of social care models e.g. Recovery Model in accordance with 2017/18 budget report
Adults & Health	Resilience Reserve	(1,000)	(627)	(1,627)	Provision to mitigate against unforeseen demand pressures e.g. caused by hot summers, cold winters flu outbreaks etc., in accordance with 2017/18 budget report
Adults & Health	Safeguarding (Adults)	(214)	(76)	(290)	Independent Safeguarding Board - carry forward of partner contributions.
Adults & Health	Spring Budget	(5,602)	(5,271)	(10,873)	Carry forward of Spring Budget monies from DCLG.
Adults & Health	Skills for Care	(196)	(21)	(217)	To provide funding for training of Care Workers
Adults & Health	Winter Monies	(600)	422	(178)	Funding received from Leeds CCG to reduce delays in transferring people out of hospitals back into community based care
Adults & Health	Public Health Children's Bereavement	0	(102)	(102)	Funding allocated to establish a new Children and Family Bereavement Service - carried forward underspend allocated to projects that address the emotional wellbeing of young people.
Children &Families	Health Innovations	(1,677)	238	(1,439)	Monies given by Health Service for a number of joint initiatives around commissioning & children's centres
Children &Families	Safeguarding (Children's)	(169)	(46)	(215)	Independent Safeguarding Board - carry forward of partner contributions to fund serious case reviews
City Development	HS2	(156)	156	0	To support the costs of developing and progressing master planning for the Southbank; including HS2 planning.
City Development	Sport Maintenance Backlog Reserve	(700)	700	0	Contribution towards addressing the backlog of maintenance requirements at the council's sports facilites.
City Development	Armed Forces Day	(6)	0	(6)	Funding for Armed Forces Days 2017/18
Communities & Environment	Casino License	(177)	0	(177)	Reserve for creation of Social Inclusion Fund as per licence bid and to fund LCC inclusion team.
Communities & Environment	Economic, Social and Environmental Wellbeing fund	(349)	140	(209)	Carry forward balances on the wellbeing budgets of Community Committee.
Communities & Environment	Communities Innovation Fund	(47)	27	(20)	To fund work with the 3rd Sector to develop future financial sustainability in the sector.
Communities & Environment	Parks Special Project - Temple Newsam	(23)	23	0	To cover cost of repairing fire damage at Temple Newsam Home farm.
Resources & Housing	Homelessness Prevention Fund	(809)	(875)	(1,684)	To fund Homelessness prevention
Resources & Housing	Lord Mayor	(48)	23	(25)	Balance of budget carried forward.
Resources & Housing	Members club	(8)	0	(8)	Surplus on the Members Club.
Resources & Housing	Sustainable Energy & Air Quality	(200)	192	(8)	To support delivery of work on Air Quality
Resources & Housing	Section 256	0	(60)	(60)	Funding from the CCG to be utilised by DIS to fund development of Digital Solutions for Personalised Care
Resources & Housing	Energy Efficiency Reserve - LCC	(4)	(191)	(195)	Energy efficiency reserve to fund invest to save energy efficiency initiatives.
Strategic & Central	General Insurance	(2,932)	1,532	(1,400)	To help fund cost of future insurance claims
Strategic & Central	Mutual Municipal Insurance	(11)	0	(11)	Reserve to fund potential claw backs of past insurance receipts from MMI.
Strategic & Central	ELI Reserve	(2,000)	0	(2,000)	Reserve carried forward to support 18/19 base: ELI severance now funded by capital receipts in line with Council agreed policy.
Strategic & Central	Legal Cost of VAT claims	(63)	0	(63)	Funds set aside from £8.4m VAT claim refund received in 10/11 (originally £100k) to help fund legal costs for remaining VAT cases
Strategic & Central	Capital Reserve	0	(1,478)	(1,478)	Directorate contributions towards borrowing costs of capital schemes. Contributions received over life of asset and released back to revenue to cover debt costs over life of loan. Reserve now exhausted.
Strategic & Central	Invest to Save	(608)	(42)	(650)	Fund to get projects off the ground to generate future revenue savings.
Strategic & Central	Business Rates Distribution	0	(2,902)	(2,902)	To carry forward 2018/19 Business Rates Pool surplus and funding allocated to projects.
	Sub-total Earmarked Reserves	**(25,927)**	**(10,555)**	**(36,482)**	
	Total non-ring fenced Reserves	**(51,604)**	**(12,870)**	**(64,474)**	
Schools	Extended Schools Balances	(7,378)	1,131	(6,247)	Surpluses on extended school activities carried forward
Schools	Schools Balances	(15,224)	1,174	(14,050)	Schools balances net of VER, Children's Services and BSF PFI borrowing
Schools	Dedicated Schools Grant	2,955	(4,639)	(1,684)	Carry forward of ring fenced DSG funding.
Adults & Health	Public Health Grant	(122)	(450)	(572)	Public Health grant carried forward
Resources & Housing	Taxi & Private Hire Licensing Surplus	(13)	(73)	(86)	Ring fenced reserve for taxi and private hire licensing service.
Strategic	Energy Efficiency Reserve - Salix	(267)	(149)	(416)	Energy efficiency reserve to fund invest to save energy efficiency initiatives.
Strategic	Revenue grants	(4,649)	1,063	(3,586)	Revenue grants carried forward as per IFRS requirements **(see note 1 below)**
	Sub-total GF ring fenced reserves	**(24,698)**	**(1,943)**	**(26,641)**	

Directorate	Description of Reserve	Balance at 1st April 2018 £k	Transfers To & From Reserve £k	Balance at Outturn 2018/19 £k	Reason for Reserve
	Note 1: Revenue Grants				
	Children & Families (Partners in Education)	(1,267)	966	(301)	£7.318m DfE Partners In Practise funding received in 16/17 to be used in future years.
	Children & Families (Other)	(1,697)	206	(1,491)	Revenue grants carried forward
	City Development	(1,359)	144	(1,215)	Revenue grants carried forward
	Communities & Environment	(127)	76	(51)	Revenue grants carried forward
	Resources & Housing (Controlling Migration Fund)	(99)	68	(31)	Revenue grants carried forward
	Resources & Housing (Air Quality)	0	(265)	(265)	Revenue grants carried forward
	Strategic Accounts (Flood)	(100)	100	0	Flood relief scheme for businesses
	Strategic Accounts (Brexit)	0	(232)	(232)	Revenue grants carried forward
	Sub-total Revenue Grants	(4,649)	1,063	(3,586)	
	HRA RING FENCED RESERVES				
	HRA General Reserve	(6,495)	0	(6,495)	
	Insurance (Large Claims)	(137)	137	0	To fund the cost of insurance claims
	Welfare Change	(1,782)	410	(1,372)	To fund pressures arising form welfare reform.
	Housing Advisory Panels (HAPs) Reserve	(541)	131	(410)	To fund projects identified by Housing Advisory Panels which benefit the tenants and residents in the community they represent.
	Sheltered Housing	(3,238)	317	(2,921)	To fund investment in sheltered housing schemes which will contain shared bathing facilities and fund improved access for people with mobility issues.
	Holdsforth Place (Land Purchase)	(64)	0	(64)	To fund the purchase of land at Holdsforth Place
	Early Leavers' Initiative	(408)	0	(408)	To fund the cost of approved severance payments
	Wharfedale View SF	(10)	(5)	(15)	Contribution from shared owners towards future costs of replacing furniture and carpets at Wharfedale View Extra Care facility
	Changing the Workplace	(332)	98	(234)	To fund the cost of ‘new ways of working’ for staff in Housing Leeds as office moves are completed.
	eFiles Box It Project	(262)	0	(262)	Principally to fund the scanning of Housing Management paper files to electronic files - to assist the Housing Service in the preparation for moving to Community Hubs.
	Concierge Service to Multi Storey Flats	(400)	400	0	To fund the extension of the Concierge service in Multi-Storey flat areas in order to reduce the impact of Anti-Social behaviour
	Sheltered Housing Furniture & Carpets	(280)	280	0	To replace furniture and carpets in sheltered housing schemes
	Swarcliffe PFI	(7,410)	2,318	(5,092)	PFI Sinking Fund
	LLBH&H PFI Sinking fund	(2,710)	(1,907)	(4,617)	PFI Sinking Fund
	Major Repairs Reserve	(31,470)	7,478	(23,992)	Ring-fenced to fund capital expenditure or redeem debt.
	Sub-total HRA reserves	**(55,539)**	**9,657**	**(45,882)**	
	Total ring fenced Reserves	**(80,237)**	**7,714**	**(72,523)**	
	TOTAL RESERVES	**(131,841)**	**(5,156)**	**(136,997)**	

APPENDIX 3

CAPITAL PROGRAMME - 2018/19 GENERAL FUND OUTTURN VARIATIONS

The following table highlights main scheme variations between the estimates in February 2019 and the final 2018/19 outturn.
The variations are based on those programmes/schemes with significant variations both over/under > £250k.

Directorate	Service	Programme/ Scheme	02.02.19	2018/19 Actual £000s	Variation Under (-)/ Over £000s	Reason for variation
City Development	Highways	Highways	84,160.1	88,774.0	4,613.9	Highways accounts for almost 60% of the 2018/19 City Development programme. We received additional grant £3.87m from the DFT in October 18 that we initially slipped to future years however due to the good weather from January to March the Highways DLO were able to spend an additional £3m of this in 2018/19. We also achieved better than expected spend £1.6m on the LPTIP programme which includes Bus Priority, Park and Ride and City Centre Gateways. Other highways schemes within the 400+ schemes delivered in year that have over and underspends have no material variances to explain within this report.
	Asset Management Services	Asset Mgt	29,089.1	47,655.0	18,565.9	The Strategic Investment fund increased spend of £20.6m mainly as a consequence of the acquisition of the Swingate Multi Storey Car Park which was injected after the capital programme was set. The purchase completed in March 2019. This was offset by our Heritage Asset programme underspending by (£1.5m), the refurbishment element of Albion House was also delayed on site resulting in an underspend of (£0.5m) this will now complete in June 19.
	Culture and Sport	Culture and Sport	10,450.2	11,430.3	980.1	The West Yorkshire Playhouse exceeded spend in 2018/19 as it became necessary to spend contingency fund monies on unforeseen items: £250k emergency lighting, £272k removal of burial remains and £100k diversion of surface water drainage in the Courtyard Theatre. The funding to deal with this was brought forward from existing resources in 2019/20.
	Economic Development	Economic Development	3,205.2	1,856.0	(1,349.2)	One material variance £0.25m with proposals still being worked up on supporting growth in the creative sector. Our expected spend on the transformational public realm design fees were covered by the leeds Public transport investment programme relating to the gateway schemes. No other material variances on the 50 remaining schemes within Economic Development
	Regeneration	Regeneration	1,135.0	469.1	(665.9)	While some overs and unders no material variances on the 27 schemes within Regeneration.
			128,039.6	**150,184.4**	**22,144.8**	

This page is intentionally left blank

Agenda Item 10

Report author: Sandra Pentelow
Tel: 3788655

Report of Head of Democratic Services

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

Date: 31 July 2019

Subject: Work Schedule

Are specific electoral wards affected? If yes, name(s) of ward(s):	☐ Yes	☒ No
Has consultation been carried out?	☒ Yes	☐ No
Are there implications for equality and diversity and cohesion and integration?	☐ Yes	☒ No
Will the decision be open for call-in?	☐ Yes	☒ No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	☐ Yes	☒ No

1. Purpose of this report

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

2. Background information

2.1 All Scrutiny Boards are required to determine and manage their own work schedule for the municipal year. In doing so, the work schedule should not be considered a fixed and rigid schedule, it should be recognised as something that can be adapted and changed to reflect any new and emerging issues throughout the year; and also reflect any timetable issues that might occur from time to time.

3. Main issues

3.1 The latest iteration of the Board's work schedule is attached as Appendix 1 for consideration and agreement of the Scrutiny Board – subject to any identified and agreed amendments.

3.2 During the Board's initial meeting on 19 June 2019, Members discussed possible areas of work for the Board to undertake this year, as reflected within the minutes of this meeting. Following the resolution of the Board, the draft work programme has been updated.

3.3 Traditional items of Scrutiny work have been incorporated into the work schedule, which involve recommendation tracking of work previously undertaken by the Scrutiny Board; performance monitoring reports and any Budget and Policy Framework items.

3.4 Executive Board minutes from the meeting held on 16 May 2019 and 26 June 2019 are attached as Appendix 2. The Scrutiny Board is asked to consider and note the Executive Board minutes, insofar as they relate to the remit of the Scrutiny Board; and identify any matter where specific scrutiny activity may be warranted, and therefore subsequently incorporated into the work schedule.

Developing the work schedule

3.5 When considering any developments and/or modifications to the work schedule, effort should be undertaken to:

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

3.6 In addition, in order to deliver the work schedule, the Board may need to take a flexible approach and undertake activities outside the formal schedule of meetings – such as working groups and site visits, where necessary and appropriate. This flexible approach may also require additional formal meetings of the Scrutiny Board.

Developments since the previous Scrutiny Board meeting

3.7 The work programme has been adapted to reflect the areas of focus as raised by the Scrutiny Board on 19 June 2019.

4. Consultation and engagement

4.1.1 The Vision for Scrutiny states that Scrutiny Boards should seek the advice of the Scrutiny officer, the relevant Director(s) and Executive Member(s) about available resources prior to agreeing items of work.

4.2 Equality and diversity / cohesion and integration

4.2.1 The Scrutiny Board Procedure Rules state that, where appropriate, all terms of reference for work undertaken by Scrutiny Boards will include ‘ to review how and to what effect consideration has been given to the impact of a service or policy on all equality areas, as set out in the Council’s Equality and Diversity Scheme’.

4.3 Council policies and the Best Council Plan

4.3.1 The terms of reference of the Scrutiny Boards promote a strategic and outward looking Scrutiny function that focuses on the best council objectives.

Climate Emergency

4.3.2 When considering areas of work, the Board is reminded that influencing climate change and sustainability should be a key area of focus.

4.4 Resources, procurement and value for money

4.4.1 Experience has shown that the Scrutiny process is more effective and adds greater value if the Board seeks to minimise the number of substantial inquiries running at one time and focus its resources on one key issue at a time.

4.4.2 The Vision for Scrutiny, agreed by full Council also recognises that like all other Council functions, resources to support the Scrutiny function are under considerable pressure and that requests from Scrutiny Boards cannot always be met.

Consequently, when establishing their work programmes Scrutiny Boards should:

- Seek the advice of the Scrutiny officer, the relevant Director and Executive Member about available resources;

- Avoid duplication by having a full appreciation of any existing forums already having oversight of, or monitoring a particular issue;

- Ensure any Scrutiny undertaken has clarity and focus of purpose and will add value and can be delivered within an agreed time frame.

4.5 Legal implications, access to information, and call-in

4.5.1 This report has no specific legal implications.

4.6 Risk management

4.6.1 This report has no specific risk management implications.

5. Conclusions

5.1 All Scrutiny Boards are required to determine and manage their own work schedule for the municipal year. The latest iteration of the Board’s work schedule is attached as Appendix 1 for consideration and agreement of the Scrutiny Board – subject to any identified and agreed amendments.

6. Recommendations

6.1 Members are asked to consider the matters outlined in this report and agree (or amend) the overall work schedule (as presented at Appendix 1) as the basis for the Board’s work for the remainder of 2019/20.

7. Background documents[1]

7.1 None.

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

Scrutiny Board (Infrastructure, Investment and Inclusive Growth) Work Schedule for 2019/2020 Municipal Year

June	July	August
Meeting Agenda for 19 June at 10.30 am.	**Meeting Agenda for 31 July at 10.30 am.**	**No Scrutiny Board meeting scheduled.**
Consider potential areas of review (including public request for Scrutiny) Performance Report (PM)	Directors Response – Inclusive Growth Inquiry (Including CLES report and Inclusive Growth Strategy, One Year on) (All IGS big Ideas) Finance – Outturn 2018/19 (PM)	
Working Group Meetings		
Site Visits		

Scrutiny Work Items Key:

PSR	Policy/Service Review	RT	Recommendation Tracking	DB	Development Briefings
PDS	Pre-decision Scrutiny	PM	Performance Monitoring	C	Consultation Response

Inclusive Growth Strategy

PEOPLE, **PLACE** and **PRODUCTIVITY** - Relevant **BIG** Ideas **3, 4, 5, 6, 7, 8, 9, 10**

Scrutiny Board (Infrastructure, Investment and Inclusive Growth) Work Schedule for 2019/2020 Municipal Year

September	October	November
Meeting Agenda for 4 September at 10.30 am	**Meeting Agenda for 9 October at 10.30 am**	**Meeting Agenda for 20 November at 10.30 am**
Leeds Transport Strategy including Progress on the Leeds Public Transport Investment Programme To include Request for Scrutiny – Cllr J Bentley (Big Idea 6,7 & 8) Request for Scrutiny - MAG	Climate Emergency – Themed discussion (invite Cllr Walshaw and Cllr Mulherin) Casualty Reduction and KSI (Including Road Traffic ASB) (PM)	Advancing Bus Service Provision Inquiry – comprehensive progress review (RT) (Big Idea 6,7 & 8)
Working Group Meetings		
Site Visits		

Scrutiny Work Items Key:

PSR	Policy/Service Review	RT	Recommendation Tracking	DB	Development Briefings
PDS	Pre-decision Scrutiny	PM	Performance Monitoring	C	Consultation Response

Scrutiny Board (Infrastructure, Investment and Inclusive Growth) Work Schedule for 2019/2020 Municipal Year

December	January	February
No Meeting	**Meeting Agenda for 8 Jan at 10.30 am**	**Meeting Agenda for 19 Feb at 10.30 am**
	Performance report (PM) Financial Health Monitoring (PSR) 2019/20 Initial Budget Proposals (PDS) Best Council Plan (PM – BPF) Recommendation tracking – Inclusive Growth Inquiry (RT) (All IGS big Ideas)	Housing Mix Inquiry – Recommendation Tracking and Update (see minutes) (RT) (Big Idea 5 & 8) Digital Inclusion – Recommendation Tracking (RT) (Big Idea 9) Recommendation Tracking – Information Advice and Guidance Provision in Leeds (Big Idea 3)
Working Group Meetings		
Site Visits		

Scrutiny Work Items Key:

PSR	Policy/Service Review	RT	Recommendation Tracking	DB	Development Briefings
PDS	Pre-decision Scrutiny	PM	Performance Monitoring	C	Consultation Response

Scrutiny Board (Infrastructure, Investment and Inclusive Growth) Work Schedule for 2019/2020 Municipal Year

March	April	May
No Scrutiny Board meeting scheduled.	**Meeting Agenda for 8 April at 10.30 am**	**No Scrutiny Board meeting scheduled.**
	Inquiry – Agree Final Report(s) if any Sustainable Development Inquiry (RT and update on specific recommendations) (Big Idea 5 & 8) Local Flood Risk Management Strategy – Annual Review (PM) (Big Idea 8)	
Working Group Meetings		
Site Visits		

Scrutiny Work Items Key:

PSR	Policy/Service Review	RT	Recommendation Tracking	DB	Development Briefings
PDS	Pre-decision Scrutiny	PM	Performance Monitoring	C	Consultation Response

EXECUTIVE BOARD

THURSDAY, 16TH MAY, 2019

PRESENT: Councillor J Blake in the Chair

Councillors R Charlwood, S Golton, J Lewis, L Mulherin, J Pryor and M Rafique

SUBSTITUTE MEMBERS: Councillors M Iqbal and A Lamb

203 Substitute Members

Under the provisions of Executive and Decision Making Procedure Rule 3.1.6, Councillor Lamb was invited to attend the meeting on behalf of Councillor Andrew Carter, and Councillor Iqbal was invited to attend the meeting on behalf of Councillor Coupar. Both Councillors Carter and Coupar had submitted their apologies for absence from the meeting.

204 Exempt Information - Possible Exclusion of the Press and Public

There was no information designated as exempt from publication or confidential considered at this meeting.

205 Late Items

There was no late items of business considered at this meeting.

206 Declaration of Disclosable Pecuniary Interests

There were no Disclosable Pecuniary Interests declared during the meeting.

REGENERATION, TRANSPORT AND PLANNING

207 Core Strategy Selective Review: Consultation on Main Modifications

Further to Minute No. 17, 27th June 2018, the Director of City Development submitted a report which provided an update on the current position regarding the Core Strategy Selective Review (CSSR), presented details of the Inspector's recommended proposed 'Main Modifications' to the CSSR and which sought approval to undertake a 6 week consultation exercise on such 'Main Modifications', which is proposed to commence on 17th May 2019 and conclude on 28th June 2019.

Councillor P Gruen, in his position as Chair of Development Plan Panel (DPP), attended the meeting. As part of his introduction, Councillor Gruen provided an update on the CSSR approval process to date and emphasised the need for it to continue without delay and for the Council to be in a position to formally adopt the CSSR at the earliest opportunity.

Also, it was noted that DPP had considered this matter on 15th May 2019 and was in unanimous agreement with the contents of the report, the schedule of the Inspector's proposed Main Modifications and the related Sustainability Appraisal as submitted to the Panel. As such, Councillor Gruen confirmed that DPP had endorsed the recommendation, that Executive Board approve such documents for the purposes of them being the subject of a 6 week public consultation exercise.

In considering this matter, Members reiterated the need for the CSSR to progress without delay and supported the recommendation to approve the associated public consultation exercise, given that this was the required next stage in that process. It was also noted that further Member comment regarding the Council's housing land supply position was intended to be made at the appropriate time, given that the related Housing Requirement Policy was not changed by the Inspector's proposed Main Modifications being considered at this meeting.

Members also noted the national discussion taking place, and the need for the Council to continue take a cross-party approach, where appropriate, when looking to make related representations to Government in order to secure the best development and protection for the city.

The importance of the Climate Change agenda was highlighted, following the Council's recent declaration of a 'Climate Emergency', and how such matters needed to be at the forefront of considerations as part of the Council's strategic planning process.

In conclusion, on behalf of the Board the Chair extended her thanks to officers for their significant efforts in getting the CSSR to this advanced position.

RESOLVED – That approval be given for the Inspector's Schedule of proposed Main Modifications, as detailed at Appendix 1 of the submitted report, together with the Sustainability Appraisal of the Main Modifications, as detailed at Appendix 2 of the submitted report, to be the subject of a 6 week period of public consultation.

(The matters referred to within this minute, given that they were decisions being made in accordance with the Budget & Policy Framework Procedure Rules, were not eligible for Call In, as Executive and Decision Making Procedure Rule 5.1.2 states that the power to Call In decisions does not extend to those decisions being made in accordance with the Budget and Policy Framework Procedure Rules)

DATE OF PUBLICATION: MONDAY, 20TH MAY 2019

LAST DATE FOR CALL IN OF ELIGIBLE DECISIONS: NOT APPLICABLE

EXECUTIVE BOARD

WEDNESDAY, 26TH JUNE, 2019

PRESENT: Councillor J Blake in the Chair

Councillors R Charlwood, D Coupar, S Golton, J Lewis, L Mulherin, J Pryor, M Rafique and F Venner

APOLOGIES: Councillor A Carter

SUBSTITUTE MEMBER: Councillor A Lamb

1 **Substitute Member**

Under the provisions of Executive and Decision Making Procedure Rule 3.1.6, Councillor A Lamb was invited to attend the meeting on behalf of Councillor Andrew Carter, who had submitted his apologies for absence from the meeting.

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

RESOLVED – That, in accordance with Regulation 4 of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the public be excluded from the meeting during consideration of the following parts of the agenda designated as exempt from publication 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) That Appendix D to the report entitled, 'Approval for the Submission of the Otley Flood Alleviation Scheme Outline Business Case to the Environment Agency, and Submission of the Planning Application', referred to in Minute No. 18 be designated as exempt from publication in accordance with paragraph 10.4(3) of Schedule 12A(3) of the Local Government Act 1972 on the grounds that the information within the appendix relates to the financial and/or business affairs of any particular person (including the authority holding that information), and it is considered that the public interest in maintaining the content of Appendix D as being exempt from publication outweighs the public interest in disclosing the information, as disclosing the cost estimate may affect the Council's ability to secure the best financial outcome through competition.

3 **Late Items**

There were no formal late items of business, however, prior to the meeting, Board Members had been provided with the following, to be taken into consideration as part of the Board's deliberations on relevant matters:-

- A set of corrections which related to the covering report and Appendix 2 of Agenda Item 17 entitled, 'Leeds Local Plan: Adoption of the Site Allocations Plan' together with updated versions of the relevant table and plans (Minute No. 19 refers);
- Reformatted versions of the respective Appendix 2 to the appended business case for both items 18: 'Business Case for Proposed Selective Licensing Designation: Harehills' and item 19: 'Business Case for Proposed Selective Licensing Designation: Beeston', with it being noted the data in the both appendix remained as originally published and circulated, with the information simply being re-provided in a sharper/clearer format for the benefit of the reader (Minute Nos. 20 and 21 refer);
- Correspondence which had been received from a member of the public concerning both items 18: 'Business Case for Proposed Selective Licensing Designation: Harehills' and item 19: 'Business Case for Proposed Selective Licensing Designation: Beeston' (Minute Nos. 20 and 21 refer).

4 Declaration of Disclosable Pecuniary Interests

Although no Disclosable Pecuniary Interests were declared at the meeting, in relation to agenda item 8 (Outcome of Consultation to Increase Learning Places at Micklefield Church of England Primary School) Councillor J Lewis drew the Board's attention to his position as a governor of Micklefield Church of England Primary School. (Minute No. 9 refers).

5 Minutes

RESOLVED – That the minutes of the previous meetings held on 17th April and 16th May 2019 be approved as a correct record.

6 Chair's Opening Remarks

The Chair welcomed Councillor Venner to her first meeting of the Board, following her recent appointment as Executive Member for 'Children and Families'.

The Chair also highlighted that as agreed by the Executive in April, and following the Council's declaration of a Climate Emergency, all Executive Board reports on this agenda and moving forward make reference to the Climate Emergency.

<u>CHILDREN AND FAMILIES</u>

7 Annual Report of the One Adoption West Yorkshire

The Director of Children and Families submitted a report which, as required, presented the One Adoption West Yorkshire (OAWY) Annual Report covering the period April 2018 to March 2019, together with an updated Statement of Purpose.

Noting the recommendation in the submitted report which proposed that future annual reports be submitted to the West Yorkshire Joint Committee (WYJC) for the regional adoption agency, assurances were sought regarding how the

Council would continue to have an oversight of this area. In response, the Board was assured that reports, including the annual report, would be submitted to the Corporate Parenting Board for consideration and that the Executive Member for Children and Families would Chair the WYJC.

In addition, it was suggested that related future reports to Executive Board could potentially signpost Board Members to future versions of the annual report.

RESOLVED –

(a) That the annual report of One Adoption West Yorkshire (OAWY), as detailed at Appendix A to the submitted report, be received and noted, as required by the National Minimum Standards for Adoption 2014, pursuant to the Care Standards Act 2000, which is to enable the Executive Board to monitor the management and outcomes of the service so that they may be satisfied that the agency is effective and is achieving good outcomes for children and/or services users; and also to satisfy themselves that the agency is complying with the conditions of registration;

(b) That the updated Statement of Purpose for OAWY, as appended to the submitted report, be noted, with it also being noted that the Statement of Purpose is required as part of the national minimum standards provisions, in order to enable the relevant services to be provided and which also enables the Executive to agree any changes to the Statement of Purpose on an annual basis;

(c) That it be agreed that future annual reports for this service be submitted to the West Yorkshire Joint Committee for the regional adoption agency, as it is deemed a more appropriate forum for such documents to be received, given that this is a regional service.

8 Fostering Service Annual Report

The Director of Children and Families submitted a report regarding the work undertaken by the fostering service between April 2018 and March 2019, and which provided an update on the actions which were being taken in relation to the recruitment and retention of foster carers, and also on the developments within the service.

Responding to a Member's enquiry, the Board was provided with further information on the actions being taken to reduce the number of children looked after who were living in placements provided by independent and private providers, together with further context on the challenges faced in this area. Also, it was highlighted that the welfare of the children and young people in such matters was the Authority's priority.

Responding to a Member's request, officers undertook to provide further relevant financial detail in such reports in future, if it was felt that that would be beneficial to Members.

In conclusion, on behalf of the Board, the Chair extended her thanks to foster carers for the vital role which they played across the city.

RESOLVED – That the contents of the submitted report and appendices be received and noted, with the Board continuing to support the work of the fostering service in achieving the best possible outcomes for children looked after and also the ongoing work to recruit and retain high quality carers within the service.

LEARNING, SKILLS AND EMPLOYMENT

9 Outcome of Statutory Notice to increase learning places at Micklefield Church of England (Voluntary Controlled) Primary School

Further to Minute No. 194, 17th April 2019, the Director of Children and Families submitted a report which set out details of a proposal brought forward to meet the Local Authority's duty to ensure a sufficiency of school places. Specifically, this report detailed the outcomes arising from the period of representation following the publication of a Statutory Notice regarding a proposal to permanently expand primary provision at Micklefield Church of England Primary School, with the report seeking a final decision on such proposals.

Responding to a Member's enquiry, the Board received further information regarding the work which continued to take place in order to manage any bulge cohorts in terms of secondary education provision.

RESOLVED –

(a) That approval be given to the proposal to permanently expand primary provision at Micklefield Church of England (Voluntary Controlled) Primary School from a capacity of 140 pupils to 210 pupils, with an increase in the admission number from 20 to 30, with effect from September 2021;

(b) That provisional approval be granted for the 'Authority to Spend' of £2.298m in order to deliver the proposed permanent expansion at Micklefield Church of England (Voluntary Controlled) Primary School;

(c) That it be noted that the proposed expansion of the primary provision is subject to feasibility and planning permission, as indicated at paragraph 4.4.1 of the submitted report, with it also being noted that the proposal has been brought forward in time for places to be delivered for 2021;

(d) That it be noted that the responsible officer for the implementation of such matters is the Head of Learning Systems.

10 Leeds Business Improvement District Renewal Ballot (2020 - 2025)

The Director of City Development submitted a report which presented a proposal for the Board to support the renewal of the Business Improvement District (BID) for Leeds City Centre, for a second term (2020 – 2025).

RESOLVED –

(a) That approval be given to the renewal ballot of LeedsBID in accordance with the role of the Local Authority, as set out in the BID Regulations 2004, and that confirmation be provided that the Council is satisfied that the renewal proposals do not conflict with existing Council Policy;

(b) That the draft renewal Business Plan, as appended to the submitted report, be noted, with it also being noted that the completed business plan will be presented to Executive Board for Council support in September 2019, at which point Leeds City Council will determine its voting intention in the pending ballot;

(c) That approval be given to the Baseline Services Agreement and the Operating Agreement, as appended to the submitted report, which provides a commitment to maintain provision of quality services in the BID area;

(d) That the arrangements for the Council to operate the renewal ballot, as detailed within the submitted report, be approved;

(e) That the stages and timescales required to implement the related decisions on this matter, as outlined within the submitted report and the above resolutions, be noted, with it also being noted that the Head of City Centre Management will be responsible for the implementation of such matters.

RESOURCES

11 Treasury Management Outturn Report 2018/19

The Chief Officer, Financial Services, submitted a report presenting a final update on the Council's Treasury Management Strategy and operations for the period 2018/19.

Responding to a Member's enquiry, the Board was provided with a detailed update regarding: the Council's current debt position; the approach taken in terms of managing debt between the short term and long term and the factors which were taken into consideration on such matters; the review work being undertaken on the Council's Capital Programme and an update on the current position and the approach being taken in respect of the Minimum Revenue Provision (MRP). Linked to this, it was noted that a report regarding the Council's Medium Term Financial Strategy was scheduled to be submitted to the Board in July.

RESOLVED – That the Treasury Management outturn position for 2018/19, as detailed within the submitted report, be noted, together with the fact that treasury activity has remained within the treasury management strategy and policy framework.

12 Financial Performance - Outturn financial year ended 31st March 2019

The Chief Officer, Financial Services submitted a report which provided the Council's final outturn position for the financial year 2018/19, and which sought consideration of any related actions.

Responding to a Member's enquiry regarding a proposal to utilise part of the provisional 2018/19 surplus from the Leeds City Region Business Rates Pool to support the West Yorkshire Combined Authority 'China/India Desk', the Board received further detail on the work of that project and its aims, in terms of providing benefit and inward investment for the region. Also, the Board noted that in order for the pool to utilise such funds, it needed to be allocated to activities promoting economic growth and development.

Also, responding to an enquiry, the Board received further information and context regarding the reserves which were currently held within the Adults and Health directorate.

Finally, responding to the Chair's comments and ahead of the forthcoming Local Government Association conference, support was provided for a cross-party approach to be taken in continuing to raise concerns around the lack of certainty being provided by Government in respect of the future financing of Local Government.

RESOLVED –

(a) That the outturn position for 2018/19, as detailed within the submitted report, be noted, and that the creation of earmarked reserves as detailed in paragraph 5.3 of the same report, be agreed, with the release of such reserves being delegated to the Chief Officer Financial Services;

(b) That the use of the projected surplus from the 2018/2019 Leeds City Region Business Rates Pool to forward fund the projects which are detailed in paragraph 2.9 of the submitted report, be approved, with it being noted that these projects were initially agreed by the Leaders of the Member Authorities of this Pool following its disbanding on the 31st March 2019;

(c) That it be noted that the Chief Officer Financial Services will be responsible for the implementation of the above resolutions following the conclusion of the 'Call In' period.

13 Annual Corporate Risk Management Report

The Director of Resources and Housing submitted a report which provided an update on the Council's most significant corporate risks and the arrangements in place, together with the further activity planned during 2019/20, to manage them.

RESOLVED – That the annual Risk Management report as submitted, together with the assurances provided on the Council's most significant corporate risks, be noted, in line with the authority's Risk Management Policy and the Board's overarching responsibility for their management.

14 New Procurement Strategy 2019 - 2024

The Director of Resources and Housing submitted a report which sought approval to adopt the Council's New Procurement Strategy, as appended to the submitted report, following a period of consultation, with the report highlighting that the new strategy looked to retain value for money and good governance as the foundation stones of procurement.

Members welcomed the proposed strategy.

In considering the report, a Member suggested that consideration be given to the values which embodied the proposed new strategy being used by the Council in its role as a landlord of commercial properties.

Responding to a further enquiry regarding the Key Performance Indicators (KPIs) as detailed at appendix 3 to the submitted report, it was noted that the intention was to submit an annual report regarding procurement to the Board, and that after the strategy had been operational for a year, further baseline figures were intended to be introduced into the KPIs in order to monitor performance.

RESOLVED –

(a) That the contents of the submitted report and appendices, be noted;

(b) That approval be given for the adoption of the New Procurement Strategy, as appended to the submitted report;

(c) That it be noted that the officer(s) responsible for implementing the adoption of the new strategy in accordance with paragraph 3.8.9 of the submitted report are: the Head of Commercial (Legal) and the Procurement Manager (both Procurement and Commercial Services).

15 Improving Air Quality in the City (Clean Air Zone Update)

The Director of Resources and Housing and the Director of City Development submitted a joint report which provided an update following the Government's approval of the Final Business Case for the Leeds Clean Air Charging Zone and confirmation of the final funding position and spending conditions related to the Clean Air Funding awarded in January 2019. The report also detailed why clarifications and amendments for certain elements of the Charging Order were being considered, presented the longer term approach to establishing future emissions standards for the taxi and private hire trade and provided a progress report on the implementation of the Clean Air Zone (CAZ), highlighting the delay to the CAZ 'go live' date.

Responding to a Member's enquiry regarding the delay to the CAZ 'go live' date, the Board received further information on the nature of the delay, which it was noted had been caused by a delay in the development of the required digital services by Central Government. It was also noted that the Council would continue to liaise with Government on this, in order to emphasise the importance of having the digital infrastructure in place at the earliest opportunity.

RESOLVED –
(a) That the funding conditions of the Clean Air Fund, as detailed within the submitted report, be noted and approved;

(b) That the commencement of a statutory public consultation process on the specific points, as detailed within the submitted report, be approved;

(c) That the change to the 'market capacity' take action date for the **HGV sector only** to 31st October 2019, be approved;

(d) That the progress which has been made to date on the implementation of the CAZ by the Council, together with the actions taken regarding the distribution of associated funding, be noted;

(e) That the delay to the 'go-live' date, be noted.

CLIMATE CHANGE, TRANSPORT AND SUSTAINABLE DEVELOPMENT

16 Councillor Mulherin
Prior to introducing the reports within her portfolio, the Chair welcomed Councillor Mulherin, as the new Executive Member for 'Climate Change, Transport and Sustainable Development'.

17 Leeds Public Transport Investment Programme: A61 North Bus Priority Corridor and A65 Signals Upgrade
The Director of City Development submitted a report which provided an update on the progress being made on the delivery of the Leeds Public Transport Investment Programme's (LPTIP) significant schemes during 2019/20 and outlined the next steps for delivering the implementation of improvements to the A61 North Bus Priority Corridor scheme and improvements to the A65 signals.

Responding to a Member's concerns, officers highlighted that although significant consultations had taken place on the submitted proposals, discussions with local Ward Members were seen as continuing conversations and that should Ward Councillors have any issues, then they could be raised with relevant officers as part of the ongoing dialogue.

As part of the Board's discussions, it was highlighted that a condition of the projects funded via the LPTIP, was that such projects were required to be substantially completed by the end of March 2021, which precluded this programme from undertaking more complex, or larger scale projects with long lead in times for delivery, but that further, separate funding would continue to be sought to help develop the transport infrastructure across the city.

Members also discussed the significant role of the bus providers and the part they played in the provision of public transport across the city, the need to continue to liaise with bus companies to ensure that the best deal was achieved for Leeds, with Members also discussing the issue of devolution and the potential impact that further local control could have in this area.

The Board also discussed the key role which needed to be played by an effective public transport service in helping to address the Climate Emergency; emphasised the need to ensure that an ambitious approach was taken in this area; discussed the options being considered to further develop park and ride facilities; and highlighted the need to ensure that projects being brought forward as part of the programme did not have unintended consequences, such as greater levels of commuter parking on residential streets.

RESOLVED –

(a) That the progress made since April 2016 in developing proposals for the relevant projects benefiting from LPTIP funding, together with the subsequent public consultation responses received, be noted;

(b) That approval be given for the remaining expenditure of £5.5 million from the existing LPTIP fund which will be used to carry out detailed design and construction of the improvements to the A61 North Bus Priority Corridor, with approval also being given for an injection of £45,039 from S106 Developer Contributions;

(c) That approval be given for the expenditure of up to £5 million from the existing LPTIP fund which will be used to contribute to the East Leeds Orbital Road (ELOR) project, to carry out the detailed design and construction of the King Lane to Stonegate Road section of the A61N Bus Priority Corridor;

(d) That approval be given for the expenditure of up to £1 million from the existing LPTIP fund which will be used to carry out detailed design and the construction of the A65 signals, with approval also being given for an injection of £252,675.95 from S106 Developer Contributions;

(e) That subject to ongoing consultation with relevant Executive Members as appropriate, it be noted that the Chief Officer for Highways and Transportation will be responsible for the implementation of the resolutions detailed above.

18 Delivering the East of Otley Relief Road and Housing Allocation

Further to Minute No. 63, 20th September 2017, the Director of City Development submitted a report providing an update on the progress which had been made on bringing forward the East of Otley development, and which sought approval to a number of matters which would formalise the Council's role in this work and enable critical infrastructure and planning activities to progress.

RESOLVED –

(a) That the positive progress which has been made in this area, be noted, with the Board reconfirming the Council's commitment to bringing forward the East of Otley mixed use site;

(b) That the Director of City Development's approval for the Council to enter into a funding agreement with Homes England for a Housing Infrastructure Fund grant of £6.318m, on the basis set out at paragraph 3.1.10 of the submitted report, be noted; with it also being noted that the approved injection of this sum into the Capital Programme along with contractual arrangements of the funding will be the responsibility of the Head of Regeneration;

(c) That agreement be given for the Council to take a leading role on the delivery of the East of Otley Relief Road project, and that agreement also be given for the Chief Highways and Transportation Officer, in consultation with the Executive Member for 'Climate Change, Transport and Sustainability' to undertake the actions as set out at paragraphs 3.2.7 and 3.2.8 of the submitted report to enable its delivery;

(d) That the principle of the Council making a financial contribution towards the East of Otley Relief Road, be approved, with the contingent delivery risks, as outlined in paragraph 3.3.5 of the submitted report being noted;

(e) That the revised Heads of Terms relating to the disposal of the Council's land within the East of Otley allocation, be approved, and that approval also be given for the Council to enter into an Agreement with developers to facilitate the delivery of the East of Otley Relief Road project, as set out at paragraph 3.3.7 of the submitted report; with it being noted that the Head of Land & Property will be responsible for agreeing the associated detailed terms of the disposal and the related agreement;

(f) That the intention to undertake consultation on a Development Brief for the East of Otley site, as set out at paragraph 3.5.1 of the submitted report, be noted; that approval be given for this to include the potential inclusion of Council-owned land at the former Ing's Tip and north of Cambridge Way, and that it be noted that the Head of Strategic Planning will be responsible for delivery of the brief.

19 Leeds Local Plan - Adoption of the Site Allocations Plan

Further to Minute No. 143, 14th January 2019, the Chief Planning Officer submitted a report which invited Executive Board to recommend to full Council that: the Council note the Inspector's final report on the Submission Draft 2017 Site Allocations Plan (SAP), accepts the Inspector's Main Modifications and adopts the Site Allocations Plan (subject to any further non-material additional modifications being made in advance of consideration by Council).

It was noted that following the despatch of the agenda papers, and prior to the meeting, Board Members had received a note detailing several corrections which related to the Executive Board covering report and Appendix 2, together with updated versions of the relevant table and plans, which were to be taken into consideration by Members as part of the Board's deliberations on the matter.

Responding to Members' comments and concerns, the Board discussed and received further information regarding:

- How the SAP, as submitted, with inclusion of the Inspector's recommended Main Modifications, had been deemed as being 'sound' by the Inspector;
- Members welcomed that the adoption of the SAP would enable a 5 year land supply to be confirmed and a plan-led approach to be taken, moving forward;
- The time which had taken to get to the current position, and the implications of that timescale;
- The current housing requirement figures, and how that level of requirement was being reviewed as part of the ongoing and separate Core Strategy Selective Review process, and how a review of the SAP would be required following the adoption of the CSSR;
- Members discussed the reasons why issues had been experienced regarding levels of development on brownfield land in recent years, with it being highlighted that the Authority continued to liaise with Government on this issue, and with a request being made that further opportunity to consider this matter be sought;
- Members discussed the proportion of brownfield and green belt sites detailed in the submitted plan which had been allocated for housing;
- Members discussed the associated infrastructure provision needed to facilitate the housing requirement moving forward, and the need for any future developments to be sustainable.

On behalf of the Board, the Chair extended her thanks to officers and all who had engaged in the process to date, for getting the Plan to this advanced stage.

RESOLVED – That subject to the incorporation of the 'corrections', as submitted to Board Members prior to the meeting for their consideration, full Council be recommended to:-

(i) Note the Inspectors' final Report of the Leeds Site Allocations Plan and accept the Main Modifications of the Inspectors', as detailed in their Report (June 2019) presented at **Appendix 1** to the submitted Executive Board report;

(ii) Adopt the draft Site Allocations Plan (version for Adoption), as detailed at **Appendix 2** to the submitted report, with effect from 10th July 2019, pursuant to Section 23 of the Planning and Compulsory Purchase Act 2004 (as amended);

(iii) Note the deletion of saved Unitary Development Plan policies that will be superseded by the Plan (as set out in Appendix 3 of the Plan detailed at **Appendix 2** to the submitted report).

(The matters referred to within this minute, given that they were decisions being made in accordance with the Budget & Policy Framework Procedure Rules, were not eligible for Call In, as Executive and Decision Making Procedure Rule 5.1.2 states that the power to Call In decisions does not extend to those decisions being made in accordance with the Budget and Policy Framework Procedure Rules)

COMMUNITIES

20 Business Case for Proposed Selective Licensing Designation - Harehills

The Director of Resources and Housing submitted a report which presented for the Board's consideration the appended business case regarding the proposal for selective licensing designation in Harehills, and the proposed designation of the area outlined on the map at Appendix 1 of the business case as a selective licensing area, with effect from the 6th January 2020.

It was noted that following the despatch of the agenda papers and prior to the meeting, correspondence which had been received from a member of the public concerning both items 18: 'Business Case for Proposed Selective Licensing Designation: Harehills' and item 19: 'Business Case for Proposed Selective Licensing Designation: Beeston', had been circulated to Executive Board Members for their consideration as part of the Board's deliberations on this matter.

It was also noted that following the despatch of the agenda papers, and prior to the meeting, Board Members had received a reformatted version of Appendix 2 to the appended business case, with it being noted that the data in the appendix remained as originally published and circulated, with the information simply being re-provided in a sharper/clearer format for the benefit of the reader.

In presenting the report, the Director of Resources and Housing drew Members' attention to the legal criteria for designating an area as set out in the report, and the information in the business case demonstrating that these criteria were met.

Also, Members received information on what the scheme would entail and were also provided with the outcomes from the significant consultation processes which had been undertaken. It was noted that overall the residents, and private rented tenants in Harehills who had responded were in favour of the introduction of selective licensing, whilst the vast majority of landlords and all of the managing agents who had responded were against the proposal.

In considering the submitted report and the potential implications of introducing the proposed designation, Members' attention was drawn to the landlords' concerns. The Board was informed that these were covered in detail in the accompanying business case. One of the principal concerns was the costs of the scheme, in particular the proposed licence fee, and the impact on rent levels if the costs of the scheme were passed on to tenants. With regard to the licence fee, it was noted that this could only be used to administer the scheme, and that the proposed licence fee of £825 equated to around £3 per week across the 5 years to which it will apply. With regard to rent levels, it was highlighted that these were influenced by the Local Housing Allowance, which was likely to restrict rent increases.

Members discussed the benefits of the scheme for landlords and the incentives for them, with it being noted that there was a discount to the licence fee for landlords who were members of the 'Leeds Rental Standard' scheme, that landlord investment in their properties would benefit the area and potentially increase the value of their property and that in implementing such an initiative, there would be further opportunity for the Council to help address issues in the area, such as anti-social behaviour.

Responding to a further enquiry, the Board noted that the potential issue of displacement had been taken into consideration when the proposed boundary had been drawn up.

RESOLVED –

(a) That the contents of the submitted report and the business case for Harehills as appended to that cover report, be noted;

(b) That the business case for selective licensing designation in Harehills, as appended to the cover report, be approved;

(c) That approval be given to designate the area shown on the business case map as detailed at Appendix 1 of the submitted business case document (appended to the covering report) as a selective licensing area with effect from 6th January 2020;

(d) That it be noted that the Director of Housing and Resources is responsible for the implementation of the resolutions detailed above.

21 Business Care for Proposed Selective Licensing Designation - Beeston

The Director of Resources and Housing submitted a report which presented for the Board's consideration the appended business case regarding the proposal for selective licensing designation in Beeston, and the proposed designation of the area outlined on the map at Appendix 1 of the business case as a selective licensing area, with effect from the 6th January 2020.

It was noted that following the despatch of the agenda papers and prior to the meeting, correspondence which had been received from a member of the public concerning both items 18: 'Business Case for Proposed Selective Licensing Designation: Harehills' and item 19: 'Business Case for Proposed Selective Licensing Designation: Beeston', had been circulated to Executive Board Members for their consideration as part of the Board's deliberations on this matter. During the consideration of this report, Members' attention was drawn to such correspondence which focussed upon the consultation process undertaken in Beeston.

It was also noted that following the despatch of the agenda papers and prior to the meeting, Board Members had received a reformatted version of Appendix 2 to the appended business case, with it being noted that the data in the appendix remained as originally published and circulated, with the information simply being re-provided in a sharper/clearer format for the benefit of the reader.

In presenting the report, the Director of Resources and Housing drew Members' attention to the legal criteria for designating an area as set out in the report, and the information in the business case demonstrating that these criteria were met.

Also, Members received information on the outcomes on the significant consultation processes which had been undertaken, and it was explained that the consultation exercise did not represent a vote on the proposal, but rather formed one piece of evidence which the Board was asked to consider. It was noted that overall the response to the residents' consultation was against the proposal, with 92% of online responses being against the proposal. However, officers explained that there remained concerns about the validity of some of the online responses received following validation of the feedback and when compared to the paper responses received. It was noted that such concerns were not explainable by the correspondence which had been received.

In conclusion, Executive Board Members were asked to take such matters into consideration when weighing up all of the evidence available to them.

RESOLVED –

(a) That the contents of the submitted report and the business case for Beeston, as appended to that cover report, be noted;

(b) That the business case for selective licensing designation in Beeston, as appended to the cover report, be approved;

(c) That approval be given to designate the area shown on the business case map as detailed at Appendix 1 of the submitted business case document (appended to the covering report) as a selective licensing area with effect from 6th January 2020;

(d) That it be noted that the Director of Housing and Resources is responsible for implementation of those resolutions detailed above.

22 Council Housing Growth Programme Update

The Director of Resources and Housing submitted a report which provided an update on the progress of the Council Housing Growth Programme, set out proposals for the delivery of further new Council housing across the city and presented the proposed rent setting approach for the Council Housing New Build Programme.

Members welcomed the speed at which the Council had acted in this area, following the lifting of the cap on Council borrowing to deliver new homes via the Housing Revenue Account.

The Board welcomed the establishment of a Local Housing Company, with Members noting the benefits and flexibility that the formation of the company would bring. In response to a Member's enquiry, it was highlighted that the delivery of affordable housing via this model need to not be wholly focussed upon the city centre, however, the number of appropriate sites as designated via the Site Allocations Plan in the city centre was highlighted.

Regarding the expansion of the property acquisition programme, Members were advised that a report on this was scheduled to be submitted to the Board in July.

Members highlighted the need to work with local communities on such matters in order to ensure that the Council housing provision established by this programme looked to meet the bespoke needs of each area.

RESOLVED –

(a) That the progress made to date on delivering the Council Housing Growth Programme, be noted;

(b) That the additional sites, as listed in Table 2 of the submitted report, for the delivery of new build Council housing, be noted;

(c) That the proposed investment, as outlined in Table 5 of the submitted report, be approved, with approval also being given to inject the balance of funding £17.5m into the programme for the delivery of c.176 new build Council houses as part of the Council Housing Growth Programme (with it being noted that £16.1m was injected as part of the February 2019 capital programme), and that support be provided for any funding bids to optimise the funding mix for each scheme;

(d) That the application of the proposed rent setting principles and the approach to future Council housing new build developments, as set out in the submitted report, be approved, and that decisions on rent setting for each individual housing scheme be delegated to the Director of Resources and Housing;

(e) That it be noted that a report will be submitted to Executive Board in July 2019 on the Property Buyback/Repurchase Programme.

23 Review of Leeds Anti-Social Behaviour Team

The Director of Communities and Environment submitted a report which set out proposals to redesign the Leeds Anti-Social Behaviour Team (LASBT), with the aim of establishing a more sustainable service through which officers were increasingly able to focus upon early intervention and work with communities in order to prevent anti-social behaviour.

Members welcomed the proposals and highlighted the role which had been played by the Environment, Housing and Communities Scrutiny Board in the review exercise.

Responding to an enquiry, assurance was provided that resources would continue to support outer areas, but in addition, the new model would aim to integrate further with wider service provision in order to maximise the benefits for all.

Also, assurance was provided that when anti-social behaviour was reported, the team would respond to it in accordance with agreed procedures and protocols, irrespective of whether it occurred on Council land or elsewhere.

RESOLVED – That the priorities, as outlined in the submitted report be noted, and that the implementation of the service changes, as set out in paragraphs 3.7 – 3.20 of the submitted report, be endorsed.

INCLUSIVE GROWTH AND CULTURE

24 Grant to Leeds Culture Trust (Leeds 2023)

The Director of City Development submitted a report providing an update on the progress being made in respect of the 'Leeds 2023' initiative and which looked to delegate to officers the authority to enter into a grant agreement with Leeds Culture Trust in order to deliver a programme of activity.

RESOLVED –

(a) That the overall progress made in this area be noted, together with the further progress being made on establishing Leeds Culture Trust;

(b) That the necessary authority be delegated to the Chief Officer, Culture and Sport to enable the Chief Officer to enter into the final grant agreement in line with the draft, as detailed at Appendix 1 to the submitted report, with variations being made subject to consultation with the Leader of the Council.

ENVIRONMENT AND ACTIVE LIFESTYLES

25 Approval for the submission of the Otley Flood Alleviation Scheme Outline Business case to the Environment Agency, and submission of the Planning Application

The Director of City Development submitted a report which presented details of flooding issues in the Otley area, requested authority to submit the Outline Business Case and Planning Application as detailed, requested authority to incur the required expenditure, highlighted the current funding shortfall and requested support for additional funding to be sought.

Responding to a Member's enquiry, assurance was provided that all such schemes must fully take into account and mitigate against any impact upon communities downstream.

Also, regarding a Member's comment about the lack of engagement from the Environment Agency which local Ward Members had experienced regarding issues in their local area, officers undertook to take this specific matter up with the Environment Agency on the Members' behalf.

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

RESOLVED –

(a) That approval be given to inject the remaining £1,509,000 of available Government Grant funding into the scheme;

(b) That approval be given to inject £1,328,000 of Central Contingencies to underwrite the currently identified funding gap on the scheme, in order to ensure the delivery of the scheme;

(c) That approval be given to submit the Outline Business Case, as detailed at exempt Appendix D to the submitted report, to the Environment Agency;

(d) That approval be given to submit the associated Planning Application;

(e) That approval be given to incur additional expenditure of £260,000, to support the Outline Business Case submission and planning application in order to enable the scheme to progress in line with the programme;

(f) That approval be given to incur expenditure, following the approval of the Outline Business Case, of £399,000 to develop the detailed design of Otley Flood Alleviation Scheme in order to enable the scheme to progress in line with the programme;

(g) That the necessary authority be delegated to the Director of City Development to enable the Director to make the necessary authority to spend (ATS) approvals for the full scheme, subject to agreement with the Executive Member for Environment and Active Lifestyles.

26 The Arnold and Marjorie Ziff Tropical World Development

The Director of Communities and Environment submitted a report which outlined a proposal to develop an indoor play facility at the Arnold and Marjorie Ziff Tropical World following other developments which have been undertaken at the attraction in recent years.

RESOLVED –

(a) That approval be given to the in principle development of an indoor play facility at the Arnold and Marjorie Ziff Tropical World, with approval also being given to an injection of £2.0m capital, funded through prudential borrowing;

(b) That approval be given to incur necessary expenditure to undertake a full feasibility design;

(c) That the necessary authority be delegated to the Director of Communities and Environment to enable the Director to make the necessary authority to spend approvals for the full scheme, subject to consultation with the Executive Member for Environment and Active Lifestyles;

(d) That it be noted that the Chief Officer, Parks and Countryside will be responsible for the implementation of this project, with an anticipated opening in Easter 2020.

HEALTH, WELLBEING AND ADULTS

27 Understanding health and care needs within our wards: Strengthening our relationships with elected members and Local Care Partnerships

The Director of Adults and Health submitted a report which provided an update on recent Ward Member conversations on health and care, reflecting the increased importance of Community Committees as local forums for discussion on this issue and which highlighted the development of Local Care Partnerships (LCPs) as a basis for improving population health.

In considering the report, Members emphasised the need for the arrangements to ensure that robust cross-boundary partnerships were achieved to ensure seamless service provision, wherever possible.

Also, Members discussed how Elected Members fitted into the new LCP structure and highlighted the enabling role which they needed to play to help ensure that this approach looked to best meet the bespoke needs of each local community.

The Board discussed the relationship between Community Committees and LCPs. Regarding the geographical boundaries of the two, officers were asked to pick up any specific issues raised regarding Member representation on those LCPs which fell outside of the appointing Community Committee boundary.

Finally, a suggestion was made that it may be beneficial, especially for newly elected Councillors, for a Member seminar to be scheduled in order to further raise awareness on this agenda.

RESOLVED –

(a) That the progress made regarding Ward Member conversations on health and care to date, be noted and that the continuation of this approach, led by the Leeds Health and Wellbeing Board, be supported;

(b) That the actions being taken to further develop Member involvement with Local Care Partnerships, through Community Committees, be noted, together with the relevant governance implications, as outlined in the submitted report;

(c) That it be noted that the Leeds Health and Wellbeing Board will continue to provide strategic leadership for the Leeds Health and Care Plan, with it also being noted that as part of the Plan's refresh, engagement with Community Committees will continue.

28 The Visible Project

The Director of Adults and Health submitted a report which provided an update on the work of the 'Visible Project', an initiative based within the Women's Counselling and Therapy Service (WCTS) which looked to improve the health and wellbeing outcomes for adult survivors of child sexual abuse.

The Board welcomed to the meeting: Sinead Cregan, Commissioning Programme Leader, who had been chair of the Strategic Steering Group for the project, and Tessa Denham, Chief Executive of the Women's Counselling and Therapy Service.

Members welcomed the valuable work which had been undertaken to establish the Visible Project and extended their thanks to all those who had been involved.

The Board wholeheartedly supported the adoption of the policy statement and sought further information on how Members could further promote this initiative in their local Wards.

RESOLVED –

(a) That the Visible Policy statement and briefing, as appended to the submitted report, be adopted, with the Board providing a commitment to the statement's implementation;

(b) That agreement be given for the Director of Adults and Health in conjunction with the Chief Officer for Human Resources to establish a 'task and finish' group to implement the Visible Policy Statement across the Council.

DATE OF PUBLICATION: FRIDAY, 28TH JUNE 2019

LAST DATE FOR CALL IN OF ELIGIBLE DECISIONS: 5.00 P.M., FRIDAY, 5TH JULY 2019

This page is intentionally left blank