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## EXECUTIVE BOARD

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Meeting to be held in Civic Hall, Leeds on  
Wednesday, 15th November, 2006 at 1.00 pm

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### MEMBERSHIP

#### Councillors

M Harris (Chair)  
A Carter  
D Blackburn  
R Brett  
J L Carter  
R Harker  
P Harrand  
J Procter  
S Smith

K Wakefield  
\*J Blake

\*non voting advisory member

# A G E N D A

Item No K=Key Decision	Ward	Item Not Open		Page No
1			<p><b>APPEALS AGAINST REFUSAL OF INSPECTION OF DOCUMENTS</b></p> <p>To consider any appeals in accordance with Procedure Rule 25 of the Access to Information Procedure Rules (in the event of an Appeal the press and public will be excluded)</p>	
2			<p><b>EXCLUSION OF PUBLIC</b></p> <p>To agree that the public be excluded from the meeting during consideration of the appendix to item 7, the appendix to item 12 and appendix 1 to item 20</p>	
3			<p><b>LATE ITEMS</b></p> <p>To identify items which have been admitted to the agenda by the Chair for consideration</p> <p>(The special circumstances shall be specified in the minutes)</p>	
4			<p><b>DECLARATION OF INTERESTS</b></p> <p>To declare any personal/prejudicial interests for the purpose of Section 81(3) of the Local Government Act 2000 and paragraphs 8 to 13 of the Members Code of Conduct</p>	
5			<p><b>MINUTES</b></p> <p>To confirm as a correct record the minutes of the meeting held on 18<sup>th</sup> October 2006</p> <p><b><u>DEVELOPMENT</u></b></p>	1 - 10

Item No K=Key Decision	Ward	Item Not Open		Page No
6			<p><b>ADVERTISING DESIGN GUIDE</b></p> <p>To consider the report of the Director of Development on progress in the preparation of an Advertising Design Guide proposed for adoption as a Supplementary Planning Document</p> <p><b><u>CITY SERVICES</u></b></p>	11 - 38
7 K		10.4(3)	<p><b>ADVERTISING ON LAMP POSTS</b></p> <p>To consider the report of the Director of City Services on the lamp post advertising trial and its findings, reviewing other issues pertinent advertising on lamp posts and presenting a proposed future strategy for such advertising as a means to generate income to support service provision. An appendix to the report is designated exempt under access to Information Procedure Rule 10.4(3)</p> <p><b><u>NEIGHBOURHOODS AND HOUSING</u></b></p>	39 - 60
8	Beeston and Holbeck; Burmantofts and Richmond Hill; Gipton and Harehills;		<p><b>HOUSING (MARKET) RENEWAL INVESTMENT PROGRAMME</b></p> <p>To consider the report of the Director of Neighbourhoods and Housing on funding recently secured by Leeds City Council and its partners from a Single Regional Housing Pot and Housing Market Renewal Investment Fund to enable issues of low demand and poor quality housing in a number of inner city neighbourhoods to be addressed. The report describes conditions attached to the two funding streams, how the money has been allocated to individual projects that comprise the overall programme, and what needs to be done to ensure that the projects are delivered to programme.</p>	61 - 68

Item No K=Key Decision	Ward	Item Not Open		Page No
9 K			<p><b>EMPTY PROPERTY STRATEGY 2006 - 2010</b></p> <p>To consider the report of the Director of Neighbourhoods and Housing on the proposed revised Corporate Empty Property Strategy and the updated targets set for the strategy for 2006 - 2010</p>	69 - 78
10			<p><b>LOCAL EMPLOYMENT AND TRAINING INITIATIVES RELATING TO ALMO EXPENDITURE</b></p> <p>To consider the report of the Director of Neighbourhoods and Housing on work with the construction industry in Leeds with regard to Local Employment and Training Initiatives since the launch of the Leeds Home Construction Partnership in November 2005 to deliver decent homes and on current and proposed future developments on responsive repairs and maintenance contracts.</p>	79 - 84
11			<p><b>A PLAN FOR DELIVERING AFFORDABLE HOUSING IN LEEDS</b></p> <p>To consider the report of the Director of Neighbourhoods and Housing describing the key components of the plan for the delivery of affordable housing in Leeds – “Making the Housing Ladder Work” developed by the Corporate Affordable Housing Task Group</p>	85 - 92
12	Hyde Park and Woodhouse	10.4(3)	<p><b>LITTLE LONDON HOUSING PFI - OUTLINE BUSINESS CASE</b></p> <p>To consider the report of the Director of Neighbourhoods and Housing on progress in seeking approval to the outline business case for the Little London project and the likely timetable for its completion, on a proposed updated affordability position and management of scenarios which might impact on affordability Appendix 1 to the report is designated exempt under Access to Information Procedure Rule 10.4(3)</p>	93 - 100

Item No K=Key Decision	Ward	Item Not Open		Page No
			<b><u>CENTRAL AND CORPORATE</u></b>	
13			<b>LORD MAYORS EARTHQUAKE APPEAL</b>  To consider the report of the Chief Officer (Executive Support) on a proposal that the Council support the rebuilding of a hospital in Muzaffarabad	101 - 106
14 K			<b>CAPITAL PROGRAMME - 2006/07 MID YEAR FINANCIAL UPDATE</b>  To consider the report of the Director of Corporate services giving a summary of financial details of the 2006/07 month 6 Capital Programme position.	107 - 116
15 K			<b>FINANCIAL HEALTH MONITORING - HALF YEAR REPORT</b>  To consider the report of the director of Corporate Services on the financial health of the authority after six months of the financial year, in respect of the revenue budget for general fund services, the housing revenue account and presenting the mid year update of the Annual Efficiency Statement	117 - 120
16			<b>FINANCIAL PLAN ANNUAL REVIEW</b>  To consider the report of the Director of Corporate Services providing an update of the current approved Financial Plan covering the years 2005 - 2008	121 - 134
17			<b>TREASURY MANAGEMENT STRATEGY UPDATE 2006/2007</b>  To consider the report of the Director of Corporate Services reviewing and updating the treasury management strategy for 2006/07	135 - 144

Item No K=Key Decision	Ward	Item Not Open		Page No
18			<p><b>APPROVAL OF A STATEMENT OF GAMBLING POLICY</b></p> <p>To consider the report of the Director of Legal and Democratic Services presenting an updated revised draft policy on the licensing of gambling premises under the Gambling Act 2005 following Scrutiny consideration and responses to consultation</p> <p><b><u>CHILDREN'S SERVICES</u></b></p>	145 - 234
19			<p><b>CHILDREN'S SERVICES ANNUAL PERFORMANCE ASSESSMENT</b></p> <p>To consider the report of the Director of Children's Services summarising the findings of the 2006 annual performance assessment process for Leeds</p> <p><b><u>DEVELOPMENT</u></b></p>	235 - 248
20 K	City and Hunslet	10.4(3)	<p><b>SITE 1, QUARRY HILL - NORTHERN BALLET THEATRE COMPANY AND PHOENIX DANCE THEATRE</b></p> <p>To consider the report of the Director of Development on proposed terms for the disposal of Site 1 Quarry Hill to Rushbond plc, the making of a capital grant to the Northern Ballet Theatre Company and the Phoenix Dance Company Theatre for the construction of their dance headquarters on the site, and the use of the Council's prudential borrowing powers in order to assist the two companies in funding the scheme, the cost of which would be met by reducing the grants that the Council makes to them. Appendix 1 to the report is designated exempt under Access to Information Procedure Rule 10.4(3)</p>	249 - 264

## EXECUTIVE BOARD

WEDNESDAY, 18TH OCTOBER, 2006

**PRESENT:** Councillor M Harris in the Chair

Councillors R Brett, A Carter, J L Carter,  
R Harker, P Harrand, J Procter, S Smith,  
K Wakefield

Councillor Blake – Non Voting Advisory Member

**73 Gary Broughton**

In opening the meeting the Chair referred to the recent and sudden death of Gary Broughton, a Civic Buildings attendant known to all users of the Civic hall.

**RESOLVED** – That the condolences of this Board be conveyed to Gary's wife, daughters and wider family.

**74 Exclusion of Public**

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

- (a) Appendix 2 to the report referred to in minute 81 under the terms of Access to Information Procedure Rule 10.4(3) and on the grounds that the public interest in maintaining the exemption outweighs the public interest in disclosing the information, by reason that the report contains commercially sensitive information about post-close negotiations with the Contractor.
- (b) The appendix to the report referred to in minute 84 under the terms of Access to Information Procedure Rule 10.4(3) and on the grounds that the public interest in maintaining the exemption in relation to the appendix on this subject outweighs the public interest in disclosing the information by reason of the fact the appendix is part of contract negotiations and the release of the information contained therein may compromise the Council's commercial position and could cause the Council to breach its, and European rules on procurement.
- (c) The detailed report referred to in minute 87 under the terms of Access to Information Procedure Rule 10.4(1) and (2) and on the grounds that the public interest in maintaining the exemption in relation to the main report outweighs the public interest in disclosing the information by reason of the fact that the duty of Education Leeds in securing

Draft minutes to be approved at the meeting  
to be held on Wednesday, 15th November, 2006

improvement and increased confidence in the schools concerned would be adversely affected by disclosure of the information.

- (d) Appendices 1,2 and 4 to the report referred to in minute 95 under the terms of Access to Information Procedure Rule 10.4(3) and on the grounds that the public interest in maintaining the exemption outweighs the public interest in disclosing the information by reason of the fact that the disclosure of appendices 1 and 2 could potentially prejudice the success of the scheme by speculative investors acquiring properties in advance of the Council's action and of appendix 4 because the costs attributed to the purchase of private properties are purely estimates at this stage and their disclosure could prejudice the Council's ability to reach an agreement on the purchase price with owners.

**75 Declaration of Interests**

Councillor Brett declared a personal interest in the item relating to the future of ALMOs in Leeds (minute 78) as a board member of South East Leeds ALMO.

**76 Minutes**

**RESOLVED** – That the minutes of the meeting held on 20<sup>th</sup> September 2006 be approved.

**NEIGHBOURHOODS AND HOUSING**

**77 Deputation to Council - Leeds Gypsy and Traveller Exchange regarding Provision of Accommodation in the City**

The Director of Neighbourhoods and Housing submitted a report in response to the above deputation to Council advising that the accommodation needs assessment is to be undertaken in accordance with the decision of this Board as referred to in minute 70 of the meeting held on 20<sup>th</sup> September.

**RESOLVED** – That the report be noted.

**78 The Future of Arms Length Management Organisations for Housing in Leeds**

Further to minute 71 of the meeting held on 20<sup>th</sup> September 2006 the Director of Neighbourhoods and Housing submitted a report on proposed governance arrangements for the three new ALMO Boards, their registration as companies and proposals for Area Panels.

**RESOLVED** –

- (a) That the proposed governance arrangements for the new Boards be approved.
- (b) That the proposals for Area Panels be approved and that the Director of Neighbourhoods and Housing be authorised to consult with the ALMOs to finalise the details.
- (c) That authority be given for the formal registration of the new companies and that the Director of Neighbourhoods and Housing be authorised to



progress the Section 27 arrangements with the Department of Communities and Local Government.

(Under the provisions of Council Procedure Rule 16.5 Councillor Wakefield required it to be recorded that he abstained from voting on this decision insofar as it related to the arrangements for the appointment of elected members to the new ALMO boards)

## **CENTRAL AND CORPORATE**

### **79 Corporate Debt Policy**

The Director of Corporate Services submitted a report presenting a revised Corporate Debt Policy agreed by the Financial Inclusion Steering Group and intended as part of the Council's Beacon application 'Promoting Financial Inclusion and Tackling Over Indebtedness'.

**RESOLVED** – That the changes to the policy and the part which it plays in the Council's Financial Inclusion policies be noted.

### **80 Treasury Management Borrowing Limits**

The Director of Corporate Services submitted a report on a proposed increase to the Authorised and Operational borrowing limits to be recommended to Council as a variation to those set in February 2006 (minute 202(e))

**RESOLVED** – That Council be recommended to approve the revised borrowing limits for 2006/07 and the revised investment limit for 2006/07 both as set out in Section 3 of the submitted report.

### **81 Progress Report on the PPP/PFI Programme**

The Deputy Chief Executive submitted a report on progress of Leeds City Council PPP/PFI projects and Programmes, their governance and on the outturn of the Leeds Street Lighting PFI Project.

Appendix 2 to the report relating to the Street Lighting Project was designated as exempt under Access to Information Procedure Rule 10.4(3).

Following consideration of the exempt appendix in private at the conclusion of the meeting it was

**RESOLVED** – That the report be noted.

### **82 Parish and Town Council Charter**

The Chief Democratic Services Officer submitted a report on a charter to underpin the relationship between the City Council and the local councils within its administrative area as agreed in consultation with the Parish and Town Council Forum.

**RESOLVED** –

(a) That the charter, as appended to the submitted report, be approved.

Draft minutes to be approved at the meeting  
to be held on Wednesday, 15th November, 2006

- (b) That the charter be reported to Area Committees for information.
- (c) That this Board, noting the current delays in processing applications for the establishment of new parish councils, requests the Department for Communities and Local Government to more efficiently process such applications.

### **CHILDREN'S SERVICES**

#### **83 Admissions Round for Community and Controlled Schools for 2006**

The Chief Executive of Education Leeds submitted a report providing statistical information on the September 2006 admission round for community and voluntary controlled schools.

**RESOLVED** – That the report be noted.

#### **84 ICT Strategic Partner for Building Schools for the Future - Selection of Preferred Bidder**

Further to minute 59 of the meeting held on 20<sup>th</sup> September 2006 the Chief Executive of Education Leeds submitted a report on the proposed appointment of a preferred bidder for the ICT Strategic Partner and arrangements for final negotiations and award of the contract.

Appendix 1 to the report was designated as exempt under Access to Information Procedure Rule 10.4(3).

Following consideration of the exempt appendix in private at the conclusion of the meeting it was

**RESOLVED** – That Research Machines be selected as the preferred bidder for the ICT Strategic Partner contract and that the Deputy Chief Executive be authorised, in consultation with the BSF/PFI Project Board, to conduct final negotiations and to award the contract.

#### **85 Thorpe Primary School**

The Chief Executive of Education Leeds submitted a report on a proposed scheme to provide a new hall, additional classrooms and remodelling works at Thorpe Primary School.

#### **RESOLVED -**

- (a) That approval be given to the design proposals for Phase One works in respect of the scheme to provide a new hall and additional teaching accommodation, together with internal remodelling at Thorpe Primary School.
- (b) That expenditure of £940,000 from capital scheme 12050/PH1/000 be authorised.

#### **86 Recent Ofsted Inspections**

The Chief Executive of Education Leeds submitted a report summarising the outcomes of recent OfSTED inspections.

**RESOLVED** – That the report and the impact of the change in the inspection framework be noted.

**87 Schools Causing Concern**

The Chief Executive of Education Leeds submitted a report on the actions being followed to ensure that the schools causing the most serious concerns are being monitored, supported and challenged through planned interventions.

The second detailed report on this matter was designated exempt under Access to Information Procedure Rules 10.4(1) and (2).

Following consideration of the exempt report in private at the conclusion of the meeting it was

**RESOLVED** – That the report, actions being taken in schools causing concern and the impact of the change in the inspection framework be noted.

**LEISURE**

**88 Leeds Sports Trust**

The Director of Learning and Leisure submitted a report on progress made since the initial Executive Board decision in March 2006 (minute 246), to the in principle transfer of the Sport and Active Recreation Service to a Non Profit Distributing Body (Trust). The report proposed that progress be made to the next implementation stage of the Trust transfer, with a target date of 1<sup>st</sup> April 2008 for the Sports Trust to become fully operational.

In presenting the report the Executive Member (Leisure) made reference to the fact that all members of this Board had received the GMB trade union response to the Lawrence Graham Report appraising the Sports Trust option together with the letter of the Director of Learning and Leisure in response to the GMB paper.

**RESOLVED –**

- (a) That a charitable company limited by guarantee be approved as the intended legal form of the Trust, with 19.9% Leeds City Council representation, as outlined under the legal and resource implications section of the report.
- (b) That this Board recognises the reconsidered level of net annual savings from NNDR (rates)/VAT as being a maximum of £1,164,921 and an estimated minimum of £725,921 per year, based on 2006/07.
- (c) That the increased, estimated set up costs of £467,417 involved in creating the Trust, due to be committed over the 2006/07 and 2007/08 financial years be approved.
- (d) That the next implementation stage of the Trust transfer through to March 2007, with a target date of 1<sup>st</sup> April 2008 for the Sports Trust to become fully operational be approved.
- (e) That the key tasks to be addressed during the next implementation stage be noted.

- (f) That the proposals for decision making be approved and that further progress reports be brought to this Board at key moments throughout the process, in particular to formalise the legal establishment of the Trust and the formal approval to transfer staff and facilities to the Trust.
- (g) That all other aspects of the report and the attached appendices together with progress being made be noted.

(Under the provisions of Council Procedure Rule 16.5 Councillor Wakefield required it to be recorded that he abstained from voting on this decision)

## **ADULT HEALTH AND SOCIAL CARE**

### **89 Commissioning Plan for Day Services for Disabled People**

The Director of Adult Social Services submitted a report setting out proposals for the modernisation of day services for disabled people with particular reference to the three existing Social Services Department Resource Centres, describing a more person centred service model based on meeting an individual's assessed needs flexibly, in their local communities and, wherever possible, within mainstream services rather than in settings catering only for disabled people.

#### **RESOLVED –**

- (a) That the proposals for day services for disabled people as outlined in the report be approved.
- (b) That the proposed new service model be implemented.
- (c) That the Board notes the proposal that in the context of the new service model a separate, building-based reprovion of Clifford Brooke Resource Centre would not be appropriate when the centre leaves the Roundhay Road site given the available spare capacity at other centres.
- (d) To agree (with reference to paragraph 7.7 of the report) that there should, wherever practicable, be consultation with service users on the full range of possible reprovion options prior to a report on a proposal such as that referred to in (c) above being brought to this Board.
- (e)
  - (i) To note that consultations with such users at Clifford Brooke, on the proposal that there should be no separate building based provision of the centre, have now commenced;
  - (ii) to agree that such consultations should continue, and
  - (iii) to note that a report on the outcome of the consultations will be brought back to this Board.

### **90 Outline Plan for The Breece, Scarborough**

The Director of Adult Social Services submitted a report on the proposed outline plan for The Breece to comply with the Short Breaks Policy.

In presenting the report the Executive Member (Adult Health and Social Care) referred to a petition which he had received on the day of this meeting with regard to the proposals.

**RESOLVED –**

- (a) That the outline plan for the disposal of The Breece and the development of alternative arrangements as detailed in the report be approved.
- (b) That the statutory consultation process be commenced immediately with a view to fully implementing the plan by January 2007.

(Under the provisions of Council Procedure Rule 16.5 Councillor Wakefield required it to be recorded that he voted against this decision)

**DEVELOPMENT**

**91 Deputation to Council - Queenshill and Lingfield Estate Residents concerned about Ringroad safety.**

The Director of Development submitted a report providing information relating to the Deputation received by Council at the 13<sup>th</sup> September 2006 meeting in relation to concerns about road safety on the A6120 Outer Ring Road at Moortown.

**RESOLVED –** That the report and the actions being taken in relation to the concerns raised by the deputation be noted.

**92 Deputation to Council - Local Residents Concerned About the Britannia Quarry, Morley**

The Director of Development submitted a report in response to the deputation to Council on 13<sup>th</sup> September 2006 regarding dust in Rein Road, Morley associated with Britannia Quarry, operated by Woodkirk Stone.

**RESOLVED –** That the report and the actions taken in respect of the operation of the quarry be noted.

**93 Former Horsforth Library**

The Director of Development submitted a report on the proposed marketing of the Stanhope Youth Centre and, subject to the capital receipt that would be generated being sufficient, to use that receipt and other resources already identified in the Capital Programme to fund the refurbishment of the former Horsforth Library to provide accommodation for the relocated Youth Centre and for the North West Area Management Team.

**RESOLVED –**

- (a) That the proposal to market the site of the Stanhope Driver Youth Centre be approved and recognised as being in line with the Ring Fence Policy approved by this Board on 23<sup>rd</sup> March 2005.
- (b) That subject to the potential receipt that may be generated being sufficient, a Design and Cost report be brought back to this Board seeking authority to incur expenditure for the refurbishment works at the former library.

**94 Local Enterprise Growth Initiative**

The Director of Development submitted a report on the production of a round two Local Enterprise Growth Initiative bid for Leeds and outlining the key features of the proposed programme.

**RESOLVED** – That the bid ‘Sharing the Success’ be endorsed.

**95 Regeneration of Holbeck**

The Director of Neighbourhoods and Housing submitted a report on the options for the regeneration of the Holbeck area and on a proposed scheme for the acquisition and clearance of 53 properties within Holbeck by utilising £2.95m of Regional Housing Board funding from the capital grant of £8m allocated for a long term housing market renewal programme to tackle poor quality pre1919 housing stock in Beeston Hill and Holbeck.

The report outlined the options of (a) doing the minimum to meet legal conformity, (b) group repair and internal remodelling and (c) the preferred option of acquisition, clearance and redevelopment of the site for housing.

Appendices 1, 2 and 4 to this report were designated as exempt under Access to Information Procedure Rule 10.4(3).

After consideration of the exempt appendices in private at the conclusion of the meeting it was

**RESOLVED –**

- (a) That the injection into the Capital Programme of £2.95m of Regional Housing Board money be approved and that scheme expenditure in the same amount be authorised.
- (b) That officers be authorised to commence acquisition of the properties detailed at Appendix 2 by voluntary agreement with the owners and that in the event that agreement cannot be reached with the owner of any property within the target area for its acquisition, the Director of Neighbourhoods and Housing be authorised to make and promote any necessary Compulsory Purchase Orders.

**CITY SERVICES**

**96 Integrated Waste Strategy for Leeds 2005 -2035**

The Director of City Services submitted a report presenting the proposed revised Integrated Waste Strategy for Leeds, the associated three year action plan and the proposed final draft of Expression of Interest for Private Finance Initiative funding to support the development of the waste solution infrastructure.

In presenting the report the Chair referred to a note commenting on the proposals handed to members of the Board on the day of the meeting.

**RESOLVED –**

- (a) That the Integrated Waste Strategy for Leeds 2005-35, as attached to the report, be adopted.
- (b) That the action plan for implementation for which financial provision will need to be secured following appropriate budget submissions be approved.
- (c) That the governance arrangements for the programme outlined in the terms of reference attached to the report be approved.
- (d) That the content of the Expression of Interest for PFI credits be noted, that the proposed strategy for securing external funding be approved and that the Asset Management Group be authorised to approve the final Expression of Interest document.
- (e) That the Board notes that an outline business case for PFI funding will be brought to this Board for approval following approval of the Expression of Interest by DEFRA.
- (f) That the indicative financial implications of delivering the overall waste solution for Leeds be noted.
- (g) That the site selection work in progress, relating to the location of facilities, including the approach to regional working outlined in the report be noted.
- (h) That a progress report be brought back to this Board in three months time,

(Under the provisions of Council Procedure Rule 16.5 Councillor Wakefield required it to be recorded that he abstained from voting on this decision)

DATE OF PUBLICATION: 20<sup>TH</sup> OCTOBER 2006  
LAST DATE FOR CALL IN: 27<sup>TH</sup> OCTOBER 2006

(Scrutiny Support will notify relevant Directors of any items Called In by 12.000 noon on 30<sup>th</sup> October 2006)

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Originator: Peter Vaughan

Tel: (24) 78140

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**Report of the Director of Development**

**Executive Board**

**Date:** 15 November 2006

**Subject:** Advertising Design Guide

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**Electoral Wards Affected:**

All

**Specific Implications For:**

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In  
(Details contained in the report)

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**EXECUTIVE SUMMARY**

## **1.0 Purpose Of This Report**

1.1 The purpose of this report is to inform the Board of progress on the preparation of an Advertising Design Guide and seek approval to its adoption as a Supplementary Planning Document.

## **2.0 Background Information**

2.1 The purpose of the guide is to:

- Advise where advertising would and would not be generally acceptable
- Encourage design excellence, innovative ways of advertising and high standards of maintenance
- Provide the Development Department with the basis for assessing all advert consent applications

2.2. The draft guide has recently been out to public consultation and is ready for adoption as a Supplementary Planning Document. A copy of the guide and a table setting out the results of the public consultation are attached. Please note that the illustrations are currently being replaced with better examples and these will be available at the Board meeting. This still leaves the presentation work on the document to be undertaken, ready for publication.

## **3.0 Main Issues**

3.1 The main issue is whether the guide strikes an appropriate balance between the protection of visual amenity and the safety of motorists and pedestrians whilst allowing some advertising in accordance with the guidance set out in Planning Policy Guidance note 19 Outdoor Advertisement Control.

3.2. A number of respondents to the public consultation argued that the guide should be more restrictive and it has now been amended accordingly.

## **4.0 Implications For Council Policy And Governance**

4.1 The guide will provide supplementary planning guidance to the two policies on advertising within the Revised UDP and when adopted will form part of the Local Development Framework.

## **5.0 Legal And Resource Implications**

5.1 The Development Department has a contract for advertising on some of its sites and properties for which the Council receives an income. In addition City Services propose to provide some advertising on lampposts as part of the PFI project to replace the city's lampposts. This Advertising Design Guide will set the context for both of these contracts.

## **6.0 Conclusions**

6.1 The Advertising Design Guide is now ready for adoption subject to the views of Executive Board

## **7.0 Recommendations**

- 7.1 Executive Board is recommended to adopt the Advertising Design Guide as a Supplementary Planning Document.

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Leeds  
CITY COUNCIL

*Draft*

# Advertising Design Guide

Leeds Local Development Framework



Supplementary Planning Document  
Regulation 17 Consultation  
July 2006

## 1.0 Introduction

1.1 The purpose of this guide is to:

- advise where advertising would and would not generally be acceptable
- encourage design excellence, innovative ways of advertising and high standards of maintenance
- provide the Development Department with the basis for assessing all advertisement consent applications

1.2 The guide recognises the potential benefits of advertising. These include adding interest to the street scene, bringing colour to drab areas, making areas safer at night through better illumination and screening eyesores. However, the guide also recognises that done badly or in the wrong place, advertising can be harmful. It can result in visual clutter, obstacles to pedestrians, and a hazard to motorists or distraction to road users.

1.3 This guide is in line with national guidance on advertising contained within PPG 19, which focuses mainly on amenity and public safety issues. The guide also builds on a number of locally prepared studies including the Leeds Unitary Development Plan Adopted 1 August, 2001, Vision for Leeds 2 prepared by the Leeds Initiative and the City Council (Development Department) City Centre audit report.

1.4 This guide does not cover signs e.g. shop signs which are the subject of separate policy in the Adopted Leeds UDP and the guidance within the Shopfronts Design Guide (LCC Development Department). Nor does the guide cover “to let” boards.

1.5 This document is a supplementary planning document and supplements the following policies from the adopted Leeds Unitary Development Plan

BD10, BD12

## **2.0 Using This Guide**

2.1 The guide is in 2 parts. Part One contains general principles relating to the design and siting of advertising. Part Two contains specific guidance relating to current popular advertising formats e.g. 6 sheets, 96 sheets etc. This is not a definitive list as the Council wishes to encourage the introduction of new and innovative forms of advertising as part of the general improvement in the quality of outdoor advertising displays throughout the city eg the fusion of public art with advertising.

## **3.0 Part One – General Principles**

### **3.1 Site Context**

Advertisements will generally be appropriate in industrial and commercial areas, subject to the considerations set out below. Caution needs to be exercised in introducing advertising into areas where these features are not present, more specifically:

#### **Conservation Areas**

The designation of an area as a conservation area does not automatically preclude outdoor advertising, but special attention should be paid to the necessity of preserving or enhancing the character or appearance of that area.

#### **Listed Buildings & Ancient Monuments**

Special care is essential to ensure that any advertisement displayed on, or close to, a listed building or scheduled monument does not detract from the integrity of the building's design, historical character or structure, and does not detract from or compromise its setting.

#### **Locations With A History Of Safety Problems**

Special care is essential to ensure that any advertising display does not lead to a reduction in road safety.

### **3.2 Generally suitable locations**

Within Leeds the following areas would be generally suitable for advertising:

- Predominantly commercial areas
- Predominantly industrial areas
- Entertainment areas e.g.: the City Centre, District Centres and Neighbourhood Centres (but not the most sensitive areas of these i.e. major squares, Conservation Areas or settings of Listed Buildings)
- Unsightly / derelict sites that could be screened on a temporary basis by advertising that provides a splash of colour pending re-development or improvement of the visual amenity
- Building sites (other than sites in wholly residential development areas) where temporary hoardings are required during the construction period

### 3.3 **Generally unsuitable locations**

- Predominantly residential areas
- Rural areas and villages
- Open countryside, Green Belt areas, Urban Green Corridor areas and where the character or setting of historic parks and gardens would be affected.
- Developers should note that many main routes into Leeds have been landscaped and benefit from environmental enhancement to create “green routes” into the city and would not generally be acceptable locations for advertising.
- Main roads designated as Urban Motorways.
- Public open spaces e.g. parks and town squares.
- Listed buildings and their settings.
- Conservation areas (although much of the City Centre is within a Conservation Area and appropriately sited and well-designed design advertising may be acceptable).
- Sites where express advertising consent has been refused or discontinuance notices served.
- Near schools or where schoolchildren cross.
- Sites or lengths of roads with history of injury accidents.
- Playing fields

3.4 If applicants are seeking approval for advertising within generally unsuitable locations, they are required to submit a justification as to why the presumption against advertising in these areas should not prevail.

### 3.5 **Highways Safety Considerations**

Advertising displays within the public highway will generally not be acceptable on roads where the driver would find it difficult to assimilate all of the wide array of information presented.

#### 3.5.1 **Site location**

In selecting a site there must be safe access for maintenance vehicles (i.e. no waiting on carriageway, pavement or grass verges). This should be demonstrated in the advertisement application with an outline method statement.

The site location should not generally be in close proximity to any road junction or formal crossing point. The advertisement application plan should indicate a visibility splay indicating safe distances from junctions to show this does not provide a further hazard to vehicles.

Sites along highways that are “Sites for concern” or “Lengths for concern” should generally be avoided as should locations with an accident injury history. This



information can be found on the internet ([www.leeds.gov.uk](http://www.leeds.gov.uk)) by selecting R on the alphabetic search, scroll down to Road Safety and select, then in the “pages in this section” select Road Injury Data. This provides comprehensive access to accident data for the Leeds area including “sites and lengths for concern”.

### 3.5.2 Installation position

Alongside highways the edge of the installation should be set at least 450mm from the edge of the carriageway. This should be increased to 600mm where there is severe camber or crossfall and at least 1200mm and 600mm behind any highway verge on major roads.

An absolute minimum footway width for pedestrians of 1.2m should be maintained at all times.

Advertising display should not obscure traffic signals, highway signs or safety cameras nor be located on lighting columns with existing highway signs. They should not generally be located near schools, school crossing patrols or on designated “safer routes to school” (developers should contact Leeds City Council Highway Development Control officers for details – tel: 247 8000).

Advertising display or content should not resemble a traffic sign.

### 3.6 Crime Prevention

Advertising should not obstruct natural surveillance to or from the street. Advertisements should not create blind spots or hiding places near residential locations.

### 3.7 Siting

- 3.7.1 In general terms, the siting of any advertisement should be considered in terms of its impact, including any cumulative effect, on its surroundings and the characteristics of the neighbourhood. Such impact may include scenic, historic, architectural or cultural features that contribute to the area’s distinctive character.
- 3.7.2 Advertising is generally better sited on the edge of spaces, especially where the space is enclosed by blank walls. This avoids the potential problem of backs of panels and helps to absorb the advertising within the urban fabric. If advertising is to be located within the middle of spaces, careful thought needs to be given to the form of the structure to avoid having backs. Double sided panels or drums are likely to be more successful.
- 3.7.3 If the advertising display is likely to become a visual focus in its own right the design, size and proportions plus the relationship to the character of the area are particularly important factors.
- 3.7.4 Advertising within pedestrian areas should be carefully sited to avoid creating hazards for pedestrians, particularly the partially sighted and blind (Fig 1.). Ideally advertising would be fixed to existing structures e.g. walls or columns. Where this is not possible it should be sited outside main pedestrian desire lines.



48 sheet billboard sited behind the pedestrian area (Fig 1)

- 3.7.5 Advertising should be sited so as to avoid obscuring views of attractive features such as good buildings, specimen trees, woodland, gardens etc or of blocking important visual corridors e.g. a framed view out of a square.
- 3.7.6 Advertising should also be sited so as to avoid visual clutter. The best way of doing this is to group advertisements together in organised clusters. Advertising that is spaced out along the length of a road should be generally avoided.
- 3.7.7 In all cases, the cumulative impact of advertisements in an area should be considered as they could lead to an adverse impact on visual amenity and create visual clutter, even when individual sites appear acceptable.

### 3.8 Scale

The size of the advert structure should be in scale with the space within which it is located. Small structures often look fussy and out of scale in large spaces whereas large structures can overwhelm a small intimate space, (Fig 2).



(Fig 2)

### 3.9 Colour

Choosing an appropriate colour for the advertising display is important. Dark neutral colours such as dark greys generally work best. In many instances it will be appropriate to use the same colour as the surrounding street furniture. Light / bright colours such as white or primary colour should generally be avoided.

Within Leeds City Centre advertising display should maintain the Anthracite Grey RAL7016 colour theme found on existing street furniture.

### 3.10 **Materials**

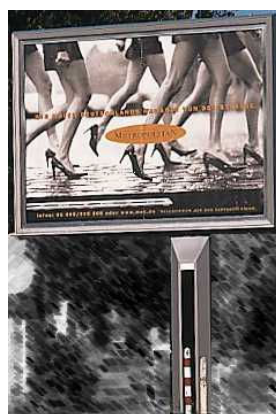
The structure of the advertisement carrier should be light and elegant. Metal (steel or aluminium) will generally be most appropriate. Materials such as timber, concrete or plastic are unlikely to be suitable, (Fig 3).

When considering display construction, the materials utilised should be tested for their response to vehicular impacts where appropriate.

### 3.11 **Finishes**

Finishes that are both attractive and durable should be selected where required e.g. to treat steel. Generally factory applied finishes such as powder coating or galvanising are preferable to site applied finishes e.g. brush applied paint.

It is important that finishes help to discourage graffiti and that it can be readily easily removed if it does occur.



Scrolling Steel Outdoor Display,  
(Fig 3)

### 3.12 **Style**

Simple and elegant contemporary design is generally to be preferred (Fig 5). However, there may be occasions in a strong historic context where a traditional design could be more appropriate (Fig 4)



(Fig 4)



(Fig 5)

### 3.13 Lighting and Illumination

Where advertising is to be illuminated, levels of illumination should generally be less than surrounding levels e.g. shopfronts or road signs. The direction and level of illumination must be carefully positioned to avoid dazzling motorists and avoid upward light pollution.

The new backlit displays would generally only be appropriate in industrial and commercial areas. Within conservation areas and historic locations external illumination is preferred and should be considered for 6 sheet units in these areas.

Low energy lighting systems or solar powered lighting should be used

### 3.14 Landscaping

In some instances the advertising installation will be expected to include the provision and maintenance of landscaping to the surrounding area. Well designed landscaping not only helps to improve the quality of the streetscape but can also frame and draw attention to the advert itself. Landscape treatments should be simple, easy to maintain and appropriate to the wider area.

### 3.15 Encouragement of well designed innovative forms of advertising display

The advertising industry is increasingly coming forward with new ideas for advertising e.g. large banner adverts or dynamic signs (Fig 6 & 7). The Council encourages would be advertisers to propose well-designed and innovative forms of advertising display



(Fig 6)



(Fig 7)

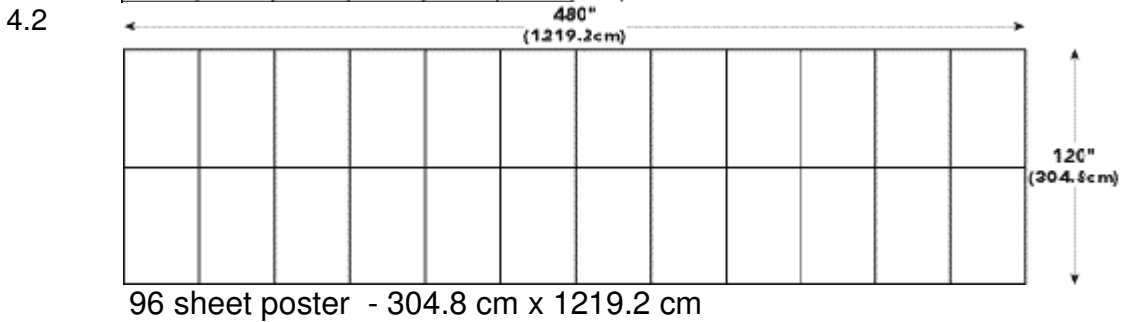
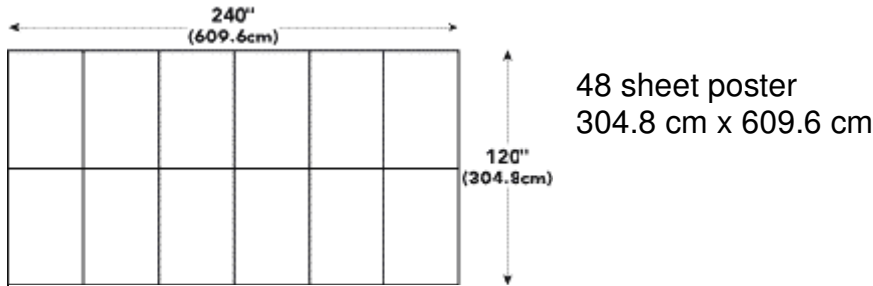
### 3.16 Other Contributions to Local Amenity

The Council will in appropriate instances seek the provision of other features or facilities as part of the design of an outdoor advertising scheme. These could include specific landscape features such as paved areas and seating within the vicinity of the site.

4.0 Part Two Specific guidance relating to current popular advertising display formats.

- 4.1 This guidance is designed to assist developers by providing a check-list of considerations relating to a potential outdoor advertising site, but specific reference must be made to the guidance provided in part one.
- 4.1.1 The advertising application should demonstrate that specific issues have been addressed and provide plans and illustrations supporting the proposal.
- 4.1.2 This is not a definitive list and the Council encourages an innovative approach to new forms of outdoor advertising.

**48 SHEET, 96 SHEET BILLBOARDS & similar large format outdoor display.**



- 4.2.1 Generally suited to commercial and industrial areas. The impact of the outdoor display must be considered in the local context regarding the interests of amenity and public safety.
- 4.2.2 **Site Context**
  - Is this a commercial or industrial area?
  - How many 48/96 sheet posters already in the area – consider visual clutter and suitability of location?
  - What are the local area characteristics (consider the effect on scenic, historic, architectural or cultural amenities)?
- 4.2.3 **Scale**
  - Average height of surrounding buildings.
  - Immediate height of building structures in location of display.
  - Amount of street furniture in immediate locality.
  - Impact on pedestrian safety.
- 4.2.4 **Display Construction and Site**

Detailed proposals are required covering poster site design, materials, finishes and

colours plus a plan showing how the proposed landscaping will be appropriate to the whole area, be simple and easy to maintain.

#### 4.2.5 **Illumination**

- Is the sign to be illuminated? Consider the impact on the locality, motorists and pedestrians.

#### 4.2.6 **Public Safety**

- Distance to road junctions and formal crossing points.
- Distance from any traffic lights, traffic signs, schools etc. in the locality.
- Distance from which motorists can view the advertising display.
- Average peak time motoring speed/volume in the locality.

Note: Outdoor display does not necessarily distract the attention of passers-by but consideration must be made about the impact on motorists, pedestrians and cyclists. Refer to part one for specifics and points of reference for guidance.



#### 4.3 **6 SHEET ADVERTISING DISPLAYS**

These are generally more likely to be suitable in pedestrian areas in the city centre and mixed use commercial/employment areas. They should not be considered in conservation areas and historic locations. However it should be noted that within the City Centre in particular, there are a number of competing pressures (e.g.: street furniture, CCTV, street traders etc ) within the pedestrian area which may affect the suitability of such displays in certain locations. (Fig 8)

In the City Centre, where such advertising displays are acceptable, it is preferable for drum style ( see Fig 9 ) displays to be used rather than double sided units.

#### 4.3.1 Site Context

- Is this a commercial or mixed-use area?
- How many 6 sheet poster sites are there in the locality – consider visual clutter and local area characteristics
- What are the characteristics of the locality?

#### 4.3.2 Scale

- Is the proposed structure in proportion with the locality?
- What other sites and pieces of street furniture are there in the locality?
- Consider the impact on pedestrians (positive or negative aspects).

#### 4.3.3 Display Construction and Site

Detailed proposals are required covering structure design, materials, finishes and colours plus a plan showing whether any landscaping will be required – this should be appropriate to the whole area, simple and easy to maintain.

#### 4.3.4 Illumination

- Is the sign to be illuminated? Consider the impact on the locality, motorists and pedestrians.



(Fig 8)



(Fig 9)

#### 4.3.5 Public Safety

##### Consider:

- Proximity to road junctions and highways safety issues.
- Distance from any traffic lights in the locality and distance from any school crossings.

- Display design in relation to health and safety guidelines.
- Pedestrian flows at peak periods.

Note: Outdoor display does not necessarily distract the attention of passers-by but consideration must be made regarding the impact on motorists, pedestrians and cyclists. Refer to section one for specifics and points of reference for guidance

#### 4.4 **6 SHEET ADVERTISING DISPLAYS SITED ON CUSTOM MADE LAMP POSTS**

- 4.4.1 A relatively new development for the popular 6 sheet advertising format, the high level siting of these displays make them potentially acceptable for areas not normally suitable for standard ground mounted 6 sheets or the larger format billboards.
- 4.4.2 Displays are generally sited alongside main roads, in industrial and commercial areas and out of town shopping centres (Fig 10 & Fig 11) and such displays should not contain moving images.
- 4.4.3 New structures are being developed with a historic styling that might enable some displays to be sited in historic and prime city centre settings (Fig 12).
- 4.4.5 However the siting of each display will be subject to the same considerations outlined in Part One.

#### Streetbroadcast new styles



Fig 11

modern



(Fig 10)



**Heritage** style  
These contain space for local area promotion banners above the illuminated display

Both styles can also be used to carry hanging baskets for Leeds in Bloom

Fig 12

## 4.5 STREET SITE POSTER DISPLAYS

- 4.5.1 These units are provided to help local entertainment promoters display information about forthcoming events (Fig 13).
- 4.5.2 In a similar way to 6 sheet display units the Street Site drums are generally sited alongside major highways, but particularly in the City Centre and areas of student residences; i.e.: areas of the city in close proximity to entertainment venues.
- 4.5.3 The agreement with Street Sites is that the Council develop these drums to discourage fly posting and in return the company assists the Council to keep the streets of Leeds clear of fly-posting. Therefore new sites will be considered where there is a developing fly posting problem.



(Fig 13)

## 4.6 BUILDING WRAPS, ADVERTISING BANNERS AND STREET FURNITURE BANNERS

- 4.6.1 Large format display options can enhance the built environment on a temporary basis to screen unsightly development sites. Consent is granted in line with the development plans, strictly limited to the period of active development and will be removed thereafter (Fig 14).
- 4.6.2 In Civic or historic areas or on listed buildings a full building wrap (one-to-one) would be more appropriate, incorporating a full colour image of the proposed new development.

An advertising banner that equates to less than 50% of the building wrap might be incorporated. This should be carefully sited to avoid masking key features of the building.

4.6.3 Hanging banners e.g. on lamp posts will be acceptable where they introduce a festival character to an area and advertise events rather than products.

#### 4.6.4 **Site Context, Siting and Scale**

Large format displays can be used to tidy-up the overall visual appearance of development sites by communicating a series of messages, within one controlled space e.g:

- Site name and development plans.
- Contractor and sub-contractor details.
- Space for paid-for advertising.

The same suitability tests should be applied considering the display impact on the locality. However, the issue of scale will only apply in that the display area is limited to the size of the development scaffolding.



(Fig 14)



#### 4.6.5 **Public Safety**

- Distance to road junctions.

- Distance from any traffic lights in the locality.
- Distance from which motorists can view the display.
- Average peak time motoring speed/volume in the locality.

#### 4.7 **LANDMARK ADVERTISING SITES**

- 4.7.1 Found in many major UK cities these displays are usually sited in a prominent location to mark the city boundary and create a positive image of the city. (Fig 15). However, suitability will depend very much upon the particular context.
- 4.7.2 Advertising displays and structures are designed to stand-out and attract the public's attention. However this must be matched by considerations of driver safety.
- 4.7.3 A distinctive advertising display proposal must take into account context, size and scale and the display's relationship to the character of the area - essential to the siting of future landmark displays.



(Fig 15)

#### 4.8 **THE WAVE / TRIVISION**

- 4.8.1 A three sided 48 sheet unit containing 3 advertising panels in one unit. The advertising changes every minute or so and goes through a cycle of 3 different advertisements. (Fig 16)
- 4.8.2 These units are large and need to be sited carefully in generous spaces where they are not obscuring attractive features of the area.
- 4.8.3 Because of their dynamic nature, particular care needs to be paid to motorists' safety where appropriate.



(Fig 16)

#### 4.9 SCROLLER

- 4.9.1 This is an advertising display unit that contains a number of advertisements on a roll which scrolls round at regular intervals to display one advert at a time. (Fig 17)
- 4.9.2 As with the Wave / Trivision type of unit, consideration needs to be given to locating it within an adequately large space without obscuring features of interest. Again, consideration needs to be given to motorists' safety where appropriate.



(Fig 17)

#### 4.10 Digital Media

- 4.10.1 Digital Media is a new advertising medium currently in development which provides large scale TV style images in various forms. They are found in many shopping centres and are also being developed for outdoor use. (Fig 18)

- 4.10.2 Although the medium is capable of displaying moving images, these will not be acceptable adjacent to highways for safety reasons.



(Fig 18)

## 5.0 PRESENTATION OF ADVERTISEMENT APPLICATIONS

- 5.1 Applications need to include precise details of proposed siting, preferably on an OS base, which also indicates other features around it e.g. lighting columns, post boxes, visible statutory undertaker's equipment etc. Included should also be details of how often the sites will be serviced and where the service vehicles will park.
- 5.2 Applications should be supported by a written statement indicating how the proposed display meets the criteria identified in this guide. Also photographs of the sites (or photo montage) to indicate context would greatly help in the consideration of applications.
- 5.3 Any advertising which is acceptable within the public highway will need the consent of the Highway Authority and may be required to be removed at short notice if they prevent the Highway Authority from carrying out its duties.
- 5.4 All advertising displays sited within the public highway must be covered by public liability insurance.
- 5.5 All erection and servicing of signs must be carried out by personnel qualified to work on the public highway.

## 6.0 APPENDIX

The following documents set out in more detail the established planning policies and guidance concerning advertising control.

Leeds Adopted Revised Unitary Development Plan 2006  
Leeds City Centre Streetstyle Design Guide November 2001 produced by Leeds City Centre Management  
The Town and Country Planning (Control of Advertisement Regulations) 1992, amended 1994  
DOE Circulars 05/92 and 15/94 Town and Country Planning (Control of Advertisements) Regulations 1992 and amended regulations of 1994  
PPG 19 (March 1992) Outdoor Advertisement Control

### **Photographic Credits**

The images in the guide are reproduced with the consent of JC Decaux, Adshel, Clear Channel, Stroer, Titan, Ocean Outdoor, Street broadcast, Street Sites.

## Contact Details

Full details of the Advertising Design Guide Draft Supplementary Planning Document (SPD), including the Sustainability Appraisal, Consultation Statement, Statement of SPD Matters and comments form are available to download in pdf format on the City Council's website [www.leeds.gov.uk/ldf](http://www.leeds.gov.uk/ldf)

In line with the Government's aim to extend accessibility to public sector services via the internet and E-government emphasis has been placed on making the necessary documents available electronically. However, it is recognised that this means of access will not be appropriate for everybody. Alternatively you can obtain paper copies of the documents if you request them from:-

Mr David Feeney  
Head of Planning and Economic Policy  
Development Department  
Leeds City Council  
2 Rossington Street  
Leeds LS2 8HD

Telephone: 0113 247 8000 (Development Enquiry Centre)

Email: [ldf@leeds.gov.uk](mailto:ldf@leeds.gov.uk)

Paper copies have also been sent to all libraries within the Leeds District if you wish to view them there.

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## ADVERTISING DESIGN GUIDE – PUBLIC CONSULTATION RESPONSE SUMMARY

RESPONDENT	SUMMARY OF COMMENT	LEEDS CITY COUNCIL RESPONSE
Councillor Valerie Kendall	Guide strikes right balance and is clear and concise.	
Councillor Mark Phillips	'would make no changes to it at this time'.	
Councillor Matthew Lobley	Not concerned about static street lamp advertising, but road safety concern if dynamic	Accepted, re-worded.
	Delete photos that include alcohol	Accepted, although not something we can control unless on Leeds City Council property.
Councillor Richard Harker	Good strikes right balance and is clear and concise.	
Councillor Jo Foster	Guide out of conformity with UDP.	Issue is that UDP is out of conformity with PPG 19. the guide reflects both UDP Policies and PPG 19.
	Guide focussed on approval of advertising rather than assessing against a robust policy framework.	Text amended to be less pro advertising.
	Illustrations not appropriate.	Illustrations changed.

<b>RESPONDENT</b>	<b>SUMMARY OF COMMENT</b>	<b>LEEDS CITY COUNCIL RESPONSE</b>
Councillor David Morton	Guide will allow too much 'crap and clutter' – policies wrong.	Text amended to be less pro advertising.
	Guide should be more prescriptive.	Not accepted, it is guidance.
	Guide should include more information on poster drums.	Not accepted, but they are given equal coverage with other types of advert carrier.
Councillor James Monaghan	Ensure lighting is low energy and from renewable sources.	Text amended to support this.
Councillor Elizabeth Minkin	Illustrations in appropriate.	Illustrations changed.
	6 sheet adverts should not be considered in conservation areas or historic locations.	Accepted as a general principle but note proviso regarding parts of City Centre.
	Object to impression that lamppost adverts are acceptable throughout the city centre.	Accepted, re-worded
	A number of minor changes requested.	All accepted.
Yorkshire and Humber Assembly	No comment	
Highways Agency	Set out their general position, but no specific comments.	No changes required.
Environment Agency	No comment.	
Yorkshire Forward	Welcomes the approach, especially the focus on high quality design.	

<b>RESPONDENT</b>	<b>SUMMARY OF COMMENT</b>	<b>LEEDS CITY COUNCIL RESPONSE</b>
English Heritage	Broad support, especially for avoidance within conservations areas etc.	
	Should avoid locations that would affect the setting of historic parks and gardens	Accepted.
	Applications within generally unsuitable locations should be supported by a justification.	Accepted.
	Delete reference to Angel of the North.	Accepted.
Leeds Civic Trust	Generally too supportive of advertising.	Text amended to be less pro advertising.
	Should be more prescriptive.	Not supported – it is a guide.
	Should seek to gain sustainable community benefits from advertising.	Statement of planning obligations added.
	No structure to the document.	Paragraph numbers added.
	Extensive repetition in part two.	Accepted, but expected that advertisers will only read parts of this that are relevant to them.
	A number of detailed comments.	Generally supported.
Street Broadcast	Digital is the feature of advertising and a strategy is needed.	This new medium is included in the guide.

<b>RESPONDENT</b>	<b>SUMMARY OF COMMENT</b>	<b>LEEDS CITY COUNCIL RESPONSE</b>
The Directional Sign Company	Guide strikes the right balance and is clear and concise.	



Originator:	Helen Franklin / David Grooby
Tel:	75318 / (2)43917

## Report of the Director of City Services

### Executive Board

Date: 15/11/06

### Subject: Advertising on Lamp Posts

**Electoral Wards Affected:**

ALL

**Specific Implications For:**

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In  
(Details contained in the report)

## EXECUTIVE SUMMARY

A street lighting PFI contract has been procured within the affordability threshold contained within the Final Business Case considered and approved by Executive Board on 17<sup>th</sup> February 2006 without the need for support from advertising income.

Concurrent with the above PFI procurement a trial of advertising on lamp posts was initiated. This report presents the results of the trial. They show that there is public support for raising income from this form of advertising, provided that the adverts are not located in residential areas. Significant income streams could be achieved which would be used to fund energy price increases. Issues relating to planning advertising consent, highway safety and visual impact of the adverts have also been explored. While initial soundings suggested that the city could sustain some 2000 lamp post adverts, the trial has shown that, in resolving the above issues, the number of advertising sites reduces to the mid-hundreds.

Public consultation showed there was support for lamp post advertising in the city centre and such sites could be valuable income generators. However there were no city centre sites installed so some aspects of the trial criteria remain untested.

This report seeks approval in principal to a policy of advertising on lamp posts with authority to commence procurement. It also recommends that the trial contract arrangement be extended and varied to enable up to ten trial sites to be installed in the city centre.

## **1.0 Purpose Of This Report**

- 1.1 This report describes the lamp post advertising trial and its findings.
- 1.2 The report also reviews other issues pertinent to advertising on lamp posts including the provisions within the Street Lighting PFI contract to generate third part income and the outcome of a soft market testing exercise that has been recently undertaken.
- 1.3 A future strategy on lamp post advertising is proposed as a means to generate income to support service provision

## **2.0 Background Information**

- 2.1 The Street Lighting PFI Outline Business Case (May 2004) contained an assumption of income generation from 2% of the new lamp posts to be installed as part of the PFI. In advance of submissions from bidders research was undertaken that identified lamp post advertising as the most viable form of income generation from street lighting. A number of issues identified by this research required resolution before a proposal could be progressed. In order to determine the outstanding information and test public acceptance of the concept, a trial advertising project was undertaken.
- 2.2 At the time of the street lighting PFI contract negotiations a number of outstanding issues still remained unresolved, most significantly a lack of finalised Supplementary Planning Documentation. It was therefore not possible to consider inclusion of an advertising element within the PFI contract. No provision was included for third party income within the PFI service provider's affordability model or the city councils affordability analysis. The contract does however enable advertising income to be introduced at a later date.
- 2.3 With continued pressures on the budget, not least of which is the increase in street lighting energy costs, the need to raise income is still as relevant as it was when the trial was initiated.
- 2.4 Sufficient information has now been collected and analysed to report fully on the trial findings. The Advertising Design Guide is to be considered by the Executive Board at it's meeting on 15<sup>th</sup> November 2006 as Supplementary Planning Documentation. In addition a document giving guidance on advertising content is appended to this report at Appendix 1.

## **3.0 The Street Lighting Advertising Trial**

### **3.1 Trial Objectives**

The street lighting advertising trial contract was awarded in June 2005. The contract allowed for the installation of up to 100 advertising attachments on lamp posts across the city in a trial programme. The trial is planned to terminate with the removal of advertising material from lamp posts before 1st January 2007.

- 3.2 The trial aimed to determine a number of issues:
  - Public reaction to the advertising and the views of local communities;

- Views of members to the merits of the project;
- Views of local businesses as to the value of the advertising;
- Likely impact on the Supplementary Planning Document;
- Issues relating to the planning approvals process;
- Issues relating to the highways approvals process and any adverse health and safety issues;
- Potential scope of the project;
- Appropriate locations / streets;
- Marketability of the advertising;
- The likely financial implications of the street lighting PFI;
- Comparative information to inform decisions of the nature of the Authority's relationship with a prospective advertising provider.

### 3.3 Trial Installations

52 '6-sheet' double sided advertising panels have been installed under the street lighting advertising trial contract ('6-sheet' is a standard size of outdoor advertising material, the same size as the panels commonly used to advertise on bus shelters). No significant operational problems have been reported to date although 6 further sites where advertising consent was granted were abandoned due to unsuitability for installation.

## 4.0 **Trial Conclusions**

### 4.1 Public Reaction to the Advertising and the Views of Local Communities

From the submission of the initial planning applications a considerable amount of public interest was generated resulting in unsolicited comment on both the principle of street lighting advertising and the content of adverts. An article in 'About Leeds' requested comments from the public and resulted in 18 responses, 14 of which were opposed advertising on the highway but based on respondents general opposition to advertising rather than knowledge of the particular proposed format. Three of the 14 responses were from the same address.

4.2 Civic Trust responded in relation to planning applications and a presentation was made at one of their meetings. Their concerns are also about advertising in general and whether the street lighting proposals comply with the council's guidance on advertising. The Supplementary Planning Guidance document is being presented to the Executive Board for approval following full statutory consultation, including with the Civic Trust.

4.3 Questions on lamp post advertising were included in the Citizens' Panel Survey of January 2006. From 611 respondents, 69% agreed that advertising on lamp posts is a reasonable way of raising money to fund street lighting. 25% disagreed with this method of raising funds.

4.4 A public consultation on lamp post advertising in Leeds was carried out by QA research in May 2006. A postal survey was sent to 5000 households located in the vicinity of the trial sites. 456 were returned. A further 457 responses were returned on line, giving a total response of 913. Overall 62% of respondents agreed that advertising on lamp posts is a reasonable way to raise money to improve council services. There was majority support for locating adverts in local shopping areas, industrial areas, the city centre and main roads. However 80% said they disagreed with locating them in residential areas. 68% said the lamp post adverts were no different or better than bill boards while 65% thought they were no different or better than bus shelter adverts. The percentages were higher for those who said they had actually seen the lamp post adverts.

#### 4.5 Views of Members to the Merits of the Project

Members have been engaged in the trial process in a number of ways. The initial batch of planning applications generated questions from Members. Consultation procedures were consequently improved for the second batch with the Service Provider writing in advance to Members advising them of the proposal. Many of the approval decisions were consequently called in for consideration by planning panel, rather than being determined by officers under delegated powers.

4.6 Queries relating to the control over the content of the adverts, including discussion of lamp post advertising at full council on 11<sup>th</sup> January, have resulted in further guidance being prepared on this subject. This addresses the role of the Advertising Standards Agency and covers all forms of advertising in public open space, whether managed by the council the highway and council land or privately managed on private land. Where the advertising content is within the control of the council, the guidance identifies boundaries to the advertising content and describes the process through which any concerns will be managed. The guidance is attached as Appendix 1.

#### 4.7 Views of Local Businesses as to the Value of the Advertising

Views of local businesses were sought via the Leeds Chamber of Commerce email communication sent to 3,000 recipients in August 2006. Although 34 recipients accessed the survey on-line only one response was submitted. The exercise was repeated in September and this time no responses were forthcoming.

4.8 Subsequently 300 business contacts were emailed directly and asked to complete the survey. This approach achieved an improved response rate with 24 completed surveys returned. The majority of these respondents believed street lighting advertising to be an effective media for advertising. The proportion of respondents who believed the advertising to be effective was greater for those who had seen the trial installations when compared to those who had not.

4.9 Responses were split evenly between those who believed they would consider advertising on the panels and those who expressed no interest. 63% of respondents said they would be more likely to advertise on lamp posts if they were illuminated during the evenings.

#### 4.10 Likely Impact on the Supplementary Planning Document and Issues Relating to the Planning Approvals Process

While a draft 'Advertising Design Guide' had been developed by Planning Officers, the timetable to complete the sustainability survey, consultation processes and



adopt the guide as did not coincide with the PFI procurement and as such was a significant factor in the decision not to take forward advertising for inclusion in the PFI contract.

- 4.11 The Supplementary Planning Documentation is being presented to the Executive Board for approved on 15<sup>th</sup> November 2006. Prior to approval, uncertainty with regard to the planning criteria to be applied to advertising applications had a major impact on the potential number and locations of advertising sites. As such the council's ability to negotiate a commercially advantageous advertising contract was previously severely limited. The approved guidance is consistent with the criteria used to identify trial sites.
- 4.12 With regard to the planning advertising application process, several improvements were been adopted as the trial applications progressed. These improvements increased the success rate of applications by ensuring pre-application discussions were held with Planning and Highways Development Control Officers. Members were informed in advance of applications planned for their wards and applications were submitted in batches with sufficient information for them to be considered.
- 4.13 Issues Relating to the Highways Approval Process and Any Adverse Health and Safety Issues
- Highways criteria devised for the purpose of the trial are now included within the Supplementary Planning Documentation. These criteria address issues of health and safety, both in relation to the safety during the process of changing the adverts and the wider issue of adverts causing driver distraction, obstructing visibility etc. These constraints are more restrictive than the present locations of adverts on bus shelters and the current practices of other authorities.
- 4.14 For each of the sites in the trial, before and after personal injury accident records have been assessed. The before data took the three years prior to the advert installation. Obviously the after period is short. However the results show no evidence that safety has been compromised by the presence of the adverts. The situation will continue to be monitored.
- 4.15 This is supported by a research report from the University of Nottingham which assesses the effectiveness of outdoor media on the ability to attract attention and pervade memory. The conclusions suggest that, because lamp post adverts are outside the normal viewing window of drivers, they attract attention when the driver has spare capacity but do not distract when attention needs to be focused elsewhere.
- 4.16 Potential Scope of the Project and Appropriate Locations / Streets
- The trial sites were identified with reference to draft planning and highways safety criteria consistent with that since incorporated in the Advertising Design Guide. The Advertising Design Guide is consistent with the findings of the public consultation exercise in so far as roads which are primarily residential are stated to be generally unsuitable and predominantly commercial and industrial areas are stated to be generally suitable. However, the public consultation exercise revealed majority support for advertising within the city centre, the Advertising Design Guide states that conservation areas (e.g. much of the Leeds City Centre) to be generally unsuitable. However all future advertising applications would be assessed on a case by case basis.

4.17 The highways safety considerations applied to the identification of trial site locations and now included in the Advertising Design Guide preclude sites within the public highway on roads with a speed limit greater than 40mph, sites along highways that are within “sites for concern” or “lengths for concern” (i.e. they have a high accident injury history).

4.18 Marketability of the Advertising

Site utilization (i.e. the percentage of site space sold at any one time) varied over the course of the trial between 25% and 72%. Site utilization is expected to increase over time as awareness of the sites increases and are included on national databases. In addition the relatively small number of sites available to advertisers and their uneven distribution across the city is likely to have had a limiting effect on sales volume.

4.19 Net yields (i.e. the income generated by utilized sites) were in line with council and service provider expectations for the trial exercise. Interest from media buyers and advertisers was high both locally and nationally.

4.20 The Likely Financial Implications of the Street Lighting PFI

As described in paragraph 2.2 above no provision was included for third party income within the city councils affordability analysis for the Leeds Street Lighting PFI at contract outturn. However, provision was made in the contract for possible future income generating opportunities as detailed in paragraph 5.1.

4.21 Comparative Information to Inform Decisions of the Nature of the Authority's Relationship With a Prospective Advertising Provider

Council officers have been able to derive an increased understanding of the costs, risks, and potential commercial value associated with generating income through advertising on lamp posts that will benefit any future procurement.

**5.0 The PFI Contract**

5.1 Under the terms of the Street Lighting PFI contract the council is able to place advertising on up to 2000 lamp posts without further negotiation with the Service Provider. The city council may also earn income from other attachments to Apparatus (with the same financial implications).

5.2 Any street lighting advertising contract would need to be delivered in conjunction with the ongoing PFI core investment programme which will see 80% of the city's lamp posts replaced over a 5 year period. Coordination will be required to avoid unnecessarily replacing or relocating lamp posts. Such an approach is likely to mean that roll out of advertising sites and therefore potential income to the council will be 'ramped up' over the duration of the PFI core investment programme.

**6.0 Soft Market Testing**

6.1 A soft market testing exercise has been carried out to inform the assessment of the potential scope, value and delivery of street lighting advertising in Leeds. Discussions have taken place with leading outdoor advertising companies, media buyers and industry representatives.

## 6.2 Potential Scope of Street Lighting Advertising

Feedback from advertising industry consultees was consistent:

- Volume of sites should be sufficient to offer advertisers a presence throughout Leeds and allow media buyers to place national campaigns;
- Distribution of sites should take in all of the city;
- City centre sites would add significant value to any advertising proposition.

6.3 Estimates of the current capacity for 6-sheet advertising, in addition to existing advertising predominantly on bus shelters or commercial premises, range from 300 – 600 sites. Significant commercial interest in tendering to deliver street lighting advertising in Leeds was expressed.

## 6.4 Marketability of the Advertising

The level of income generated by advertising on lamp posts in Leeds is dependent upon the appeal of the portfolio of sites to advertisers and media buyers. The sites must be of sufficient number, distribution and sited in viable locations to appeal to local and national advertisers. With the inclusion of city centre sites within the portfolio the income yield per site would be increased across the portfolio. In addition the city centre sites would generate significantly greater levels of income than sites elsewhere in the city.

6.5 Without the inclusion of city centre sites estimates of potential income based on market data range from £200k to £400k pa dependent on number, location and distribution of sites. The city centre could double the value of lamp post advertising income to the council.

## **7.0 Proposals**

7.1 In order to maximise income generation for the council from street lighting advertising the following requirements need to be met:

- optimised number of sites to meet the demands of the market;
- distribution of sites throughout Leeds in order to offer advertisers city wide coverage;
- inclusion of sites within the city centre.

7.2 To date no street lighting advertising has been trialed within the city centre. It is therefore proposed that a maximum of 10 trial city centre sites be installed and their acceptability and viability be tested before any longer term installations are planned. It is anticipated that the sites will be mainly away from traffic routes. Various media options could be tested, including “street TV”. This involves only static images, but they can be changed as frequently as every 30 seconds. The media also offers the opportunity for moving text to display travel information and emergency / community messaging. The trial will test the planning advertising consent process and potential income generation. While the public have already give support to such advertising in the city centre, further views will be sought, including from local businesses.

- 7.3 A full scale advertising procurement is proposed that will allow the council to receive tenders for a single contract to supply, install and maintain street lighting advertising apparatus and to provide the services necessary to sell, install and manage advertising content. The contract will cover the whole of Leeds but will initially exclude the city centre.
- 7.4 It is proposed that the same procurement will give the flexibility to expand the scope of the contract into the city centre, if the trial of city centre sites supports this conclusion.
- 7.5 The procurement would not grant advertising exclusivity over any form of advertising except for advertising on lamp posts.
- 7.6 The current advertising trial will conclude on 31st December 2006. However the procurement programme of a full scale advertising contract means that the new contract will not be signed before July 2007. By the time advertising consents have been secured and suitable lamp posts installed, the first income to the council is unlikely to come on stream until 2008.
- 7.7 The trial sites now have a significant value to the council as established and proven sites. If the advertising consents on these sites is allowed to expire and they are consequently withdrawn from the market, their commercial value will be reduced as the successful advertising service provider would have to apply for and have granted advertising consent for the sites. This would also deprive the council of potential income from the sites while the contract is procured. Application is therefore being made to extend the advertising consent on the existing sites from 1st January 2007. Subject to the approval of this report, the contract with the service provider for the trial will be extended to give the council continuity of lamp post advertising income until a full scale advertising contract is procured. The trial of the city centre sites will be procured under the same contract arrangement.

## **8.0 Timetable**

- 8.1 The current trial project will conclude on 31st December 2006.
- 8.2 In order to extend operation of the trial sites advertising consent applications were submitted in October 2006.
- 8.3 The service provider for the trial will continue to operate these site, potentially up to 31st December 2007, at which stage it is intended that they should transfer to the project service provider as operational sites.
- 8.4 The proposed city centre trial will be initiated in December 2006. It is estimated that obtaining advertising consents and on site installation will take up to July 2007. A twelve month trial period will then be required to assess income levels and reaction to the sites and to make the provision of the installations a viable proposition for the trial service provider. If the trial is successful the sites can then transfer to the project service provider, again as operational sites.
- 8.5 A procurement of a full scale advertising contract will commence immediately with contract award anticipated for July 2007. Application for advertising consents and installation of new advertising columns will be co-coordinated with the street lighting PFI core investment programme which continues into 2011. The first new sites are expected to be operational by January 2008.

## **9.0 Consultation**

- 9.1 Consultations have taken place as part of the advertising trial as described under the trial conclusions.
- 9.2 The advertising industry has been consulted as part of the soft market testing.
- 9.3 The service provider for the trial contract has been consulted and is agreeable to the proposals being made.

## **10.0 Resource Implications**

### **10.1 Staff**

It is anticipated that the procurement and management of a street lighting advertising contract will be delivered by City Services within existing resources with support from the Public Private Partnerships Unit.

### **10.2 Budget**

The minimal costs to the council associated with delivery of street lighting advertising will be funded from the income generated and will generate a significant net income to the council.

## **11.0 Implications For Council Policy And Governance**

- 11.1 This report establishes the council's policy on advertising on lamp posts and is consistent with the Advertising Design Guide - Supplementary Planning Guidance document.

## **12.0 Recommendations**

### **12.1 That the Board:**

- i) approves the principal of advertising on lamp posts in Leeds;
- ii) authorises officers to vary the trial contract arrangement with the service provider to enable up to 10 trial sites to be installed in the city centre;
- iii) authorises officers to commence procurement of an advertising contract to include supply, installation and maintenance of advertising panels;
- iv) Notes the content of the Advertising Content Guidance document.

## **13.0 Background Papers**

- 13.1 Confidential Addendum on income generation - The public interest in maintaining this addendum as exempt outweighs the public interest in disclosing the information by reason of the fact that it contains commercially sensitive information which, if disclosed, could be prejudicial to contract negotiations
- 13.2 Appendix 1 - Advertising Content Guidance

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# ADVERTISING CONTENT GUIDANCE

October 2006

## INTRODUCTION

This document identifies the main issues surrounding control over the content of adverts and the remedies that are available where it is felt that inappropriate advertising messages are being displayed.

Proposed guidance is presented which will help control inappropriate advertising material and the report describes how this guidance would be used in conjunction with other controls.

### 1.0 PURPOSE OF THIS GUIDANCE

- 1.0 At present the council has no formal policy or guidance on the content of advertising material within public open space in Leeds.
- 1.2 This is controlled nationally by the Advertising Standards Authority (ASA) which is an independent body set up by the advertising industry to police the rules laid down in the advertising codes.
- 1.3 At present the ASA is the only official mechanism for controlling the content of advertising material in Leeds. This absence of local control has not previously been an issue. However as the council promotes the installation of more advertising sites, questions have been raised about the content and control of advertising material. The lack of any local guidance has made it difficult to evaluate or take action when advertisement content is perceived as unacceptable.
- 1.4 This guidance identifies the role of the ASA and how they can be used as a control mechanism. But it also proposes the introduction of guidance on the content of advertisements as an additional means of local control.

### 2.0 BACKGROUND INFORMATION

- 2.1 This report only covers advertising content.  

The location and design of advertising displays is covered in the Advertising Design Guide. This is the guide against which planning applications for the installation of advertising sites are evaluated. However the planning process is not intended to control the material which is displayed in the adverts and at present makes no reference to this.
- 2.2 The ASA's role is to promote and enforce high standards, to ensure that advertisements do not mislead, harm or cause offence. All advertising is required to meet the rules laid down in the advertising standards codes which cover taste and decency in the depiction of religion, women etc as well as criteria for advertising such things as, alcohol and products aimed at children. Anyone can make a complaint to the ASA about an advertisement by visiting their web site [www.asa.org.uk](http://www.asa.org.uk) and completing an on-line complaint form. The ASA resolves several thousand complaints each year. The rulings are made independently of government and the advertising industry. Marketers are told the outcome of the rulings and where appropriate are asked to withdraw or amend their marketing communications. ASA decisions are enforced by a compliance team and certain sanctions can be imposed. Further information

is given in Appendix 1. Where there is concern over an advertisement displayed in Leeds the formal means of addressing this is through the ASA.

- 2.3 Many of the advertisement sites in Leeds are on private land. While the council may have granted the planning consent, they have no role in any contract or licence between the site owner and the advertising industry. Control of the advertising content is therefore through the ASA.
24. However following the council's decision to focus on the advertising industry as a source of increased revenue there are an increasing number of advertising sites where the council might be expected to have some direct control over the content of the adverts or indeed have a right to veto certain advert.
- 2.5 The advertising contracts currently in place are described in Appendix 2. Some of the contracts have included specific restrictions on advertising content, e.g. to address road safety issues. However there are important revenue implications to consider when restricting the scope of advertising beyond that promoted by the ASA, as over regulation would impact on the commercial viability of the sites.
- 2.6 Hence while there is a desire to control advertising content, it is not recommended that the council take on the role of vetting all advertising and becoming a censor for Leeds. As has been demonstrated the ASA is the arbiter in relation to advertising content and already has rigorous systems in place to monitor and take action against advertisements that might mislead, harm or cause offence.
- 2.7 The council has committed to generating revenue from advertising and revenue earning levels will be affected if contractors are given too many constraints.
- 2.8 However where there are local concerns it is right that there should be a local mechanism to address these. The introduction of guidance on the content of advertisements is proposed as a document against which such issues can be evaluated and controlled.
- 3.0 SCOPE OF GUIDANCE**
- 3.1 Outdoor advertising displays exist in many forms but the main formats are 6 sheet, 48 sheet and 96 sheet. The sizes of each format are included in Appendix 3.
- 3.2 The guidance on the content of advertisements will cover advertising of any product or service in council publications, on council land or private land, sited on billboards, 6 sheet posters and other outdoor display formats around the city including digital media.



## **4.0 IMPLEMENTATION**

- 4.1 All new advertisement consents can contain Informative Notes following the planning conditions that refer the applicant to the Advertising Guidance Notes and where to obtain a copy. This would ensure that all advertising contractors were aware of the Leeds Advertising Guidance and were encouraged to comply. However the additional criteria can probably only be a requirement where the advertising was sited on council land.
- 4.2 The Advertising Initiative Manager was appointed by the council to generate income for the council from advertising. The post includes the requirement for the post holder to be a Gatekeeper for the council as first point of contact, co-ordinator and overseer of all new advertising initiatives. It is therefore proposed that the Advertising Initiative Manager should be the first point of contact for enquiries relating to Advertising Display Content, liaising with the officer who manages the particular advertising display to resolve concerns.
- 4.3 Where a complaint is received relating to advertising on council owned land, the officer managing the licence will discuss the complaint and, if valid, the contractor can be asked to immediately remove the offending advertisement. A record of complaints should be held to monitor contractor performance and identify any potential problem areas.
- 4.4 Where the advertising display is on private land the complaint would have to be referred to the ASA.

## **5.0 GUIDANCE ON ADVERTISEMENT CONTENT**

- 5.1 All advertisements must comply with the advertising standards codes applied by the ASA. These covers many of the issues referred to below which are repeated to emphasise their local importance.
- 5.2 Advertisements on the highway must not resemble traffic signs or include any symbol found in the current Traffic Signs Regulation and General Directions. Images must be large enough to be easily read by passing traffic and text messages must be brief to ensure motorists are not tempted to slow down to read the advertising message.
- 5.3 Advertisements must respect local sensitivities. It has long been accepted by outdoor contractors that they must consider the impact of the advertising display on the immediate area of the display. Systems were put in place following the public outcry in the 1990s to Wonderbra advertising which was placed outside mosques and in city areas with strong traditional Muslim communities. These systems identify billboards in particularly sensitive areas and restrict advertising sales to some extent. Such National guidance applies to outdoor displays on private land or council owned land.
- 5.4 This guidance further restricts advertising on council land to prevent any advertisements being displayed of a religious, racial or political nature.

- 5.5 Advertising to children is carefully controlled by the ASA guidance and codes of practice but beyond those controls, its location should also be carefully considered i.e.: it is not appropriate to site advertising of “junk foods” etc adjacent to schools and play areas. This supports the actions of schools which are removing vending machines from within schools as they work to encourage a more balanced diet. This guidance also specifically precludes the promotion of junk food to children through advertising in leisure centres where ideally the spaces would be used to promote healthy messages
- 5.6 Advertising of alcohol is also carefully controlled by the ASA guidance and codes of practice. However the siting of advertising should be considered and the message not repeated in close proximity within one area of the city. Therefore advertising on council land should not unduly promote the consumption of alcohol, specifically prohibiting advertising which promotes “binge drinking” or alcoholic drinks which are targeted at young people. This fits with the council’s Public Health Strategy which has found links between advertising of alcohol levels and increases in the level of drinking among young people.
- 5.7 Advertising can have an impact on local business communities. In areas which have a strong local business and commercial identity it would be inappropriate to allow advertising which might take business from this market e.g. Otley, Morley, Wetherby, etc. Hence:-
- 5.7.1 Advertising in the city Centre Prime Retail Sector should not promote competitive shopping centres
- 5.7.2 Advertising in Community Business / Shopping areas should not promote competitive shopping outlets

The purpose of the council promoting advertising is to generate revenue. Hence advertising which has a potential negative impact on revenue by the promotion of claims companies should not be permitted.

## **6 UPDATING THIS GUIDANCE**

- 6.1 This guide aims to ensure advertising in Leeds does not conflict with council Policy and should be reviewed annually to ensure it continues to reflect policy. At the review the log of complaints should be discussed to identify any particular areas of concern to be addressed.
- 6.2 The Advertising Initiative Manager would maintain the complaints log, taking responsibility for maintaining and updating the guide, working with officers across the council as required.

## **7 CONSULTATIONS**

- 7.1 Planning Development Control officers regarding the report content and ability to include an Informative Note on all new advertisement applications.
- 7.2 Officers in Development Department, City Services, and Learning & Leisure who currently benefit from advertising revenue and might handle advertisement contracts plus officers in Corporate Communications.

- 7.3 Officers in Development Department, City Services, and Learning & Leisure who currently benefit from advertising revenue and might handle advertisement contracts plus officers in Corporate Communications.

## **8 CONCLUSION**

It is hoped that through this Guidance Note and the Advertising Design Guide to successfully control advertising and ensure it does not conflict with council Policy.

Officers and Members can use the guidance content to help them respond to queries regarding advertising content from members of the public.

Suggestions for future updates of these guidance notes should be sent to the Advertising Initiative Manager.

## APPENDIX 1

### REGULATION OF NATIONAL ADVERTISING CONTENT

- 1.0 This is controlled nationally by the Advertising Standards Authority (ASA). The Advertising Standards Authority is the independent body set up by the advertising industry to police the rules laid down in the advertising codes. The strength of the self-regulatory system lies in both the independence of the ASA and the support and commitment of the advertising industry, through the Committee of Advertising Practice (CAP), to the standards of the codes, protecting consumers and creating a level playing field for advertisers.
- 2.0 The ASA promote and enforce high standards in advertisements; investigate complaints; identify and resolve problems through research ensuring that the system operates in the public interest. They also act as a channel for communications with those who have an interest in advertising standards.
- 3.0 The British Code of Advertising, Sales Promotion and Direct Marketing is produced by the Committee of Advertising Practice (CAP) and is the rule book for non-broadcast advertisements, sales promotions and direct marketing communications. The advertising codes are the responsibility of two industry Committees of Advertising Practice - CAP (Broadcast) and CAP (Non-broadcast) and are independently administered by the Advertising Standards Authority (ASA).
- 4.0 A Summary of the work of the ASA
- 4.1 The Advertising Standards Authority works to keep advertising legal, decent, honest and truthful. The ASA resolves thousands of complaints each year. They hold annual review meetings around the UK where they invite the public to assess decisions made in the year and check that the ASA is properly representing the public view. In 2005 the meeting was held in Leeds.
- 4.2 The ASA produces Background Briefings on specific issues to assist creative agencies when designing marketing communications. Some samples are appended for information. Full details can be found at [www.asa.org.uk/asa/focus/backgroundbriefings](http://www.asa.org.uk/asa/focus/backgroundbriefings)

Alcoholic Drinks
ASA Factsheet on Reducing Commercial E-mail (Spam)
Charities and Pressure Groups
Children
Cigarettes and Tobacco
Direct Marketing
Distance Selling
Employment and Homework Schemes
Environmental Claims
Financial Advertising
Health and Beauty Advertisements
Holidays and Travel
Introducing the one-stop shop for advertising complaints
Misleading Advertisements - The Law
Motoring
Overseas mailings
Sales Promotions
Slimming Advertisements
Taste and Decency - depiction of religion
Taste and Decency - the depiction of men
Taste and Decency - the depiction of women

## 5.0 How to register a complaint with the ASA

Anyone can lodge a complaint about advertising with the ASA by visiting their web site [www.asa.org.uk](http://www.asa.org.uk) and completing the online complaint form. The ASA's rulings are made independently of both government and the advertising industry.

A complaint can be registered if an individual thinks there is something wrong with an advertisement seen or heard.

### How the ASA self regulatory system works

The strength of this system is based on the long-term commitment of all those involved in advertising, sales promotion and direct marketing, sharing an interest in seeing that marketing communications are welcomed and trusted by their audience. If they are offensive or misleading they discredit everyone associated with them and the industry as a whole.

5.1 The ASA investigates complaints from any source against marketing communications. Marketers are told the outcome of the ASA council's rulings, and where appropriate, are asked to withdraw or amend their marketing communications. The adjudications are published weekly and can be viewed at [www.asa.org.uk](http://www.asa.org.uk)

5.2 ASA decisions are enforced by The CAP compliance team take action against marketers who persistently break the Code. Where a breach of the code is blatantly misleading the team takes immediate compliance action to stop the marketing communication from reappearing.

## 6.0 ASA Sanctions

1. It issues Ad Alerts to CAP members, including the media, advising them to withhold their services from non-compliant marketers.
2. Where marketers prove to be consistent offenders (e.g. Tango ads) the media will be advised not to accept any marketing communications until each item has been approved by the ASA under Pre-publication vetting.
3. Trading privileges can be removed e.g. media discounts worth up to 25%.
4. Legal backstop where necessary e.g.: Office of Fair Trading

7.0 The ASA is not a law enforcement body and any matter that principally concerns a legal dispute will normally need to be resolved through law enforcement agencies or the Courts.

## APPENDIX 2

### COUNCIL ADVERTISING CONTRACTS IN PLACE AT MARCH 2006

Advertising panels in leisure centres; licence signed 1<sup>st</sup> November 2001 with Insitu has no end date and gives them rights to display advertising in 18 leisure centres in Leeds, prohibiting any other form of promotion by a third party.

Licence contact: Commercial Manager, Learning & Leisure Department.

Advertising on lamp posts; trial project set-up by PPPU for city Services department which ends on 31<sup>st</sup> December 2006.

The trial has been set up to review:-

Public reaction to the advertising, and any adverse health & safety issues

Views of local communities and members to the merits of the project

Views of local businesses as to the value of the advertising

The likely impact of the SDP on the planning process

The potential scope of the project

The likely financial implications for the Street Lighting PFI project

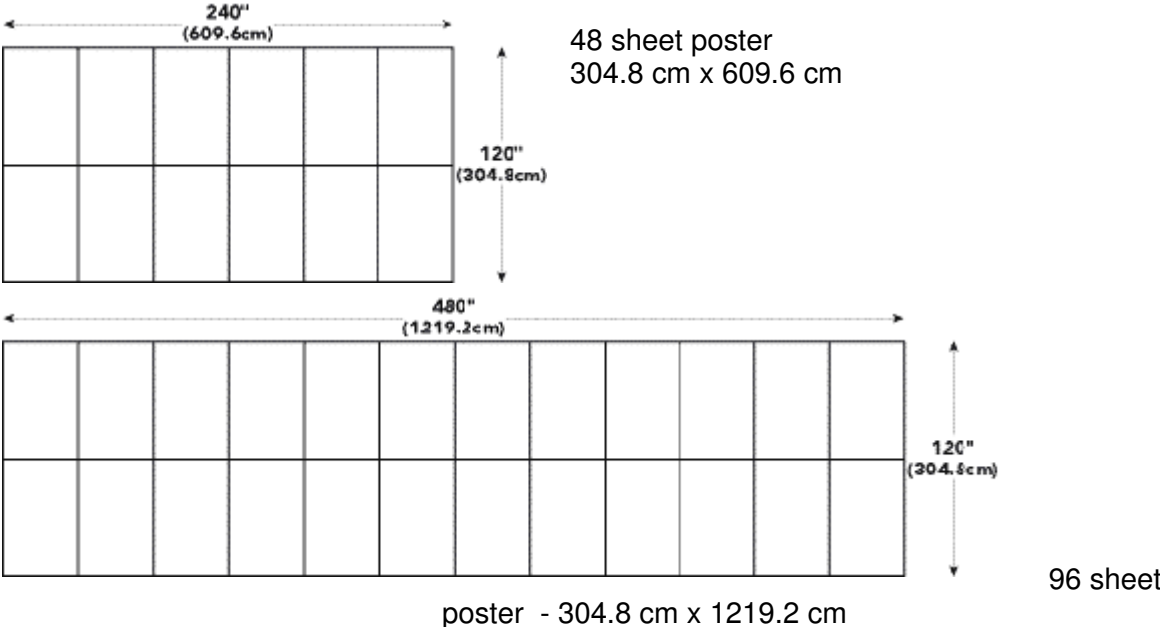
The trial gives Streetbroadcast rights to install lamp posts in approved locations which carry a double-sided 6 sheet advertising panel. There will be 60 lamp posts installed under the trial. The Licence contact is: PPPU

- 1.0 Advertising on bus shelters; this agreement is between Clear Channel (took over Adshel) and Metro. There are about 1,000 bus shelters around Leeds with 6 sheet advertising panels and in 2005-2006 Clear Channel have submitted 141 advertisement applications for updated bus shelters with advertising. Approximately 50% of applications were refused, 43 are currently being processed.  
Licence contact: Metro
- 2.0 Advertising in the Central Library; agreement commenced Spring 2005 with a plasma TV installed free of charge in Central Library, which carries static advertising images.  
Licence contact: This trial project is being managed by the Area Service Manager for libraries.
- 3.0 Advertising on Boundary Signs: handled in-house by the Advertising Initiative Manager with space sold to local businesses on an annual basis. Specific guidelines for advertising on these signs has been agreed with Highways Officers to ensure the signs do not form any form of motorist distraction. A copy of this guidance is appended.
- 4.0 Billboards (48 and 96 sheet advertising display panels) on council land; commenced 1<sup>st</sup> April 2000 with Clear Channel and expires on 31<sup>st</sup> March 2007.  
Licence contact: Advertising Initiative Manager, Development Department.

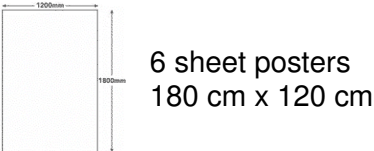
**APPENDIX 3**

**ADVERTISING DISPLAY FORMATS AND SIZES**

**48 SHEET, 96 SHEET BILLBOARDS.**



**6 SHEET POSTERS**



## **APPENDIX 4**

### **Leeds Boundary Signs Advertising panel – content guidelines**

24 October 2005

All advertising must comply with the ASA guidelines to ensure that advertisements do not mislead, harm or cause offence.

Advertisers must consider that the advertising panel will be seen by thousands of vehicles on a daily basis and Leeds City Council has a duty to protect motorists by not providing any distraction.

This means – no symbols or text within the advertising that could not easily be read at standard road speeds;

The advertising content must not confuse drivers using motoring type symbols and the colour red cannot be used.

The advertising panel will effectively promote companies by including a few simple pieces of information.

Company name

Company logo

A line of text explaining what the business does

Contact telephone number or web site address

The advertising panel design must differentiate from the Leeds civic sign using contrasting colours and layouts.

To ensure the advertising complies with highways guidelines a PDF showing the advertising artwork must be emailed to the Advertising Initiative Manager for approval prior to installation.



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Phil Joyce

Tel:24 75692

**Report of: DIRECTOR OF NEIGHBOURHOODS AND HOUSING**

**Report to: EXECUTIVE BOARD**

**Date: 15<sup>th</sup> November 2006**

**Subject: HOUSING (MARKET) RENEWAL INVESTMENT PROGRAMME**

**Electoral Wards Affected:**

Gipton and Harehills

Beeston Hill and Holbeck

Burmantofts and Richmond Hill

**Specific Implications For:**

Equality and Diversity  N

Community Cohesion  N

Narrowing the Gap  Y

Eligible for Call In

Yes

Not Eligible for Call In

(Details contained in the report)

## EXECUTIVE SUMMARY

- Just under £25.5m has been secured from the Regional Housing Board by the City Council on behalf of the Leeds Housing Partnership to spend over the next 18 months on a programme which consists of a number of housing related schemes, which will contribute to the delivery of the major area based regeneration initiatives in East and South East Leeds (EASEL) and Beeston Hill and Holbeck.
- It is important that the Leeds Housing Partnership and in particular the Council develops a good track record for the implementation of well thought out schemes which are delivered on time and within budget since this will help strengthen its reputation and also its position when making further bids in the future.
- To ensure the above is achieved and that the money that has been allocated to the Council is spent judiciously and expeditiously certain changes to current council approval processes are advocated and a robust monitoring and review system needs to be put in place.

### 1.0 PURPOSE OF THE REPORT

- 1.1 This report sets out what funding has been recently secured by Leeds City Council and its partners from the Single Regional Housing Pot (SRHP) and Housing Market Renewal (HMR) Investment Fund to enable issues of low demand and poor quality housing in a number of inner city neighbourhoods to be addressed. The report describes what conditions are attached to these two funding streams, how the

- 1.2 money has been allocated to individual projects that comprise the overall programme, and what needs to be done to ensure that the projects are delivered to the programme.
- 1.3 Also the report explains the strategic approach to the development of new bids in the future so that in effect a rolling programme within the key target areas is created which will improve the efficiency and effectiveness of delivery.

## **2.0 BACKGROUND INFORMATION**

- 2.0 Leeds City Council and its partners (i.e. the Leeds Housing Partnership) have secured a total of £25.462m for Leeds to be spent over the next two financial years (i.e. by 31<sup>st</sup> March 2008) on specifically approved projects. This total comprises of £17.355m from the Single Regional Housing Pot and £8.107m from the HMR Investment Programme. To promote effective delivery, the HMR allocation to the council allows for overprogramming of schemes. The cash backed value of the allocation is £7.05m and actual spend on this programme will be managed within the cash backed value.
- 2.1 Of the £17.355m from SRHP, £10.964m is required to be spent by 31<sup>st</sup> March 2007. The remaining £6.39m of SRHP is allocated for 2007/08. This amount needs to be spent by 31<sup>st</sup> March 2008.
- 2.2 Regarding the HMR this is allocated over two financial years and therefore the funding needs to be spent by 31<sup>st</sup> March 2008.
- 2.3 The SRHP allocation for 2005/06 was provided as borrowing and therefore it has been allowed to be carried over to 2006/07, whereas the SRHP allocation for 2006/07 and 2007/08 is grant and therefore requires to be spent within the financial year that it is allocated. Similarly the HMR allocation (which is spread over two years) is grant.

## **3.0 HOUSING (MARKET) RENEWAL INVESTMENT PROGRAMME**

- 3.0 The Vision for Leeds 2004 -2020 identifies as one of its aims the intention to “Regenerate and restore confidence in every part of the city” and to “Make sure that local neighbourhoods provide choice in the types and costs of housing available so that people do not have to move out of an area to meet their housing needs and choices.
- 3.1 Specific objectives of the Housing (Market) Renewal Investment Programme are:
- To tackle poor quality, pre-1919 housing stock in the priority regeneration areas of Beeston Hill and Holbeck, Harehills and Cross Green through a phased programme which involves a mixture of acquisition, demolition and clearance and/or group repair schemes..
  - To contribute to the delivery of the major area based regeneration initiatives in East and South East Leeds (Harehills and Cross Green) and also in Beeston Hill and Holbeck particularly through facilitating the redevelopment of cleared sites for new affordable housing and associated environmental improvements in these areas.

One factor to be considered in terms of future development of cleared sites within Cross Green and Harehills is the option of these sites being developed through the

EASEL joint venture. For the foreseeable future the priority will be to develop schemes within the three target areas as part of a rolling programme set within a strategic context

- 3.2 Proposals will be developed that demonstrate how best to meet the strategic aims and objectives outlined above with the resources available. Option appraisals will be carried out for particular pre-1919 housing areas with reference to their ability to meet the defined objectives.
- 3.3 Appendix 1 provides a summary of the projects where Executive Board and /or other approvals have been granted. The schemes are divided in to those which are being developed and implemented by Environmental Health Services (e.g. group repair) and those where the Regeneration Special Projects Team are taking the lead role (e.g. schemes involving the acquisition and demolition of obsolete properties. within a defined geographical area in order to provide cleared sites which are then available for development for suitable use(s) primarily new housing.
- 3.4 The programme is now being progressively rolled out on four fronts – Beverleys in Beeston, Cross Green, Florence Street area in Harehills and the Recreations in Holbeck
- 3.5 Funding of approximately a further £1.8m of the 2006/08 RHB allocation currently remains uncommitted. Two potential future schemes have been identified (one in Cross Green – “Phase 3” and the other in Holbeck – Recreations – “Phase 2”) for which a notional allocation of SRHP funding has been made in 2007/08. Any proposals for Cross Green will be required to fit within the comprehensive regeneration strategy which is to be prepared for the Cross Green area (referred to in the report – “Regeneration of Cross Green –Phase 2” considered and approved by Executive Board on 20<sup>th</sup> September). The strategy will seek to tackle issues of environmental quality, access to transport, traffic conditions, community safety poor housing conditions and mix, lack of facilities and general health and well being). Similarly, proposals for Holbeck will be required to fit within the comprehensive regeneration strategy for Beeston Hill and Holbeck and address similar issues to those in Cross Green. Of vital importance in any process leading up to producing a strategy is the involvement of local people from the outset. The intention would be to use and build upon existing consultation networks and arrangements in each area to establish the exact nature and extent of the next priority schemes.
- 3.6 As and when detailed proposals are developed these will need to be subject to extensive consultation and approvals obtained from Executive Board. Although two potential schemes have been identified if necessary there is the flexibility and potential to concentrate the remaining uncommitted £1.8m on just one of these schemes. The target date for consideration of any further scheme(s) by Executive Board would be January 2007.

#### **4.0 DELIVERY**

- 4.1 The Programme is being delivered by a combination of staffing resources from within Neighbourhoods and Housing officers from Legal Services, Development and Corporate Services and also involves officers from partners who are part of the Leeds Housing Partnership.

#### **5.0 GOVERNANCE INCLUDING APPROVALS**

- 5.1 Now that the exact amount of funding to deliver the Housing (Market) Renewal Investment Programme in Leeds is known it is important that this money is spent

and the conditions for the particular funding streams are met. For this to happen a streamlining of the approvals process is required such that the delivery of the Programme is assured. The proposal is that amendments to existing projects which have been approved by Executive Board and form part of the Programme are delegated to the Director of Neighbourhoods and Housing. This will include ensuring schemes continue to meet the funding criteria; the objectives for the funding outlined in this report; any changes to approved schemes are to a suitable level of specification and cost certainty ; the allocation of relevant amount(s) of funding to each scheme; the management of the delivery of individual schemes and the programme as a whole, liaison with partners and consultation with the affected local communities and also other stakeholders including local members and when required. In addition it is proposed that in the event that agreement cannot be reached with the owner of any property within the target area (s) for Executive Board to delegate authority to the Director of Neighbourhoods and Housing and Director of Development to make and promote any necessary Compulsory Purchase Orders.

- 5.2 It is also important that there is a means of tracking the progress of the individual schemes as well as the Programme as a whole to make sure that the spend is monitored and any potential slippage is identified early and appropriate interventions are made at the right time so that delivery is not adversely affected..
- 5.3 To achieve the above it is proposed that a Programme Board is set up. This would include representation from Neighbourhoods and Housing, Development, Legal Services and Corporate Services and also the chair of the Leeds Housing Partnership. The board would be chaired by Neighbourhoods and Housing and would have a regular cycle of meetings.
- 5.4 Since a number of the schemes involve the acquisition and disposal of property by the Council it is important that Asset Management Group are informed and consulted as part of scheme development and any views and/or advice is taken in to account as part of the approval process for any individual schemes.

## **6.0 FUTURE BIDS**

- 6.1 Any future bids will require to meet the RHB funding criteria and also the various aims and objectives set out in section 3 of this report.
- 6.2 The intention is to develop local comprehensive regeneration strategies for the targeted areas(i.e. Cross Green, Harehills and Beeston Hill and Holbeck) and for individual schemes to be developed to fit within and help deliver these strategies. Through this approach a rolling programme should start to emerge which will assist in making bids for funding from the Regional Housing Board/West Yorkshire Housing Partnership. It will also provide greater clarity and certainty as well as enabling more efficient and effective delivery to be achieved.

## **7.0 RECOMMENDATIONS**

- 7.1 Members of the Executive Board are asked to:-
- a) delegate to the Director of Neighbourhoods and Housing authority to make changes to individual schemes that have been approved by Executive Board
  - b) delegate to the Director of Neighbourhoods and Housing and Director of Development authority to make and promote any necessary Compulsory Purchase

Orders that may be required in the event that agreement cannot be reached with any property owner within the target area(s) of any approved scheme.

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RHB FUNDING PROGRAMME								
Delivery by Regeneration Special Projects Team								
Scheme	Details	Approvals	Remaining Scheme Costs	Remaining Authority to Spend	Additional Authority to Spend	Funded by SRHP	Funded by HMR	
			£m	£m	£m	£m	£m	£m
<b>Beverleys, Beeston</b> Acquisition and demolition of properties to provide a cleared site for redevelopment potentially as one of the initial sites for a Beeston Hill and Holbeck PP Partnership	Properties to acquire	85						
	Already Acquired	12						
	RSL	23						
	Managed by LSH	12						
	Total no. of properties affected	<b>132</b>	EB approval					
	Aiming for site cleared 2008		19/1/05	7.56	2.25	4.25	3.56	2.94
<b>Comptons, Harehills</b> Acquisition and demolition of properties to provide a cleared site for redevelopment	Properties to acquire	8						
	Already aquired	2						
	Managed by LEH	25						
	RSL	1						
	Total no. of properties affected	<b>36</b>	EB approval					
Aiming for a cleared site 2007		14/6/06	1.5	1.5	0	1.5	0	
<b>Ashley Road, Harehills</b> Acquisition and demolition of properties to provide a cleared site for redevelopment	Acquisition and demolition of all properties complete. Remaining budget required for settlement of claims arising from CPO.							
		EB approval						
		13/10/04	0.42	0.42	0	0.42		
<b>Cross Green Phase 1</b> Cross Green Crescent, Grove Ave Acquisition and demolition of properties to provide a cleared site for redevelopment	Properties to acquire	4						
	Already Aquired	1						
	Managed by LEH	16						
	Total no. of properties affected	<b>21</b>	EB approval					
Aiming for a cleared site 2007		17/5/06	0.5	0.5	0	0.5		
<b>Cross Green Phase 2</b> St Hildas Crescent, Grove Avenue Acquisition and demolition of properties to provide a cleared site for redevelopment	Properties to acquire	20						
	Managed by LEH	31						
	LCC	1						
	Total no. of properties affected	<b>52</b>	EB approval					
Aiming for a cleared site 2008		20/9/06	2.4	2.4	0	2.4		
<b>Cross Green Phase 3</b> Subject to development and approval of scheme								
		To seek EB approval						
		24/01/07	0.727	0	0.727	0.727		
<b>Holbeck, Recreations</b> Acquisition and demolition of properties to provide a cleared site for redevelopment in support of PFI bid for Beeston Hill and Holbeck	Properties to acquire	32						
	Managed by LSH	19						
	Shop Owned by LCC	1						
	Total no. of properties affected	<b>52</b>	EB approval					
Aiming for site cleared 2008		18/10/06	2.95	2.95	0	0	2.95	
<b>Holbeck, Recreations Ph2</b> Subject to development and approval of scheme								
		To seek EB approval						
		24/01/07	1	0	1	1		
<b>Total Delivered by Regeneration Special Projects team</b>			<b>17.06</b>	<b>10.02</b>	<b>5.977</b>	<b>10.11</b>	<b>5.89</b>	

RHB FUNDING PROGRAMME							
Delivery by Environmental Health							
Scheme	Details	Approvals	Remaining Scheme Costs	Remaining Authority to Spend	Additional Authority to Spend.	Funded by SRHP	Funded by HMR
			£m	£m	£m	£m	£m
<b>Decent Homes</b>	i) Aviarys Decontamination Scheme ii) Care and Repair Home Maintenance Scheme iii) Further Loans & Grants	Ongoing	2	0.5	1.5	2	0
<b>Group Repair, Burley</b>	External enveloping scheme to extend the life of up to 45 properties by 30 years	To seek EB approval 13/12/06	2.15	0	2.15	2.15	0
<b>Group Repair, Beeston Phase 3</b>	External enveloping scheme to extend the life of up to 60 properties by 30 years	To seek EB approval 24/01/07	1.8	0	1.8	0.643	1.157
<b>Contractual Commitments</b> Schemes to which the council was committed prior to the introduction of RHB funding streams.	i) Group Repair Beeston Phase 2 External enveloping scheme to extend the life of up to 56 properties by 30 years ii) Residual Unpaid Grants iii)CPOs to aquire long term empty properties iv) Asbestos Support	Ongoing	2.45	1.3	1.15	2.45	0
<b>Total Delivered by Environmental Health Team</b>			<b>8.4</b>	<b>1.8</b>	<b>6.6</b>	<b>7.24</b>	<b>1.16</b>
<b>Total Delivered by N&amp;H</b>			<b>25.46</b>	<b>11.82</b>	<b>12.58</b>	<b>17.35</b>	<b>7.05</b>



Originator: Jon Hough

Tel: 2143204

**Report of :Director of Neighbourhoods and Housing**

**Executive Board**

**Date: 13<sup>th</sup> November 2006**

**Subject: Empty Property Strategy 2006 - 2010**

**Electoral Wards Affected:**  
All

**Specific Implications For:**

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In  
(Details contained in the report)

## EXECUTIVE SUMMARY

Although Leeds is currently enjoying an overall growth in its economy there are still significant areas of deprivation and decline. These areas are identified by indices of multiple deprivation that include measures demonstrating low educational achievement, higher than average unemployment, lower than average life expectancy and, higher levels of crime and anti-social behaviour etc. Drive through the city and you will be able to identify these areas of decline and deprivation by their poor physical environment and the high levels of empty and derelict properties.

Invariably, there will always be a number of vacant dwellings across the city in order to allow the housing system to function effectively and to facilitate both residential mobility and the improvement or redevelopment of the housing stock. However, vacancy turnover rates and the number of long term empty properties are excessively high within certain areas of the city and this is having an adverse effect upon these communities.

Long term empty properties tend to attract all manner of antisocial behaviour such as fly tipping, vandalism, arson, drug taking and other issues that affect the health and well being of the neighbourhood in which they are situated. Furthermore, when there is a proliferation of such properties, they are a graphic indicator of failing communities and therefore tend to deter further inward investment and become counter productive to the efforts to make the area once again a thriving place to live. The market value and desirability of the housing stock is adversely affected and the decreasing population has an impact upon the economy of the local business sector that serves these areas. Moreover, the decline of these communities is exacerbated and accelerated when the commercial and financial sectors feel it is no longer viable for them to continue trading and investing in these areas.

Leeds City Council recognises that the strategy for dealing with empty and derelict properties must be set within a wider regeneration framework and that the Empty Property Strategy needs to align

with the other emerging key issues such as making a contribution towards the provision of affordable housing throughout the city.

Empty properties are a symptom of decline and deprivation but dealing with them in isolation will not be sufficient to turn around the fortunes of the areas they affect. In order to create demand for property across all tenure and ownership types and to rebuild sustainable communities within these disaffected areas of the city it will take a concerted effort on the part of Leeds City Council and partners and therefore, at a strategic citywide level, this document needs to be linked and considered in conjunction with the following key corporate documents:-

- Corporate Plan
- Leeds Housing Strategy
- Leeds Regeneration Plan and the component District Regeneration Plans
- City Growth Strategy
- Regional Housing Strategy
- Local Area Agreements
- Affordable Homes Strategy
- Leeds Private Rented Sector Strategy
- The ALMO's and RSL's business plans and Empty Property Strategies
- Homelessness Strategy

The Empty Property Strategy and Action Plan sets out the detail of how Leeds City Council intends to address the problems of all long term empty homes where ever they are situated and where ever they blight the neighbourhood in which they exist.

## **1.0 Purpose of this report**

- 1.1 To advise the Executive Board of the revised Corporate Empty Property Strategy and updated targets that have been set for the strategy for 2006 - 2010

## **2.0 Background Information**

- 2.1 According to Government figures collated in 2005, 680,412 homes are lying empty across the country, and there are over 100,000 families formally registered as being in temporary accommodation throughout the regions. However, this high figure excludes the number of single homeless people who are without a permanent home as there are no national records kept of the number of single homeless people. Many homeless charities state that they have huge difficulties moving people on from their homeless hostels into decent accommodation. In addition, there are many sections of the communities that find accessing decent accommodation very difficult due to the housing shortages throughout the regions.
- 2.2 At this time of huge housing need within the country, it is particularly unfortunate that there are so many wasted homes lying empty. Any housing market will always have some degree of empty property through transactional vacancies, but what is particularly disturbing is the constantly high number of properties empty for more than six months. Across England there are just under 300,000 properties that have been empty for more than six months and, across the board, the vast majority (86%) of this empty property is within the private sector.
- 2.3 Looking at this situation within the context of Leeds, the overall void rate throughout the city is 5.45% (as of July 2006). 2.93% of the total housing stock has been empty for more than 6 months of which 2.49% is within the private sector.
- 2.4 Leeds City Council devised its inaugural Empty Property Strategy in 1999 and it was 'piloted' within the Holbeck and Beeston areas. The strategy, by necessity, had to be

holistic in its approach in order to address the complex issues and problems that are the root cause of properties becoming empty and remaining under used for long periods.

2.5 Since the launch of the strategy, many new initiatives have been added as we have had to take on board the issues that have confronted us in undertaking the re-kindling / regeneration of these micro housing markets / failing communities throughout the various districts of the city.

2.6 Subsequent to Leeds devising and implementing its Empty Property Strategy, the Government introduced its mandatory Best Value performance regime (BVPI64) by which all local authorities are compared upon their performance either in returning empty private sector housing back into use or demolish through their direct intervention. The number of empty properties within the authority is also a criterion upon which the council's performance is judged under the Local Public Service floor target PSA7 and the Continual Performance Assessment measures.

2.7 The accompanying Empty Property Strategy document has been revised and the targets updated for the period covering August 2006 to April 2010.

### **3.0 Main Issues – The strategic objectives**

- To continue to reduce the number of long-term empty properties (void more than 6 months) that are having a detrimental effect upon the communities in which they are situated throughout Leeds.
- To continue to identify and continually monitor the scale and distribution of vacant property in relation to the total housing stock within the city.
- To establish changes in the nature and extent of vacant dwellings throughout the city as an on going process.
- To categorise the ebb and flow of vacant dwellings, the reasons for their origin, their prolonged vacancy, their final rehabilitation and any changes that occur which effects these factors.
- To continue to define and assess the existence of long term vacancies and identify any emerging 'hot spots' or high concentrations of vacant properties within the city.
- To establish, within the identified areas of high concentrations of empty properties, the prime reasons for their existence and their prolonged empty status, specifically with regard to the implications of the stocks condition / nature of the housing market and any associated problems such as crime, vandalism, housing market failure etc.
- To explore, promote and support a sustainable regeneration of the targeted areas through a multi agency / community involvement approach.
- To devise / identify best practice and best value strategies that are designed to bring empty privately / publicly owned housing back into use and to seek to incorporate these strategies into the Leeds City Council's Corporate Plan and Housing Strategy.
- To maximise the re-use of empty homes and thereby contribute to minimising the need for future development of Greenfield sites and protection of the environment.
- To improve the existing built environment.
- To support area regeneration programmes.
- To assist the provision of good quality, affordable housing.

- To ensure that the housing stock meets the range of needs that the citizens of Leeds require, whilst providing a choice of accommodation and neighbourhood.
- To raise awareness of the issues surrounding empty homes.
- To support the Housing Strategy, Council Plan and Local Area Plans.
- To continue to lobby Central Government for changes in legislation, strategy and policy to facilitate the revitalization of empty properties which are viable and reflect the housing needs of the effected communities, the City of Leeds and the region as a whole.
- To continue the process of lobbying Central Government to provide further funding to address the ever pressing issue of the over supply of certain house types and the lack of demand for housing generally within the declining areas of the city / region.

### 3.1 The Empty Property Strategy falls into 7 distinct strands:-

- **Intensive Neighbourhood Management.**
- **Information** – (analysis and dissemination)
- **`Local Ownership'** - to engage the local stakeholders and foster a sense of ownership within them to deal with the problems of empty properties and the issues that surround them.
- **An agreed Action Plan within the targeted areas of low demand** - to encourage / facilitate the return back into economic use property which is not being utilised.
- **Environmental Management & Improvements.**
- **Community Safety.**
- **Educational Links and Raising Awareness** of the problems and dangers associated with empty property and an unsanitary environment.

### 3.2 Leadership of the empty property strategy.

To successfully undertake the task of rekindling the micro housing markets within the affected neighbourhoods of low demand, Leeds City Council needs to have a concerted and truly corporate approach to resolving the inequalities and issues that are currently exacerbating the regeneration of these areas. To this end an Executive Empty Property Forum and Steering Group has been formed and is attended by senior officers who have a corporate interest to ensure the success of the empty properties strategy. This group report to the Environment & Community Safety Corporate Priority Board to ensure that their recommendations are taken on board and integrated within the Council Plan etc.

### 3.3 Intensive Neighbourhood Management

The ethos of Intensive Neighbourhood Management is key to the success of the Empty Property Strategy, in that, empty properties are a symptom of decline and deprivation and dealing with them in isolation will not be sufficient to turn around the fortunes of such areas. In order to create the demand for property across all tenure and ownership and rebuild sustainable communities, the following issues will need to be addressed:

- Improve and then sustain the quality of life in the most disadvantaged neighbourhoods whereby success is measured by a reduction of crime and anti-social behaviour and improved environmental quality that is recognised by resident perception.

- Develop and embed new tools to control and, where possible, remove the underlying causes of persistent, repetitive and stubborn social and environmental problems that create neighbourhood blight and ensure that major regeneration schemes emerging across the city are built on sustainable local foundations
- To mainstream successful approaches such as the BANROCK and ARROW environmental task force operations and develop, co-ordinate and deploy local and city wide services to maximum effect within the targeted priority neighbourhoods.
- To involve residents and their elected representatives in the design and management of intensive intervention via the Area Management infrastructure through local forums and Area Committees.

Two of the priority themes within the Leeds Regeneration Plan are to 'narrow the gap' in Leeds by improving the housing conditions and to provide better quality environments in deprived areas which will last for future generations. The overall ethos of the plan is to ensure that no-one should be disadvantaged by where they live; therefore, in order to achieve this, measures need to be taken to reduce unemployment, improve the housing and the physical environment within all the disadvantaged and declining neighbourhoods within the city. Area Management's district plans highlight the needs of the priority neighbourhoods throughout the city and, liveability in these targeted areas is a key priority.

The empty property strategy will contribute towards these priorities, in some of the most deprived areas of Leeds, by assisting the improvement of housing stock that has been identified as being empty and causing concern or blight to the area in which they are situated. The work carried out by the Neighbourhoods and Housing Department and the other contributory Departments will include tackling environmental problems that arise through properties being left empty for long periods and which, in some cases, are bordering on dereliction.

### 3.4 Tackling the problem of private sector empty properties

The work that has been undertaken within the remit of the empty properties strategy includes:

- ❑ PROACTIVE IDENTIFICATION of empty properties and their associated problems via the utilization of 'on the ground surveys' within the target areas and data obtained from council tax records.
- ❑ PROACTIVE USE OF INFORMATION – database's prompt making contact with owners of long-term empty properties in order to offer advice and assistance in returning their property back into re-habitation.
- ❑ A PROACTIVE MULTI AGENCY APPROACH TO ENFORCEMENT ACTION - on problematical empty property i.e. Enforced Sale Procedure, CPO and Town and Country Planning Act 1990 Section 215, etc.
- ❑ COST EFFECTIVE ADVERTISING OF EMPTY PROPERTY - for 'accredited landlords' via 'Choice Based Letting'.
- ❑ PROMOTION OF THE LEEDS ACCREDITATION SCHEME FOR THE PRIVATE RENTED SECTOR.
- ❑ THE INVESTORS IN LEEDS REGISTER. - An initiative to match potential investors with owners of long-term empty property.
- ❑ PUBLICITY - utilising various delivery vehicles such as promotional leaflets and the media especially with regard to successful enforcement action.

Environmental Health Services have designated an officer within each of the five EHS area teams to act as a coordinator or 'champion' on matters relating to empty properties.

The EHS empty property champions can help co-ordinate and focus work on empty properties in each area. However, this work needs to be coupled with the wider approach to the regeneration of the priority neighbourhoods through coordinated intensive multi agency interventions. In particular, close working arrangements are established with Area Management Teams.

In keeping with this approach, a successful bid against the Neighbourhood Renewal Funding regime has enabled the Environmental Health Service to engage / deploy an empty property enforcement team (an additional four members of staff) within the targeted areas of low demand at Cross Green, East End Park, Harehills and Chapeltown. This enforcement team works closely with Area Management to ensure that the work they undertake links into the Area Delivery Plans.

The key activities of the Empty Property Enforcement Team are as follows:

- Proactively identify empty properties and their associated problems via the use of 'on the ground surveys' and data obtained from council tax records and the EHS area team's empty property databases.
- Act upon referrals from a range of agencies, including the police and the fire service, regarding empty privately owned property that are open to unauthorised access and provide a rapid response to securing these dwellings thereby reducing the risk of arson and other criminal activities.
- Take the appropriate proactive or reactive enforcement approach in dealing with long-term problematic empty properties, i.e. Enforced Sale Procedure, Compulsory Purchase Orders, Town and Country Planning Act 1990 Section 215 notices and actions around refuse and insecure empty properties.
- Intensify the number of informal and formal actions taken against owners of empty properties to encourage renovation and re-occupation.
- Coordinate their enforcement work with that of the other enforcement officers within the Development Department and City Services in order to maximise the effect of the enforcement action within the target areas.
- To promote and encourage Landlord Accreditation within the private rented sector.
- To roll out good enforcement practice to all the Environmental Health Area Teams.

The combined effect of these actions should contribute to bringing about a more stable and less transient community within the targeted areas through:-

- ❑ A reduction in the number of long-term private sector voids throughout the city and particularly within the targeted priority neighbourhoods at Cross Green, East End Park, Harehills and Chapeltown.
- ❑ A rise in the house prices within the priority neighbourhoods bringing them in line with similar house types throughout the city.
- ❑ A more sustainable housing market within the target areas.
- ❑ Reducing the number of arson attacks on private domestic empty properties
- ❑ Improvement to the quality of life across a range of indicators that will start to attract inward investment - especially from the private sector.
- ❑ To assist in safeguarding the public investment that has been / will be expended within these priority neighbourhoods.
- ❑ To help to stop the spread of decline to neighbouring housing stock and neighbourhoods.
- ❑ To assist in creating more confident neighbourhoods whereby the resultant stabilisation and increase in population will boost the local economy and enhanced the dynamics of the areas making them more viable and sustainable.



### 3.5 Tackling the problem of empty properties within the social housing sector

The 2010 completion date that has been set by central government for all social housing to meet the decency standard is looming ever nearer and option appraisals are being worked upon by the ALMO's and RSL's with a view to renovation, disposal or demolition to accomplish this.

The Leeds ALMO's have already done a lot of good work in terms of empty properties, with voids reducing from 3% of total ALMO stock in 2002 to 1.75% at 31<sup>st</sup> March 2006. Nevertheless, the individual ALMO's are starting to develop asset management strategies as part of their business plans and building cost models to outline future plans for all their stock, including their stock within the mixed tenure and ownership low demand areas. The ALMO's strategies outline plans for bringing stock up to the decent homes standard and plans for disposals of stock through right to buy, demolition and sale. The plans also identify links with regeneration schemes such as EASEL and PFI (see Appendix 1 within the accompanying Empty Property Strategy documentation)

### 4.0 Progress to date

- A reduction in the number of long-term private / social housing sector voids throughout the city and particularly within the targeted priority neighbourhoods. An example of this is the Beeston and Holbeck empty property project target area where the void rate has been reduced from over 15% in 1999 to 2.2% as of July 2006.
- A rise in the house prices within the priority neighbourhoods i.e. In 1999, the average house prices for a through terraced house in the Beeston empty property project target area was less than £2,000 whereas, in July 2006 the average price has risen to over £65,000.
- A more sustainable housing market within these areas.
- Improvement to the quality of life across a range of indicators that has started to attract inward investment - especially from the private sector.
- The public investment that has been / will be expended within these priority neighbourhoods is more likely to be safeguarded.
- It has helped to stop the spread of decline to neighbouring housing stock and neighbourhoods.
- It has assisted in creating more confident neighbourhoods whereby the resultant stabilisation and increase in population has boosted the local economy and enhanced the dynamics of the targeted areas making them more viable and sustainable.

### 5.0 The possible risk factors for the future

5.1 So far, the endeavours of the empty property strategy and other 'joined up' multi agency regeneration work have assisted in reversing the previously continual downward trend of house prices within the targeted areas of low demand and they now appear to be on a continual rise albeit that they are generally far lower than other comparable properties within the city.

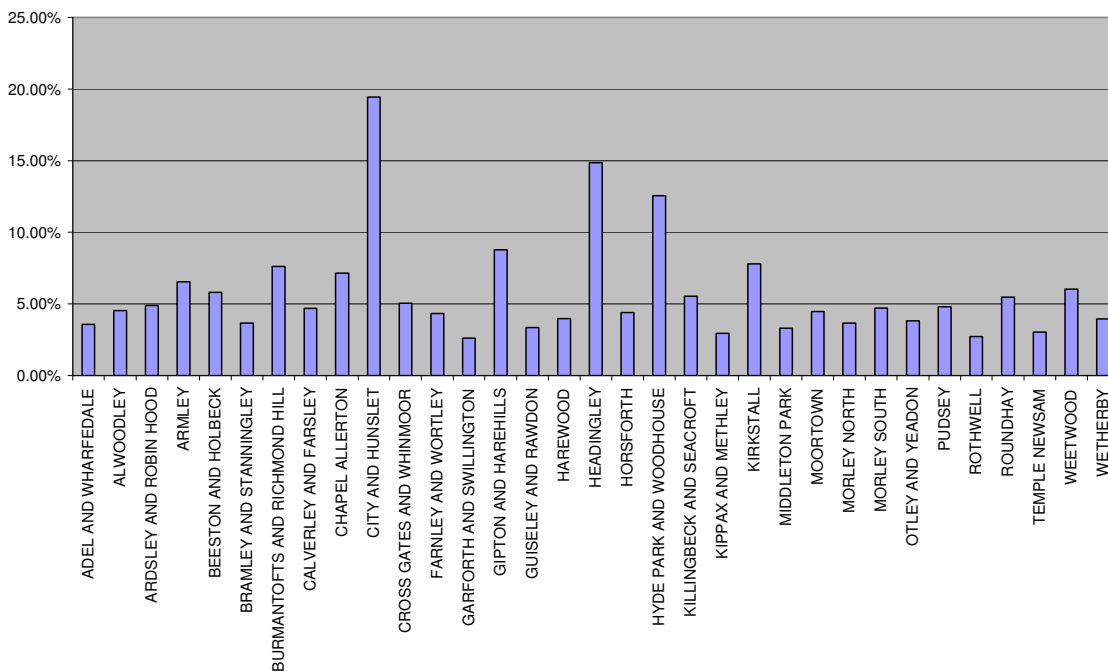
5.2 Despite the successes that have been achieved by using the empty properties strategy within these targeted areas, the sustainability of these micro housing markets now appears to be fragile within certain neighbourhoods. If left without further regeneration activity we may witness another downward spiral in these micro housing markets that will undermine the efforts that have been made to achieve improvements. This potential for cyclic decline is perhaps most obvious in the Cross Green and East End Park districts.

5.3 The rise in house prices within all the targeted areas of low demand throughout the city is undoubtedly being driven by the 'buy to let' market and the availability of finance that has been established by the financial institutions to facilitate this sector of housing market investment. This trend is illustrated in statistics taken from the pilot target area at Beeston and Holbeck:

5.4 **In April 2000 there were 490 empty properties within the target area representing a 9.36% void rate.** Of these

12% were owned by private landlords, 64.8 % were owned by absentee owners and 23.20% were owned by the social housing sector.

- 5.5 **In April 2006 there were 218 empty properties within the target area representing a 4.17% void rate.** Of these 63.76% were owned by private landlords, 21.56% empty properties owned by absentee owners and 14.68% were owned by the social housing sector.
- 5.6 These market changes are symptomatic within all the areas of low demand throughout the city and they have provided positive growth in the equity available to local owner-occupiers within these areas. The danger is that, with this new financial incentive, long term local resident owner-occupiers will sell up and move away from the neighbourhoods that still suffer from problems of anti-social behaviour, crime, unemployment and other indicators of multiple deprivation.
- 5.7 Furthermore, the properties that come onto the market within the areas of low demand throughout the city are increasingly purchased by either speculative buyers or private landlords and these micro housing markets have become out of kilter due to an ever expanding rented sector. If this situation is not addressed it could contribute to an ever more transient population with no vested interest in these communities / neighbourhoods. Therefore, these trends will need to be addressed if we are to sustain the regeneration of these affected areas and maintain balanced communities. One option that Leeds Authority is considering in order to achieve this objective is the opportunities that are within the 2004 Housing Act through the new selective licensing arrangements.
- 5.8 The ability to require that landlords are fit for purpose before they are allowed to be able to be a licence holder for a property within selected areas is a welcome addition to the local authorities powers to control the micro housing markets within their remit, if utilised effectively, it could have a significantly beneficial impact for all the residents, landlords and agencies within the areas in which it is introduced.
- 5.9 However, there are possible risks that should be considered. Leeds City Council is preparing a business case to put to the Secretary of State to introduce Selective Licensing within the Beeston Hill, Holbeck and Cross Green districts. The anticipated long term benefits of implementing selective licensing i.e. a more professionally managed and appropriate private rented sector that is sustainable and which links into the housing requirements for the city, may be adversely affected by the short term increase in empty properties that are generated by the landlords disposing of their investments prior to the licensing regime being introduced or, thereafter . There may also be reservations amongst financial institutions to lend money for investment purposes in such areas if viewed negatively. Having said this, the possible disadvantages of this 'short term pain' should be far outweighed by the 'long term gain', in that, the targeted areas for selective licensing should become more sustainable and balanced micro housing markets.
- 5.10 The long established student market within North West Leeds and the extensive city centre development projects are beginning to be areas of concern in that there is some evidence that the recent growth in these areas may prove not to be sustainable. There are several new purpose built developments of student accommodation being constructed within the city and this may create competition for the traditional student let accommodation areas. Moreover, an increasing proportion of the newly built and proposed high rise luxury accommodation within the city centre has been funded by financial institutions as part of their investment portfolios. Whilst these investors may still currently be able to realise the value of their investment due to the buoyant effect of the housing market and property value increases within Leeds, a significant number remain unoccupied or un-purchased and future potential occupiers of these properties is unclear. Furthermore, despite the fact that these investors are being charged 100% council tax on their property investments, this does not appear to be a significant deterrent. Properties in the city centre are then being purposely being left unoccupied and there are of course plans for substantial numbers of additional residential properties in the city centre.
- 5.11 The disproportionate number of empty properties within the city centre is graphically highlighted in the following chart which depicts a 'snap shot' of the number and distribution of voids on a ward by ward basis city-wide.



5.12 This situation will need to be the focus of further intensive investigation and study in order to ensure that we do not allow this to become an acute problem for the future and research is being undertaken by Leeds University on these developments.

5.13 However, should this situation continue to increase, as a consequence of the planned development within the city centre, the number of these additional empty 'investment' properties could impact on the CPA performance of the Authority due to the new KPI that has been introduced by Central Government. This KPI is a measurement of the number of long term empty properties within the private sector as a percentage against the total private sector housing stock. Should the proportion of long term empty properties be above a threshold based on the performance of other Local Authorities, this could prove to be detrimental to the Leeds CPA rating.

5.14 Moreover, a continuance of this trend could undermine all the good work that is being undertaken within the targeted areas of low demand and hinder Leeds City Council from achieving the corporate target of reducing the overall void rate to 3% of the total housing stock by 2010.

## 6.0 The Vision & Corporate Targets for the Strategy

- The Empty Property Strategy will assist the Council's agenda in bringing the benefits of our prosperous, vibrant and attractive city to all the people and districts of Leeds by addressing the problems of all long term empty homes where ever they are situated and where ever they blight the neighbourhood in which they exist.
- To reduce the void rate across all tenure / ownership to not more than 3% of the total housing stock by 2010.
- To ensure that no ward has a void rate of more than 2% above the city wide void rate by 2010.
- To ensure the percentage of private sector homes that are vacant for more than 6 months is no more than 2.69% of the total private sector housing stock. This figure will then be adjusted to reflect the index of multiple deprivation within Leeds. This target will need to be achieved at the 1<sup>st</sup> of April annually to ensure that Leeds maintains its current 4 star CPA rating.
- To annually return to occupation not less than a prescribed number of long term empty private sector properties as a consequence of the local authority's direct intervention utilising the BVPI64 criterion.

- To monitor and regularly report achievement against targets in the Empty Property Action Plan detailed in the attached appendix within the accompanying Empty Property Strategy documentation. Periodically, and at least annually review and update the Action Plan through the Empty Property Forum.

## **7.0 Recommendations**

- 7.1 That the Executive Board approves the accompanying revised Empty Property Strategy.

The Strategy can be found on the Intranet under Neighbourhoods and Housing Reference Documents



Originator: Marie Milner

Tel: 3954220 / 3954218

**Report of the Director of Neighbourhoods and Housing**

**Executive Board**

**Date: 15<sup>th</sup> November 2006**

**Subject: Local Employment and Training Initiatives Relating to ALMO Expenditure**

**Electoral Wards Affected:**

**Specific Implications For:**

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In  
(Details contained in the report)

**1.00 PURPOSE OF THE REPORT**

- 1.01 This paper has been prepared for Executive Board in response to concerns, expressed by Elected Members, which relate to the continuation of training and development within the building industry and job opportunities for the citizens of Leeds. This in part relates to the organisational changes within the Property Maintenance Services group of City Services following the establishment of the Arms Length Management Organisations (ALMO's).
- 1.02 The report aims to show that, while there has been a shift in how this commitment is being delivered, strategies developed by Neighbourhoods and Housing with and on behalf of the ALMO's are delivering an expanded range of opportunities.
- 1.03 This report details the work with the construction industry in Leeds with regard to Local Employment and Training initiatives since the launch of the Leeds Homes Construction Partnership (LHCP) in November 2005 to deliver decent homes. It also covers developments on Responsive Repairs and Maintenance contracts in ALMO's and outlines proposals for further development of initiatives with the appointed construction partners.

**2.00 BACKGROUND**

- 2.01 The LHCP brought together the ALMOs, Belle Isle Tenant Management Organisation (BITMO), Property Management Services (PMS) and a number of building construction organisations to work in partnership to deliver the Decent Homes Programme in Leeds by 2010.

- 2.02 Since the set up of the ALMO's in 2003 there has been significantly more spend available for construction works in the city: in the year 2005/6 approximately £100millions has been spent on capital projects compared to £23millions in 2003 (plus approximately £27millions in responsive maintenance).
- 2.03 As a result of a number of detailed procurement exercises there are approximately thirty contractors engaged on a framework basis to deliver works on behalf of the Leeds ALMO's. These are made up of main contractor partners for Decent Homes, responsive maintenance partners and a number of elemental contractors delivering, for example, windows, doors, roofing and rewiring. This report highlights training and employment opportunities offered by the contractor partners of the LHCP.
- 2.04 The management structure of LHCP consists of a main Partnership Board with key representatives being ALMO Chief Officers, Head of PMS and Strategic Landlord. There are also a number of sub groups looking at specific areas and one of these is responsible for developing initiatives with regard to Local Employment and Training.
- 2.05 The Local Employment and Training Sub Group consists of one representative from each ALMO/BITMO and PMS and is chaired by the Deputy Chief Executive of Leeds East Homes. The terms of reference of this group includes promoting joint working by Client, Contractor and Training Providers to increase the numbers of "local" residents employed in this employment sector.
- 2.05 Over the past few months the Local Employment and Training Sub Group, in liaison with the appointed framework contractors, have undertaken a Construction Skills Development Survey to establish respective contractor's current position, which then informs an overall positional statement on Employment and Training

### **3.0 LOCAL TRAINING AND EMPLOYMENT POSITION**

- 3.01 Property Maintenance Services have for many years run a Modern Craft Apprenticeship programme where trainees between the ages of 16-24 work towards achieving NVQ level 3 and a trade qualification.

The training covers a 3-4 year programme which involves attendance at College of Building or Technology, mentoring by a qualified operative and are deployed on the Council contracts held by the Division. All apprentices are offered permanent jobs subject to them gaining the necessary qualification and meeting the employment criteria. There have been thirty apprentices trained since the year 2000, at an average intake of 5 per year, covering the trades of plumbing, joinery, gas, mechanical and electrical.

For local training programmes Property Maintenance Services has provided a number of placements for trainees from the Construction Skills Centre based at Clarence Road which involves on the job training and opportunities for employment in joinery, bricklaying and plastering for approximately six people.

- 3.02 Table 1, below, contains details provided by our construction partners that demonstrates the number of Leeds based personnel employed on LHCP projects and how many of these are currently engaged in work placement, trainee or apprenticeship opportunities on LHCP projects.

3.03 Table 1 also identifies the training programmes currently being undertaken by ALMO Responsive Maintenance partners following transfer from Property Maintenance Services.

3.04 The predominant trades that are attracting career training opportunities as stated by the contractors are, Joinery, Electricians, Plumbing, Bricklaying, Plastering, Glazing and Roofing.

**Table 1**

Contractor	Type of Contractor	Number of Employees living in Leeds	Number of employees living in Leeds receiving training	Trainees taken on as a result of increased ALMO expenditure	Further Information
Baas	Main Capital Works Partner	11	2	1	1 Joiner
Bermar Building	Main Capital Works Partner	11	3	3	3 Joiners Joinery CITB Trade Apprenticeship Scheme – 3 years
Connaught	Main Capital Works Partner	116	9	3	1 Plasterer, 1 Joiner, 1 Electrician. Any plans for additional trainees will be subject to work continuity.
Keepmoat (FHM)	Main Capital Works Partner	187	20	5	1 Apprentice Joiner, 2 multi-skilled Apprentices, 2 multi-skilled trainees. NVQ 2 + 3 (3 year course) In addition FHM launched a competition for 20 work experience placements. From this 20, 5 students were selected and joined FHM as apprentices in September 2006. In October FHM will take 4 trainees from the next Leeds Youthbuild cohort.
Lovell	Main Capital Works Partner	29	8	8	NVQ 2 + 3 (3 year course) Subject to continuity of work with the ALMO's the scheme will continue.
Mears	Main Capital and Responsive Works Partner	24	5	5	Mears have taken on 5 apprentices from Leeds College of Building – 2 Joiners, 2 Female Plumbers, 1 Plasterer
Baldwin	Main Capital and Responsive Works Partner	281	25	23 Trade / Craft Apprentices	<b>LWH</b> – 7 Joiners, 4 Plumbers, 2 Plasterers <b>LSEH</b> – 6 Joiners, 3 Plumbers 1 Bricklayer
Kier	Responsive	173	168	2	Responsive

Contractor	Type of Contractor	Number of Employees living in Leeds	Number of employees living in Leeds receiving training	Trainees taken on as a result of increased ALMO expenditure	Further Information
Responsive Maintenance Contractor	Maintenance Partner		Existing employees also undertaking CITB training	Flagship Trainees now in permanent employment with Kier	Maintenance Partners for LSH and LNWH. They have put in place a 5 year education, training and employment plan. See Section 4
Leeds East Homes	Responsive Works Contractor	85	13	13	11 apprentices transferred from Property Maintenance Services, 1 Gas Plumber, 6 Joiners and 4 plumbers Of these 2 joiners and 1 gas plumber have since come out their time and been offered full time employment with LEH, a further 2 plumbers will come out of their time at the end of October 2006. LEH have employed a further 2 apprentices - 1 apprentice plasterer and 1 female painter and decorator
<b>TOTAL</b>		<b>917</b>	<b>253</b>	<b>63</b>	

3.05 In addition to the contractor placements above, Construction Skills Learning Centre (CSLC) have each year developed and maintained placements for a minimum of 150 trainees (young people and adults) on both CSLC sites and with various contractors and with Leeds East Homes. Normal take up on these schemes is in excess of 85%; Keepmoat is a positive example of a contractor delivering via this method.

3.06 It is clear from the volume of works being delivered through the 'Decency' programmes (approximately four times the capital programme which existed before the ALMOs were established), that increased personnel are required. Given the above information, the Council can be assured that contractors are developing strategies to ensure their continuing ability to deliver to their requirements. Their respective trainee programmes are key to these strategies.

#### 4.00 FUTURE INITIATIVES FROM ALMO PARTNERS

##### **Responsive Maintenance Partner - Kier**

4.01 Based on the success of their many ventures with Sheffield, Kier are currently working on a collaborative Education Training and Employment Programme for 15 number 14-16 year old young people in Leeds titled 'City Stewardship – Leeds' in conjunction with Leeds South Homes, Leeds North West Homes, Leeds City Council, Education (Leeds) and the Leeds College of Building.

4.02 The proposal is linked to the Junior Job Guarantee Programme, a work based learning programme that gives 14-16 year olds the opportunity to work towards



GCSEs at school whilst at the same time studying for a particular vocational option in a preferred occupational sector. Subject to performance, attendance and achievement of each beneficiary over the period, each would be offered employment and continued training with the host employer. Kier have agreed in collaboration with both ALMOs and the Leeds College of Building to deliver the programme in support of Leeds City Council and Education Leeds.

- 4.03 The outline proposal is that the pupils will have chosen to undertake construction as a vocational option at school, will study for a one day a week at Leeds College of Building for BTec Construction Qualification in joinery or bricklaying. Subsequently all 15 will undertake fifty days work experience working in both ALMOs through Kier after the October 2006 half term.
- 4.04 The toolkit for the 15 young people will be donated by Kier and all personal protective equipment will be provided by Hays Recruitment Agency who operates on behalf of Kier for the supply of agency labour. Kier have successfully run a similar programme in Sheffield involving some 40 supervisors and 150 young people.
- 4.05 The real commitment from both ALMOs and Kier will come around the summer of 2008 when each young person, dependent on fulfilling all aspects of the two year programme will be guaranteed an apprenticeship by Kier. Essentially both ALMOs will have 15 Leeds young people with a formal qualification in their chosen occupation of construction and by the age of 17 should be fully competent.

#### **Construction Skills Learning Centre**

- 4.06 Construction Skills Learning Centre (CSLC) is a Leeds City Council Jobs and Skills Service provision based close to the city centre. CSLC has been delivering a unique, quality training provision in a range of construction disciplines for unemployed people over the past 17 years. Provision is available to adults and young people from the age of 14.
- 4.07 Training offered includes Brickwork, Carpentry and Joinery, Plastering and Painting and Decorating with learners working towards and NVQ level 2 together with a portfolio of certificates and cards required by the construction industry. CSLC works closely with local employers to meet their workforce needs and a number of highly successful Job Guarantee initiatives have been undertaken in the areas of Heating and Ventilation with 94% of unemployed participants securing work, Community Caretakers 90%, and Scaffolding which is currently ongoing. CSLC has established strong working partnerships with over 70 employers developing a range of work experience placements many of which are successfully converted in job outcomes.
- 4.08 CSLC staff work in partnership with employers and other agencies to develop a varied and robust curriculum which is on offer to unemployed people across the city which includes Job Guarantee programmes. In partnership with the Federation of Master Builders additional funding has been secured to enable learners to take advantage of a wage subsidy which allows them to return to CSLC to complete a full NVQ 2 whilst working in the industry. The current Apprenticeship provision continues to flourish with the opportunity for additional places to enable 16-19 year old to achieve the full Apprenticeship framework much in demand by employers across the country. CSLC has, from September 2006 in partnership with a local school, commenced delivery of the BTEC First Diploma in Construction to Year 10 students.
- 4.09 CSLC has worked closely with Leeds East Homes (LEH) on a number of projects including Barncroft Towers in Seacroft. The Construction Projects team and learners from the local area were involved in a year long project erecting a boundary wall,

fixing security gates and fencing, raising garden areas, levelling paths to comply with DDA and resurfacing the car park. The project included a series of consultations with residents who expressed their satisfaction with the new pleasant and secure environment and appreciation of their involvement in its development. A similar project, ongoing since November 2005 is nearing completion at Shakespeare Towers in Burmantofts. LEH are collaborating with Leeds Construction Skills Centre (LSCS) to put together an all female repairs team. LSCS currently have female trainees in the early part of their training who they hope to have ready to transfer over to LEH in six months time.

## **6.00 CONCLUSION**

- 6.01 This report has shown that there has been an approximate four fold increase in the value of capital work since the commencement of the Leeds Decent Homes programme. The report also shows that there has been a twelve fold increase in the number of trainees (from five to 63) associated with this increase together with the responsive repair work undertaken through the ALMOs. The report highlights notable developments undertaken by Kiers and Leeds East Homes.
- 6.02 It is clear that some of our Contractors are further advanced in these areas than others, examples being Kier, Keepmoat, Lovell, Baldwin, and we will look to develop potential employment and training programmes and strategies with these organisations as lead contractors that can be shared across the Leeds Homes Construction Partnership.
- 6.04 The proposed outline programme between Kier, Leeds South Homes and Leeds North West Homes, linked to Education Leeds, as described in Section 4.00 of the report will be explored in more detail with Kier with the potential opportunity for expansion into works delivered under the Decent Homes Programme.
- 6.05 Ongoing work between Construction Skills Learning Centre and Leeds East Homes outlined in Section 4.00 will be expanded for the long term benefit of the Leeds Homes Construction Partnership.
- 6.06 Finally, development work with Construction Leeds and Youth Build will continue in earnest to move towards a closer and more proactive working relationship with a resulting longer term strategy for Local Training and Employment Initiatives not only for the Leeds Homes Construction Partnership but for all parts of Leeds City Council.

## **7.00 RECOMMENDATION**

- 7.01 Members are asked to note the report.



Originator: Ernie Gray  
Megan Godsell  
Tel: 76765/78276

**Report of the Director of Neighbourhoods and Housing**

**Executive Board**

**Date: 15<sup>th</sup> November 2006**

**Subject: A Plan for Delivering Affordable Housing in Leeds**

**Electoral Wards Affected:**

**Specific Implications For:**

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In  
(Details contained in the report)

**Executive Summary**

This Report sets out the background to the establishment of the Affordable Housing Task Force, and the subsequent production of the Affordable Housing Delivery Plan, 'Making the Housing Ladder Work'. The report also forms a response to the "Right to Rent" delegation to the Council in September.

The report sets out the housing market conditions in Leeds at the moment and the issues of affordability and the economic implications of not providing sufficient affordable housing.

The concept of a 'Housing Ladder' is explained and how there are rungs of the ladder, which are missing in certain areas. The consequences of not having the right mix of housing to meet different needs, requirements and aspirations are also considered.

It describes where existing policy and procedures can be improved and puts forwards a number of proposals in order to increase the supply of affordable housing.

Executive Board is requested to support the Affordable Housing Delivery Plan and note that further exploration is needed in relation to the setting up of new vehicles to deliver affordable housing solutions.

## **1.0 Purpose of the Report**

- 1.1 The purpose of the report is to describe the key components of the plan for the delivery of Affordable Housing in Leeds – “Making the Housing Ladder Work” that has been developed by the Corporate Affordable Housing Task Group. Copies of the plan are now available on the intranet.
- 1.2 The report recommends Executive Board to:
- Support the principles of the Plan
  - Authorise Officers to deliver the key actions
  - Request a report on an SPV, the primary objective of which would be to deliver more affordable housing in Leeds.

## **2.0 Background Information**

- 2.1 Leeds is a vibrant, successful and modern city with a thriving quality of life and it is set to grow further in the future. In order to ensure that Leeds can develop and grow, it is essential that there is a range of good quality housing that can meet the needs, requirements and aspirations of its citizens.
- 2.2 The Council has responded to the government’s agenda to create balanced mixed sustainable communities by the development of the large scale regeneration schemes such as the PFI scheme at Swarcliffe and the proposed schemes at Holbeck Moor and Little London, together with the EASEL initiative. However members have become concerned that over recent years increasing numbers of citizens can no longer afford to buy housing or get access to social housing.
- 2.3 In response to these concerns a corporate ‘Affordable Housing Task Force’ was established in July 06, chaired by the Chief Housing Services Officer from the Department of Neighbourhoods and Housing. This group has been looking at increasing the provision of affordable housing across the City.

### **The key issues the Task Force has focused upon are:**

- How the lack of affordable housing may compromise the economic strength of Leeds
- The increasing difficulties for first time buyers
- The mismatch of the demand for social housing and its supply.
- How vulnerable groups, like the elderly and disabled are experiencing problems in getting the housing they need in the areas they want to live
- How poor quality housing in areas with high levels of deprivation can impede proposed regeneration initiatives
- How a range of high quality housing can be developed across the city for all the people of Leeds as well as the incoming population.

2.4 In September 2006 a deputation from Leeds Tenants Federation, 'Right to Rent Campaign' was heard by full Council. The campaign is calling for increased social rented housing. The Affordable Housing Delivery Plan in part responds to this campaign but seeks to cover the full range of affordable housing that can be provided in Leeds and the mechanisms to improve access to existing housing. The Plan stresses the importance of ensuring that there is sufficient affordable housing to meet current and future needs across the city.

2.5 The plan sets out the priorities and actions that will need to take place in the short, medium and long term, to increase the provision of affordable housing across the City.

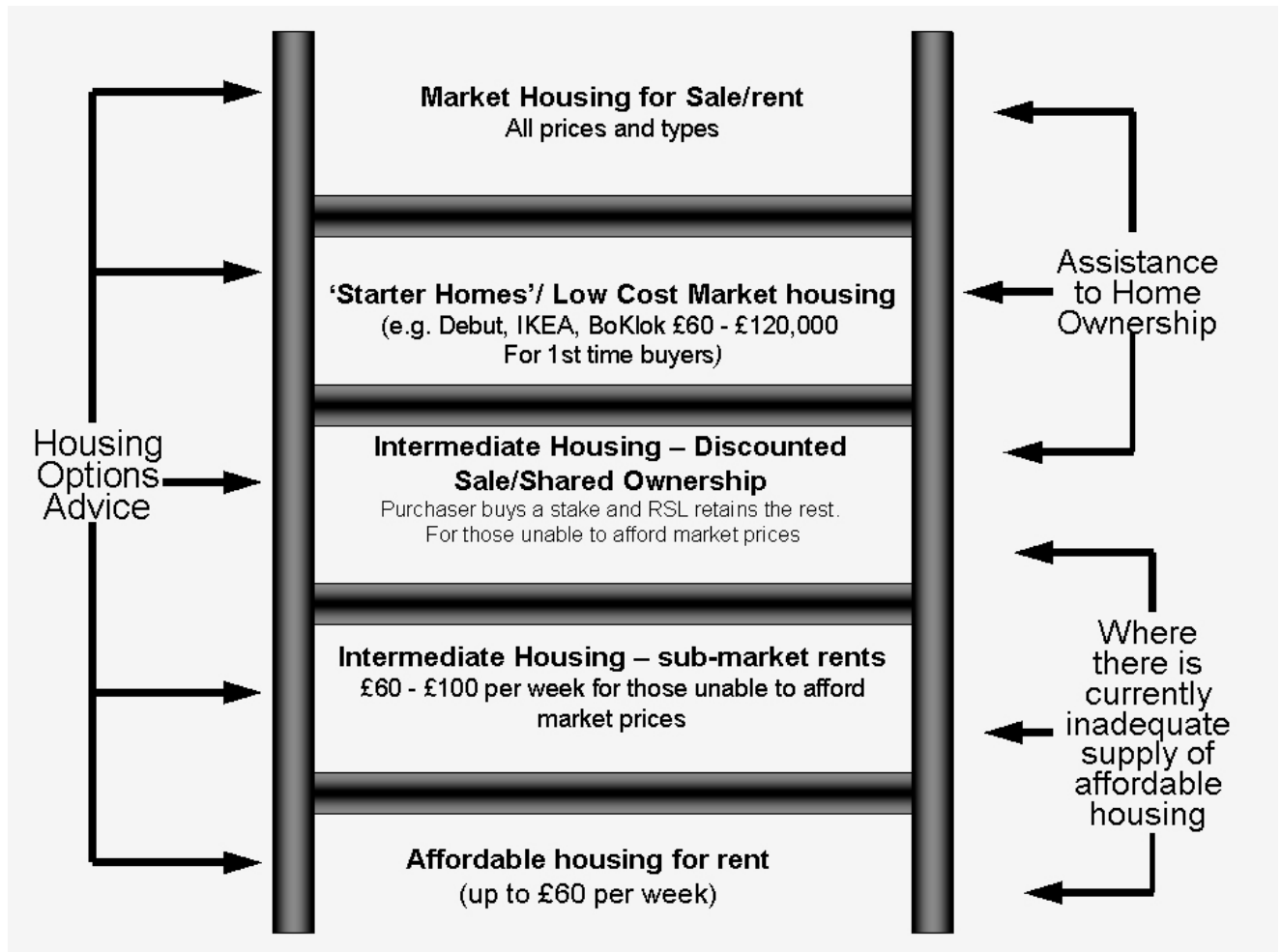
### **3.0 Affordable Housing Plan 'Creating a Housing Ladder'**

3.1 In the past affordable housing tended to be seen as being social housing for rent provided either by local authorities or Registered Social Landlords. In view of the escalation of property prices over the last five years, however, the question of the affordability of home ownership has become ever more pressing. As part of the Affordable Housing Plan, the concept of the "local housing ladder" has been developed. This seeks to establish a range of housing for sale, shared ownership and rent.

3.2 Putting an effective 'local housing ladder' in place will need a mix of 'supply side' measures to increase the supply of affordable housing and 'demand side' measures to improve access to existing housing in the market. In the Affordable Housing Delivery Plan, the 'rungs' of the ladder are explored and explained in more detail.

3.3 The Chief Housing Services Officer is presenting the aims and objectives of the Plan to key Members, Department Heads, and Partner organisations over the next 3 months. This will ensure that all those involved directly and indirectly in the provision of affordable housing will have a better understanding of the issues, and the steps being taken by the Council to increase the supply of affordable housing.

## The Local Housing Ladder



### 3.4 Why there is a Need for Additional Affordable Housing

The Plan explains how the Leeds Housing Market has not been working effectively enough to provide the range of housing which is needed. The social and personal consequences of a lack of supply are well known, manifesting themselves in extended council waiting lists, homelessness and over crowding. There is also a real threat that a lack of suitable housing as described by the “housing ladder” will hold back economic growth within the city

Economic growth will generate substantial job growth for key workers and those in low paid, short term and part time jobs, in the service, retail, leisure and catering industries. It is essential that suitable housing is available, other wise it may be difficult for employers to fill vacancies, thus restricting economic growth.

#### Other issues which the plan covers include:

- Home ownership has become increasingly unaffordable. At the moment only 4 out of 102 postcodes in Leeds have house prices affordable to those on below average incomes. The city average income for a single person is £22,000 per annum based upon 2005 figures. A single income of £18,571 or dual income of £22,414 is needed to afford the cheapest back to back of £65,000. The city wide

average for house prices according to the latest HM Land Registry information is £159,000.

- Reduction in social housing stock and lettings. There are almost 27,000 fewer social rented homes now compared to 1980. A further reduction of up to 10,000 is predicted by 2016 which will reduce the council housing stock to below 50,000.
- There is also the issue of neighbourhoods across Leeds where there is no access to housing for those on low to average incomes. Providing appropriate housing can help maintain neighbourhoods and ensure the viability of schools, shops, post offices etc and so protect the sustainability of the area.
- Regeneration issues, such as creating mixed tenure housing, promoting low cost home ownership and shared equity in areas of deprivation can help diversify demographic profiles, and enable the housing ladder to operate effectively and ensure more affluent households remain in the area.
- Statutory duties and obligations are also explored in more detail in the Plan and the consequences for not meeting these requirements are explained.

#### **4.0 Increasing Affordable Housing through Existing Routes**

4.1 There is a need to further develop existing approaches and programmes to enhance affordable housing provision and improve access for those unable currently to access housing through the open market. There is recognition that in a lot of areas across Leeds the preferred route to home ownership is through shared ownership arrangements. The following mechanisms are in operation at the moment but in order to increase provision needs to be improved and accelerated.

- **Land release (Less than best)**

Disposal of Council owned land at 'less than best' consideration is a tool open to the Council in conjunction with its partners to support the development of affordable housing. Schemes of this nature would, in the main relate to funding by the Housing Corporation through their Approved Development Programme (ADP).

The Housing Corporation has been charged by central government to increase affordable housing supply across the country. One of the mechanisms that the Housing Corporation is now using is to place a ceiling of £5,000 per plot on land values for the provision of affordable housing. This will increase the supply of affordable housing, but will be on the basis that the land owners will take a significant reduction in the value of the land.

This mechanism places difficulties on the Authority, which resulted in a below average allocation to the city for the ADP 2006/08 programme.

To attract future ADP resources, together with any other public funding for affordable housing, a more strategic commitment to making sufficient land available at less than best consideration for affordable housing is required.

This could deliver a higher overall level of grant funding from the Housing Corporation and lever in significant private sector investment to the City to improve the supply of affordable housing and also support the traditional housing market.

- **A more sophisticated ‘evidence based’ approach to delivery**

A robust and continuous housing market assessment and local housing market tracking, will form the basis for geographical focus on “hot spots” in terms of need for market restructuring or where affordability pressures are greatest.

- **Full integration of Housing and Planning in Delivering Affordable Housing**

The use of the Council’s planning powers to require a certain proportion of new developments to be affordable housing, has gradually developed as way of increasing new affordable housing across the City. Close and effective working relationships between the Neighbourhoods and Housing and Development Departments of the Council are key to increasing the supply of new affordable housing. More effective joint working between the two departments will deliver speedier responses to planning applications, streamline the project management of affordable housing schemes and improve targets for affordable housing completions.

- **Proactive approach to Council owned miscellaneous properties**

These are council owned properties which have been leased to Registered Social Landlords and supported housing agents. A number of these properties have been returned to the Council, and do not form part of the ALMO Decency portfolio. A starter home initiative is being piloted on the current void properties, and will be reported to Executive Board.

## **5.0 How Can Affordable Housing Supply Be Further Increased**

5.1 The following represent short-term priorities for action that should be considered to enable progress to be made, to enable significant change in the provision of new affordable housing:

- **Consideration of a ‘Special Purpose Vehicle’ (SPV)**

Modelling of a range of different SPV needs to be explored. This would involve less than best consideration being agreed for cleared Housing Revenue Account land, previously used as council housing, up to an agreed value sufficient to maximise Housing Corporation Grant Funding and private investment within the city, over initially a five-year period. The Housing Corporation has stated that schemes are only supported where land costs do not exceed £5k per unit.

A comprehensive and planned approach needs to be developed towards land use to lever in investment for affordable housing development. A city-wide SPV Land agency should be established to hold HRA land to an agreed value, created from clearance of council housing or regeneration schemes, to maximise the ADP and private investment in affordable housing for the city.

While the Council would need to satisfy itself that the other alternatives for the sites were less attractive, (i.e. an open market scheme or commercial use) there would be a predisposition to treat the land for affordable housing.

A pilot exercise is being undertaken to map out HRA land designated redevelopment. To date land in the region of 5.56 hectares has been identified. Over the last two years in Leeds 95 dwellings per hectare is the average number of units built on new developments, however a majority of these have been flats. For new family accommodation, per hectare, the new build rate is in the region of 50 units per hectare. The average grant per unit received from the Housing Corporation is £33,066; added to private finance per unit of £106,309, would give levered investment of £139,375 per unit.



Therefore, should the 5 hectares of land be offered for affordable housing, this would fund approximately 250 new units; the grant funding levered in would be in the region of £8.3 million and the total grant plus private finance levered in would be in the region of £34.8 million, compared to the estimated value of the land of approximately £6.4 million.

Corporate Asset Management Working Group in September 2006 considered a report outlining the proposal to develop a Special Purpose Vehicle. It was agreed in principle that developmental work commence in order to produce a report to Executive Board in early 2007.

- **Proactive Marketing and Monitoring of low cost home ownership schemes**

There needs to be increased involvement in the marketing of low cost home ownership options. This will involve establishing a database of interested persons and closer liaison with RSLs to ascertain when the schemes are ready to sell. Close monitoring will also be required as accurate clear and timely data is required in respect of delivery, type and the location of units of schemes under construction and completed.

- **Identify the missing 'Rungs' from the Ladder**

There is a pressing need to identify which forms of tenure are absent across Leeds to help fill the missing 'rungs' from the 'housing ladder'. This will assist in the provision of appropriate housing in those areas.

- **Section 106 Agreements**

More flexibility and closer monitoring of S106 agreements for affordable housing is required. A policy is being discussed in relation to the collection of commuted sums in city centre areas on developments over 166 dwellings in order to provide affordable family housing elsewhere in the city.

- **Private Developers/Financial Institutions**

It is proposed to establish closer links with private developers who specialise in starter home products and make contact with financial institutions to research financial products to support access to home ownership.

- **ALMOs and Social Housing Grant**

ALMOs are able to take part in the Housing Corporation's National Affordable Housing Programme, either bidding for social grant themselves or in partnership with others. ALMOs that do this are expected to demonstrate their capacity to manage the risks related with acquiring new stock and demonstrate that they can continue to deliver the core business. ALMOs need a three star rating to bid direct and a two star rating to bid in partnership.

- **Long Term Future of ALMOs**

As round 1 and round 2 ALMOs near the completion of their decency programmes, the government together with ALMOs and Local Authorities is looking at the longer term future for ALMOs. One consideration is over the future funding of ALMOs. It is being considered whether or not ALMO funding could be outside the Public Sector

Borrowing Requirement (PSBR). If this was achieved then ALMOs would be able to borrow money on the open market with a view to funding the development of additional affordable housing. The results of this review will be published in a white paper in early next year. The reorganisation of the ALMOs into larger units places them in a better position to take advantage of these potential freedoms.

## **6.0 Implications for Council Policy and Governance**

- 6.1 The Affordable Housing Delivery Plan is complementary to the Vision for Leeds, the Corporate Plan, Leeds Housing Strategy, the City Wide Regeneration Plan and the Corporate Asset Management Strategy.
- 6.2 The Affordable Housing Task Group is a corporate group and includes representatives from Neighbourhoods and Housing and Development Department, led by the Chief Housing Services Officer. The officers and partnership representatives of the Group are fully supportive of developments and proposals. However it is recognised by the Group that a programme of consultation needs to be carried out to include, key Councillor Members and Partner organisations including the Housing Corporation and Government Office. A detailed programme of consultation is being undertaken by the Group.

## **7.0 Legal and Resource Implications**

- 7.1 The legal and resource implications of increasing affordable housing by improving current procedures and introducing new vehicles e.g. the SPV will require further analysis and will be reported at a future Executive Board meeting

## **8.0 Conclusion**

- 8.1 The Affordable Housing Delivery Plan outlines how the housing 'ladder' is not working properly across many areas of Leeds and describes the extent of the problems facing those unable to buy or rent on the open market.
- 8.2 The Plan outlines and provides a strategic framework for improved access to existing housing and provision of new affordable housing for those unable to afford to buy or rent on the open market. It sets out the approach that will be taken in Leeds, based upon enabling access to a range of housing by operating 'local housing ladders'.
- 8.3 The Plan also features a range of actions that are needed over the coming years to enable an adequate provision of access to affordable housing to take place. It also identifies the key priorities for the short term.

## **9.0 Recommendations**

That Executive Board:

- Note the contents of the report
- Support the principles of the Plan for Delivering Affordable Housing in Leeds and the key actions required for delivery
- Note that a proposal to develop a 'Special Purpose Vehicle' in respect of cleared Council land is being developed as one of the key mechanisms to deliver affordable housing solutions on the scale required
- Agree that progress on delivering the 'Affordable Housing Delivery Plan', be reported back to Executive Board in early 2007



Originator: Christine Addison  
Tel: 0113 305 7498

**Not for Publication: Appendix 1 Exempt/Confidential - Access to Information  
Procedure Rules 10.4 (3)**

## Report of the Director of Neighbourhoods and Housing

### Executive Board

Date: 15<sup>th</sup> November 2006

Subject: Little London Housing Private Finance Initiative – Outline Business Case  
update

**Electoral Wards Affected:**  
Hyde Park and Woodhouse

**Specific Implications For:**

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In  
(Details contained in the report)

## 1.0 Executive Summary

- 1.1 Executive Board received and approved a report on 15<sup>th</sup> May 2006 which included proposals for a Regeneration Plan for Little London, the Outline Business Case (OBC) for the project including the scope of the scheme and the financial implications for the Council.
- 1.2 The Board also gave approval to the disposal of a number of identified development sites, and of Lovell Park Grange, Heights and Towers and the application of the capital receipts from such disposals to the project, subject to acceptable terms being agreed. The report noted that a communication strategy would be jointly developed with tenants and residents and that this strategy should include the appointment of an Independent Tenant Advisor.
- 1.3 The background to the project, the option appraisal process, consultation arrangements and the proposed scope were set out in detail in the report previously presented to members. The conclusion was that the Comprehensive Regeneration primarily delivered through a PFI scheme along with service improvement via neighbourhood management offered the best option.

- 1.4 The OBC was submitted to the Department for Communities and Local Government (DCLG) for consideration in June 2006. Since then ongoing dialogue between the Council and officers at the DCLG has resulted in further development of the OBC to address a series of queries on the Council's proposals. Yvette Cooper, local Government Minister has now approved the PFI credits. As with all PFI projects, the Treasury will scrutinise the business case before a final decision is made to proceed.
- 1.5 When Executive Board approved the submission of the OBC in May 2006, it was provided with key financial data and a summary affordability position of the project, which demonstrated that it provided value for money. The Board approved the financial contributions that would be required to meet the affordability requirements at that time. As a result of delays to the original programme, it is necessary to provide Board with an updated position and to seek approval to the revised affordability position set out in Appendix 1 paragraph 1.
- 1.6 The DCLG has also requested the Council to provide further information about the impact on the affordability of the project of a number of scenarios and to seek the specific approval of Executive Board to the principle of managing the affordability of the project if any of these circumstances arise. The details of these scenarios and their implications are dealt with at Appendix 1 paragraph 2 of this report.

## **2.0 Purpose Of This Report**

- 2.1 To provide an update on the progress made in seeking approval to the OBC for the Little London project and the likely timetable for its completion.
- 2.2 To seek Executive Board approval to an updated affordability position on the project as set out in Appendix 1 paragraph 1.
- 2.3 To seek Executive Board approval to the implications of a number of scenarios which might impact on the affordability of the project and the way in which these might be managed as outlined at Appendix 1 paragraph 2.
- 2.4 The appendix is exempt as it contains information on the Council's approach to commercial issues, where the benefit of keeping the information confidential is considered greater than that of allowing public access to the information.

## **3.0 Development of the Outline Business Case and approval process**

- 3.1 The Council submitted its OBC for the Little London project in June 2006. Since then, an ongoing dialogue between the Council and the DCLG has resolved a range of queries and clarifications including:-
- clarifying the level of stock condition information and impact on risk
  - affordability and sensitivity analysis
  - housing demand
  - level of market interest in the project
  - final tweaking of the financial model
- 3.2 The final amendments to the OBC process have been monitored by the Housing PFI Project Board and PPP/PFI Coordination Board.

- 3.3 The OBC has now been approved by Ministers and has been passed to the Treasury for scrutiny. It was originally anticipated that this would take place in late September, but instead this will take place in November.
- 3.4 The programme for the procurement of the PFI scheme has been updated since it was last reported to Members. It is not directly comparative to the original programme, due to the change in EU procurement rules requiring PFI projects to be developed under the Competitive Dialogue procedure. The updated programme submitted to DCLG is as follows:-

<b>Milestone</b>	<b>Date</b>	<b>Updated position</b>
OBC approval	Sept 2006	Nov 2006
Issue OJEU notice	Oct 06	Dec 2006
Deadline for receipt of completed PQQs	Dec 06	Feb 2007
Shortlist bidders	Jan 07	Mar 2007
Invitation to commence dialogue (replaces ITN stage)	Jun 07	Sept 2007
Competitive dialogue ends (now includes Call for Final tenders)	Sept 07	March 2008
Select preferred bidder	Apr 08	June 2008
Negotiation to contract close	Oct 08	Dec 2008
Service commencement	Dec 08/Jan 09	Jan/Feb 2009

- 3.5 The original programme assumed that the contract would be signed during the third quarter of 2008. It is now prudent to assume that this will not happen until the first quarter of 2009. The impact of such a delay is set out at Appendix 1 paragraph 1 for information.
- 3.6 DCLG is aware that Members' support for the affordability of the project has previously been given and that approval to the updated affordability position set out in Appendix 1 paragraph 1 will also be sought. As part of its normal assessment of PFI projects, DCLG requests that a range of scenarios and sensitivity analyses are undertaken to test the impact on affordability of the project.
- 3.7 DCLG has requested that Members be made aware of the potential impact of changes to assumptions in the Council's affordability model and gives its approval to the principle of managing the affordability of the project if any of these circumstances arise. The scenarios are set out at Appendix 1 paragraph 2 for information.
- 3.8 Sine the OBC was submitted, A Lovell Park Towers resident has issued a claim in the Administrative Court seeking to judicially review the decision of the Executive Board of Leeds City Council to proceed with the PFI option for the Little London Estate. The claim relates to the consultation process which preceded the Executive Board's decision and took place during February 2006. The challenge is limited to two narrow points (1) whether the consultation exercise was carried out after a decision had already been made by the Local Authority to adopt the comprehensive regeneration option, (2) whether her legitimate expectation as to the manner of consultation was breached. The Council has filed an acknowledgment of service and summary of grounds for defending the claim. The senior barrister employed on this case for the Council has indicated that the Council's defence is robust.

#### **4.0 Conclusion**

- 4.1 Given the delay in Treasury approval, the new EU requirements on competitive dialogue, and final tweaking of the financial model, some additional costs are already known and identified at Appendix 1 paragraph 1. However, within the range of sensitivities identified in Appendix 1 paragraph 2, further costs could potentially arise before the project is closed.
- 4.2 Whilst the Council can not enter into an open-ended commitment to support the affordability of this project, commitment could be given to agree up to the level identified in Appendix 1 which will be sought in the first instance from the HRA. Should any further affordability gap arise through procurement, the Council could give a commitment to meet this through other resources or through reviewing the project scope.

## **5.0 Recommendations**

5.1 Executive Board is requested to:-

- a) note the progress made in seeking approval for the Little London OBC and the current timetable for completion;
- b) approve the updated affordability position for the project as set out in Appendix 1 paragraph 1;
- c) note the financial implications of a number of scenarios which might impact on the affordability of the project and to confirm their support for the way in which these might be managed as set out in Appendix 1 paragraph 2;
- d) reconfirm its full commitment to the Little London PFI project.

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Originator: Elinor Galapitige  
Tel: 247 4256

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**Report of the Chief Officer (Executive Support)**

**Executive Board**

**Date: 15 November 2006**

**Subject: Lord Mayor's Earthquake Appeal**

<p><b>Electoral wards affected:</b> None</p>
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<p><b>Specific implications for:</b></p> <p>Equality and Diversity <input type="checkbox"/></p> <p>Community Cohesion <input type="checkbox"/></p> <p>Narrowing the gap <input type="checkbox"/></p>
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Eligible for call In

Not eligible for call in  
(details contained in the report)

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**Executive Summary**

1. Following the earthquake which devastated areas of north Asia, in particular Kashmir, in October 2005, it was proposed that the council respond to the disaster by pledging to donate up to £50,000 to support a suitable project in the region affected. An Elected Member Advisory Group was tasked to recommend such a project and this report summarises progress to date and provides details of the proposed project – the rebuilding of a hospital in Muzaffarabad.

## 1.0 Purpose of this report

- 1.1 To seek Executive Board approval for the recommendations contained within this report, namely that the council support the re-building of a hospital in Muzaffarabad.

## 2.0 Background information

- 2.1 In the aftermath of the earthquake in Asia, the council acted swiftly to launch a Lord Mayor's appeal in order to raise funds for the victims. £6,128.94 was raised following fundraising activities by council staff and it was agreed in consultation with Leading Members that the council would look to make the total up to £50,000 by utilising funds from the capital programme, subject to approval by Members of Executive Board once when a suitable project had been identified.
- 2.2 Letters were sent to over 140 community organisations across the city, seeking proposals for projects to support the reconstruction activity. In total, 9 expressions of interest and 6 project proposals were received as follows:

Organisation	Project
Islamic Relief	Reconstruction and equipping of a Middle School in Azad Jammu Kashmir
Islamic Relief	Reconstruction and equipping of a school in the region affected (more general)
United Kingdom Islamic Mission / Al Hassan Education Centre / Iqra Centre	To build and equip a hospital in Muzaffarabad
Med-Aid (Medicine, Equipment, Doctors – Ahead In Development)	Project Haven – to build a centre to house primarily physically disadvantaged children for rehabilitation
Kashmir International Relief Fund	'Rebuilding Kashmir' programme - project to rebuild a village of approx 50 homes with mosque, school, clinic etc.
Oxfam	Various education-based projects in Shangala District of North West Frontier Province

- 2.3 Following the receipt of these proposals, an all-party Elected Member Advisory Group was established to review the projects against a set of agreed criteria and to ultimately make a proposal regarding which project to support. The membership of this group consisted of:

Cllr Procter (Chair)	Conservative
Cllr Akhtar	Liberal Democrat
Cllr Hussain	Liberal Democrat
Cllr Iqbal	Labour
Cllr Rafique	Labour
Cllr Blackburn	Green
Cllr Grayshon	Morley Independent

Officer membership comprised of:

James Rogers	Chief Officer (Executive Support)
Adrian Strain	Head of International Relations
Elinor Galapitage	Performance Support Services Manager

The agreed criteria adopted by the group were that the selected project must:

- 1) Be in the area affected by the earthquake
- 2) Be sustainable and provide a long-term response
- 3) Include construction of a building / asset
- 4) Be in partnership with a reputable organisation
- 5) Operate transparent and effective monitoring arrangements
- 6) Operate in a fair and equitable manner to allow access to all.

2.4 In addition, officers contacted relevant organisations such as the Pakistan High Commission and the organisation established in Pakistan by the government to oversee and coordinate the reconstruction work – the Earthquake Reconstruction and Rehabilitation Authority (ERRA). Advice and information from these organisations indicated that any assistance would be helpful and there was no particular view regarding the type or location of the project.

### **3 Main issues**

3.1 The Elected Member Advisory Group met on several occasions and received presentations from the four shortlisted organisations which best met the criteria. These were Islamic Relief, Med-Aid, Kashmir International Relief Fund and representatives from the United Kingdom Islamic Mission, Al Hassan Education Centre and the Iqra Centre.

3.2 After detailed consideration, the Advisory Group propose that the council support the project to build and equip a hospital in the centre of Muzaffarabad. All projects were worthwhile and it was a difficult task to choose between them. However, this project was recommended by the Advisory Group for the following key reasons:

1) The project is supported by an internationally recognised and reputable charity – the United Kingdom Islamic Mission.

2) The project is also supported by reputable local organisations – the Al Hassan Education Centre and the Iqra Centre.

3) It has been agreed that the key link will be with the Al Hassan Education Centre, a registered charity, which will provide regular progress reports and evidence of work on site in order to draw down the funding.

4) Additional funding has also been collected by the partner organisations to a total of approximately £400,000 which will ensure that the project will be completed and the ongoing costs will be met by the Pakistan government.

3.3 Therefore, it was felt that this project best met the criteria in terms of being sustainable and providing a long-term solution to the needs of people living in the affected area.

3.4 Since this conclusion was reached, officers have met with representatives from the Al Hassan Education Centre to draw up a draft grant agreement.

### **4 Legal and resource implications**

4.1 Earlier considerations of this matter have identified that up to £50,000 would be provided by the council to support the agreed project. A total of £6,128.94 has been

raised following fundraising activities by council staff and, therefore, the level of resource required is £43,871.06.

- 4.2 The grant will be funded from the contingency scheme within the capital programme. Under the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, expenditure falls to be treated as capital expenditure if it is incurred on works to any land or building in which the Council does not have an interest provided that it would rank as capital expenditure if the Council had an interest in it.
- 4.3 Section 2 of the Local Government Act 2000 allows the Council to do anything (including giving financial assistance to any person) that it considers is likely to achieve the promotion of the economic, social or environmental well-being of Leeds, or of any persons resident or present in Leeds. In addition, provided that it will achieve one of those objectives, the Council also has the power to do anything in relation to or for the benefit of any person or area outside Leeds.
- 4.4 In relation to social well-being, and in particular social identity, the Local Government Act 2000 was intended to define the Council as a community leader, and it would seem to be responsible community leadership for the Council to make a donation for relief in respect of the earthquake, particularly given the feelings of sympathy and a desire to help which have been expressed by people living and working in Leeds.
- 4.5 Section 137 of the Local Government Act 1972 allows the Council to incur expenditure on contributions to a fund that has been raised in connection with an event directly affecting persons resident in the United Kingdom on behalf of whom a public appeal for contributions has been made by the chairman of a principal council.
- 4.6 Section 1 of the Local Government (Overseas Assistance) Act 1993 allows the Council to provide advice and assistance to a body which is engaged outside the United Kingdom in activities that are the equivalent or are comparable to the activities of local authorities in the United Kingdom. Whilst the Act does not allow the Council to make grants or loans, guidance issued by the Department of the Environment makes it clear that the Council is allowed to act as a channel for conveying funds collected for charitable purposes to a body overseas.
- 4.7 The Al Hassan Education Centre is a UK based registered charity which has the objects of the relief of poverty and of people who are aged, ill or disabled, the advancement of education, the advancement of religion, and other purposes beneficial to the community. Following the earthquake, the Centre has agreed to work with two Pakistan based charities (Al-Khidmat and Pakistan Islamic Medical Association) and assist them in building and equipping a hospital in Muzaffarabad to replace a hospital which was destroyed in the earthquake.
- 4.8 In so far as making the proposed grant to the Al Hassan Education Centre does not fall within the Council's powers under section 2 of the Local Government Act 2000, Legal and Democratic Services have advised that it falls within the Council's powers under section 137 of the Local Government Act 1972 and section 1 of the Local Government (Overseas Assistance) Act 1993.

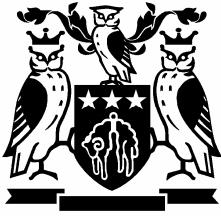
## **5 Recommendations**

- 5.1 a) That Executive Board endorse the proposal of the Elected Member Advisory Group to support the project to build and equip a hospital in Muzaffarabad and in so doing
- b) approve funding toward this capital scheme of £43,871.06 and give authority to spend the full £50,000 of grant payments from the capital programme, to be funded

from fund raising (£6,128.94) and an allocation of Leeds capital resources (£43,871.06);

- c) authorise the Chief Officer (Executive Support) to agree the terms of and complete the grant agreement and the payment of funds.

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**Report of the Director of Corporate Services**

**Report to the Executive Board**

**Date: 15<sup>th</sup> November 2006**

**Subject: Capital Programme – 2006/07 mid year financial update**

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**Electoral Wards Affected:**

**Specific Implications For:**

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In

(Details contained in the report)

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**EXECUTIVE SUMMARY**

The report seeks to inform Members of the latest financial position in respect of the 2006/07 Capital Programme. The report highlights the major capital expenditure and funding changes that have arisen since the Capital Programme was approved at Council in February 2006. A small number of scheme specific approvals are also sought. The report also explains the specific action that is being taken at individual scheme level to ensure that the overall level of Capital Programme expenditure can be managed within the projected level of available resources.

**1.0 Purpose Of This Report**

1.1 To provide Members with summary financial details of the 2006/07 month 6 Capital Programme position. The report seeks a small number of scheme specific approvals which have arisen since the 2005/06 – 2008/09 Capital Programme was approved in February 2006. The report also details the action that is being taken in respect of individual capital schemes to ensure that the overall level of Capital Programme expenditure can be managed within the tolerances assumed for what is an ever changing resource position.

**2.0 Background Information**

2.1 The Capital Programme 2005/06 – 2008/09, approved by Council in February 2006, projected expenditure of £378.3m in 2006/07 with a supplementary programme of £38.6m dependent on government approval of additional Housing Revenue

Account (HRA) 2 star decency funding. General fund overprogramming of £23.7m was assumed, which based on previous years was considered to be manageable.

- 2.2 This report sets out an updated Capital Programme position for both the general fund and for the HRA (including ALMOs). In preparing this updated position, the incidence of expenditure on existing schemes has been reviewed and updated and any changes to resources available have been reflected.

### **3.0 General Fund Capital Programme**

- 3.1 The Capital Programme 2005/06 – 2008/09 approved by Council in February 2006, projected 2006/07 expenditure for the general fund of £236.8m. Since February 2006 there have been a number of Capital Programme injections some of which have been funded by external and other resources. A schedule of these schemes (showing those above £100k) is included at Appendix A.
- 3.2 It is anticipated that some of the resources assumed to be available to fund the programme in 2006/07 will not be achieved. In respect of capital receipts, an additional £10m target was set for 2006/07. The latest capital receipts projections indicate that this will not be achieved and that the mainline projection of 2006/07 receipts has also fallen. Projected resources for 2006/07 also assumed that £5m from S106 contributions could be used to fund the overall capital programme. Some work has commenced in looking at this potential but indications are that this sum will not be secured for the programme in 2006/07.
- 3.3 In order to compensate for the loss of this funding, additional unsupported borrowing of £15m has been assumed. After making these adjustments the overprogramming for 2006/07 stood at £28.1m which for this stage of the year is considered to be too high. Given this increase in overprogramming since February 2006, further work has been undertaken to analyse the funding sources of contractually committed and uncommitted schemes in the programme. This analysis shows that a large proportion of the council's own resources (supported borrowing and capital receipts) are already required on contractually committed schemes. In order that further schemes can progress during the year a further £10m of unsupported borrowing has been assumed within the resources statement.
- 3.4 The financing costs of this additional £25m of unsupported borrowing will have an impact on the revenue budget in 2006/07 and future years. Treasury management activity throughout the year has resulted in revenue savings to the council and these are reported elsewhere on this agenda. These additional costs of borrowing will be offset against these revenue savings.
- 3.5 After making these funding adjustments, estimated expenditure for 2006/07 now totals £227.1m whilst resources are projected at £209.0m. The resulting overprogramming of £18.1m is lower than at the February 2006 programme but at this point in the year will need careful management to ensure that the programme is affordable. It should be noted however, that estimated spend of £227.1m for the year when compared to actual spend of £175m on general fund services in 2005/06 may appear optimistic.
- 3.6 In order to ensure that the overall programme is affordable, tight control is being exercised on the awarding of contracts for schemes which require the council's own (flexible) resources as funding. Alongside this Directors have been asked to review their programmes to:



- 1) re-profile expenditure on any committed schemes which use flexible resources, where project delays are slowing the spending on these schemes;
- 2) review all uncommitted schemes which make a call on flexible resources and re-profile expenditure on schemes where it is not deemed essential they commence in 2006/07.

3.7 The Director of Corporate Services (DCS) is monitoring all uncommitted capital schemes at contract award stage to ensure that expenditure is essential prior to the council awarding the contract.

3.8 The DCS will continue to use these mechanisms through to February 2007 (when Members will receive the draft 2007/08 – 2009/10 Capital Programme for consideration and approval) to ensure that, despite the difficult funding position, the Capital Programme is delivered within the available resources whilst minimising the service related impact of any delay in delivering schemes.

#### **4.0 Housing Revenue Account Programme**

4.1 The Capital Programme approved in February 2006, projected a balanced programme for the HRA in 2006/07 with estimated 2006/07 expenditure and resources of £141.5m. A supplementary programme of £38.5m was also included. Subsequent to the approval of the February 2006 Capital Programme the council received notification from the Office of the Deputy Prime Minister (now the Department for Communities and Local Government) of approval of £18.680m additional 2 star decency funding for 2005/06 and 2006/07 enabling this element of the supplementary programme to proceed.

4.2 The latest position for the HRA shows projected 2006/07 expenditure of £171.8m with corresponding resources of £168.0m leaving a shortfall of £3.8m. Further work will be undertaken with the Director of Neighbourhoods & Housing and the ALMOs to address the overprogramming and deliver a programme within the available resources.

#### **5.0 Capital Programme Additional Funding & Pressures**

5.1 The current programme review being undertaken in conjunction with service departments has highlighted a small number of expenditure and resource issues which require consideration and approval in advance of the February 2007 review and these are highlighted below:

##### **1) General Sure Start Grant (GSSG) – Childrens Centres & Extended Schools**

In August 2006 the council was notified of a revised GSSG allocation of £12.829m for 2006/07 and 2007/08. GSSG grant has to be applied to deliver Phase 2 of the childrens centres programme plus extended schools provision delivered by Education Leeds in conjunction with the Early Years service. The current Capital Programme reflects £7.308m funding over the two year period for childrens centres. It is therefore necessary to reflect the latest funding position by seeking a £5.521m fully funded injection into the Capital Programme.

##### **2) Grant to Northern Ballet and Phoenix Dance Company**

A separate report on this agenda sets out the details of the proposed development of a dance headquarters on Quarry Hill. A Yorkshire Forward grant of £500k was secured towards the overall cost of the development but was time

limited and had to be used in 2005/06. To make sure the grant was not lost, Yorkshire Forward gave approval to use the grant in funding expenditure on the museum project, currently on site, in 2005/06. This grant substituted the council's own flexible resources and so it is now proposed to re-instate this funding in support of the Quarry Hill scheme, through an injection to the capital programme of £500k in 2007/08.

3) Pakistan Earthquake Appeal

The proposal to support the Lord Mayor's appeal towards the rebuilding of a hospital in Muzaffarabad to ensure the appeal raises a minimum £50k target is the subject of a separate report on this agenda and that report will seek the necessary approvals for the scheme funding. The £44k council contribution will be made within the overall Capital Programme funding position.

4) South Leeds Swimming & Diving Centre & the City Museum

In the period since the approval of the February 2006 Capital Programme a number of other significant resource pressures have arisen. The latest expenditure projections for both the South Leeds Swimming & Diving Centre and the City Museum indicate that they are likely to exceed their available funding. Given the overall cost of these strategic schemes, brief reference is made in this report but the Director of Learning and Leisure will produce reports on both these schemes for consideration at the December 2006 and January 2007 Executive Board meetings respectively. The intention is for the forecast additional funding requirements to be identified and reported to Members with the financial impact being taken account of as part of the February 2007 Capital Programme review.

5) Otley Ashfield works, compensation payment

The Director of Development had been in negotiations with an existing tenant at the above site and has reached an agreement that requires a compensation payment to terminate the lease. £125k funding needs to be injected into the Capital Programme to enable negotiations to be completed and free up this site for disposal. The funding will be first call on the eventual capital receipt following the capital receipts policy.

6) Belgrave House, lease termination / dilapidations costs

The Director of City Services is currently in negotiation with the owners of Belgrave House as to the council's refurbishment liability following the termination of its lease on this building. In order for a negotiated settlement to be concluded at this value an injection of an additional £100k funding is required into the Capital Programme.

7) Additional and Replacement Wheeled Bin Programme

The Director of City Services has assessed a city wide requirement of replacement and additional bins in order to progress the implementation of the council's green waste collection strategy. The projected cost of this programme is £5.005m over a 5 year implementation period. The funding of this programme will be met by additional unsupported borrowing. This report is seeking to inject this additional funding into the Capital Programme over the 5 year period as an addition to the equipment scheme in the capital programme. Given the extended and phased nature of this programme it is recommended that the subsequent approval of expenditure under this programme be delegated to the Director of

Corporate Services in line with the management of the equipment purchases scheme.

## **6.0 Capital Programme & Resources - 2007/08 and 2008/09**

6.1 As a result of the Capital Programme review exercise referred to in section 3 of this report, some expenditure originally programmed for 2006/07, has been slipped back into the years 2007/08 and 2008/09. In the years 2006/07 to 2008/09 projected general fund expenditure totals some £528.3m with corresponding resources of £506.7m, leaving a shortfall of £21.6m.

6.2 This level and percentage shortfall would be acceptable in overall programme management terms were it not for the fact that the council has very few remaining flexible sources after taking account of schemes that are already contractually committed. In addition to monitoring 2006/07 commitments, monitoring of 2007/08 commitments is also taking place. As Appendix B shows, of the general capital receipts estimate of £65.5m in 2007/08, £25m is already accounted for on contractually committed schemes. The capital receipts programme includes a number of high value strategic disposals, and there is a high risk associated with predicting when these receipts will be received.

### **6.3 Risk Assessment**

6.4 The programme review exercise in conjunction with the additional unsupported borrowing and the associated financial controls should ensure that the council does not commit expenditure in excess of the resources available in 2006/07.

6.5 Further contractual commitments beyond the general capital receipts forecast in 2007/08 will effectively mean that the council is committing expenditure against future capital receipts which are not yet certain to be realised in that year. If these receipts are not received, the council would need to take up additional unsupported borrowing with corresponding financing costs falling on the revenue budget.

6.6 There are a number of schemes in the Capital Programme which are funded by specific capital receipts. Where expenditure is scheduled to occur before the capital receipt is received, the council will need to borrow to cover the associated cash flow effects with the relevant department meeting the cost of borrowing.

## **7.0 Recommendations**

Executive Board is requested:

7.1 To note the latest position of the Capital Programme 2006/07 and the projections for 2007/08 and 2008/09.

7.2 To approve the injection into the Capital Programme of £5.521m General Sure Start grant for children's centers and extended schools;

7.3 To approve the injection of £500k of Leeds resources in 2007/08 into the Northern Ballet & Phoenix Dance Company scheme.

- 7.4 To note that approval for the injection of £44k of Leeds resources in 2006/07 in respect of the funding granted to the Pakistan Earthquake Appeal elsewhere on this agenda.
- 7.5 To note the pressures on the approved funding for the South Leeds Swimming & Diving Centre and the City Museum schemes and the intention of the Director of Learning & Leisure to report on these schemes to the December 2006 and January 2007 meetings of the Executive Board respectively.
- 7.6 To approve the injection of £125k of Leeds resources in 2006/07 to enable the Director of Development to conclude the tenant compensation arrangements at the Otley Ashfield works site.
- 7.7 To approve the injection of £100k of Leeds resources in 2006/07 to enable the Director of City Services to conclude a negotiated settlement of the council's refurbishment liability in respect of Belgrave House.
- 7.8 To approve the injection of £5.005m of funding met from unsupported borrowing for the additional and replacement wheeled bin programme. The approval of subsequent expenditure within this programme to be delegated to Director of Corporate Services in line with the management of the equipment purchases scheme.

#### Appendices:

- Appendix A: Schemes over £100k injected since the February 2006 Capital Programme
- Appendix B: General Fund position statement
- Appendix C: HRA position statement

#### Background Documents

Capital Programme 2005-2009

This table includes the full value of the relevant schemes which have been injected to the Capital Programme. For each scheme this will reflect its full value over the life of the scheme and this may include provision after 2010.

## Does not Include :-

New schemes which have been created from Parent scheme "pots" in other Departments ;  
 New schemes which have been created from Parent scheme "pots" within sections ;  
 Ward Based Initiative Schemes / Disability Discrimination Act / Asset Management or  
 Priority Major Maintenance schemes ;  
 Schemes which were previously in Final A/C sections but have become live due to payments.  
 New schemes added into the Reserved section.  
 ALMO's

Department	Scheme Number	Scheme Title	Injections £000's	Funding Source
<b>DEVELOPMENT :-</b>				
<b>Asset Management</b>	12089/000/000	Combined Secondaries PFI	2,274.0	Injection Capital Receipt
	13031/000/000	Mabgate / Skinner Lane DLG clawback	162.2	Injection Capital Receipt
	12084/000/000	Ashfield Works Compensation	125.0	Injection +nl Capital Receipt
<b>Economic Services</b>	01195/000/000	Nevill St Dark Arches / River arches	274.1	Injection - 05/06 Capitalisation
	13046/000/000	Holbeck Uv Infrastructure Strategy	557.3	Injection - 05/06 Capitalisation
<b>Design Services</b>	Various	Various	2,267.9	Injections of Section 278 Funding
<b>Strategy &amp; Policy</b>	Various	Various	1,951.3	Injections of Section 106 Funding
	01226/000/000	LIRR 7 - Contingency sum	1,022.0	Injection as part of 2007 Cap Prog Review
<b>CITY SERVICES :-</b>				
<b>Civic &amp; Community Buildings</b>	13051/000/000	St George House Cooling System	316.0	Injection Prudential Bwng
<b>Commercial Services Trading Services</b>	13069/000/000	Development of Primary School Catering Counters	500.0	£250.0k School Contribution £ 250.0k Unsupported Borrowing
<b>CORPORATE SERVICES</b>				
<b>Audit &amp; Risk</b>	12122/000/000	Project assurance	158.0	Injection of Leeds City Council resource
<b>LEARNING &amp; LEISURE</b>				
<b>Learning</b>	13074/000/000	Youth Capital Fund	428.9	Injection of government grant
	00886/000/000	Integrated Childrens Centres	613.7	Injecn of various funding sources
<b>Libraries, Arts &amp; Heritage</b>	12589/000/000	Town Hall Development of Concert Hall / Arena	700.0	Injection Yorkshire Forward
	03611/000/000	Grand Theatre / Opera North	150.0	Injection +nl Grand Theatre contribution
	12161/000/000	Art Gallery & Central Library	43.6	Injection +nl Opera North contribution
<b>Recreation</b>	12520/000/000	Garforth Skatepark	1,000.0	Injection of Yorkshire Forward
	12462/000/000	The Mansion Phase 2	121.0	Injection - various sources
			99.9	Injection Unsupported Borrowing

Department	Scheme Number	Scheme Title	Injections £000's	Funding Source
<b>NEIGHBOURHOOD and HOUSING :-</b>				
<b>Community</b>	00395/000/000	Micklefield Regeneration	104.4	Inj of +nl Yorkshire Forward
	13030/000/000	Intensive Neighbourhood Management	2,100.0	Injection of Safer Stronger Communities Fund Grant
<b>Housing Needs</b>	13175/000/000	Reducing Homelessness (LPSA2)	200.0	Inj of LPSA2 Pump Priming Grant
	13027/000/000	Cross Green Grove / Avenue Regeneration	500.0	Injection of Regional Housing Board Grant
	12136/000/000	Golden Triangle Partnership Equity Model	1,000.0	Injection of Regional Housing Board Grant
<b>HRA</b>	73956/000/000	IT - Partnership system works	353.9	Funded by RCCO Reserves
<b>SOCIAL SERVICES :-</b>				
<b>Social Services</b>	12992/000/000	ESCR Phase 2	1,167.5	Injection of various Grants
	99811/000/000	Adaptations to Private Homes	400.0	Inj of 2010/11 allocation.
<b>STRATEGIC ACCOUNTS</b>				
<b>Education Leeds</b>	12366/TEM/000	Combined Secondaries PFI Additional Works	181.0	Injected from scheme 12089.
	12137/DEV/000	BSF Development	808.9	Injection - 05/06 Capitalisation
	13036/000/000	School Travel Plans 2005/06	274.8	Inj STP Government Grant
		<b>Total</b>	<b>19,855.4</b>	

## Capital Programme Funding Statement as at 12/10/2006

	2006.07 £000	2007.08 £000	2008.09 £000	Total £000
<b>GENERAL FUND - COMMITTED</b>				
<b>Expenditure</b>				
Development	49,948.9	33,852.2	10,622.0	94,423.1
City Services	16,563.7	13,406.6	7,435.9	37,406.2
Corporate Services	6,847.2	275.0	11.3	7,133.5
Learning and Leisure	38,871.0	11,961.1	3,300.7	54,132.8
Neighbourhoods and Housing	9,760.8	361.3	0.0	10,122.1
Chief Executive's	231.3	0.0	0.0	231.3
Social Services	2,707.1	64.8	0.0	2,771.9
Strategic	10,062.5	14,517.0	10,000.0	34,579.5
Education Leeds	24,719.8	2,531.0	100.0	27,350.8
Total estimated spend on committed schemes	159,712.3	76,969.0	31,469.9	268,151.2
<b>Certain Funding</b>				
Grants and contributions	25,744.2	6,568.0	1,858.0	34,170.2
Government grants	20,957.3	16,823.4	4,094.4	41,875.1
RCCO or reserves	830.1	413.3	0.0	1,243.4
Supported borrowing	37,508.6	16,738.5	1,397.5	55,644.6
Unsupported borrowing	17,170.8	11,172.3	10,467.3	38,810.4
Unsupported borrowing contingency	46,000.0	0.0	(14,000.0)	32,000.0
	148,211.0	51,715.5	3,817.2	203,743.7
Capital Receipts required for committed schemes	11,501.3	25,253.5	27,652.7	64,407.5
Balanced Programme	0.0	0.0	0.0	0.0
<b>GENERAL FUND - UNCOMMITTED</b>				
<b>Expenditure</b>				
Development	12,433.5	26,049.1	23,884.1	62,366.7
City Services	5,897.8	3,039.7	5,318.8	14,256.3
Corporate Services	5,176.7	5,946.0	5,946.0	17,068.7
Learning and Leisure	5,841.1	23,947.8	7,301.0	37,089.9
Neighbourhoods and Housing	7,550.7	7,472.9	4,544.0	19,567.6
Chief Executive's	736.5	0.0	0.0	736.5
Social Services	1,041.1	1,871.4	627.0	3,539.5
Strategic	1,209.4	5,119.8	2,896.9	9,226.1
Education Leeds	27,528.4	47,434.0	21,369.7	96,332.1
Total estimated spend on uncommitted schemes	67,415.2	120,880.7	71,887.5	260,183.4
<b>Certain Funding</b>				
Grants and contributions	7,780.0	15,467.6	4,080.3	27,327.9
Government grants	17,216.2	42,053.6	15,705.2	74,975.0
RCCO or reserves	274.1	220.0	220.0	714.1
Supported borrowing	18,574.8	20,333.2	15,247.4	54,155.4
Unsupported borrowing	(2,643.9)	745.2	5,200.0	3,301.3
Total estimated spend on uncommitted schemes	41,201.2	78,819.6	40,452.9	160,473.7
Capital Receipts required for uncommitted schemes	26,214.0	42,061.1	31,434.6	99,709.7
<b>Uncertain funding</b>				
Capital receipts general forecast	19,626.2	25,515.5	77,355.3	122,496.9
Capital receipts additional target		40,000.0	(20,000.0)	20,000.0
	19,626.2	65,515.5	57,355.3	142,496.9
Capital Receipts already used to balance the Programme	11,501.3	25,253.5	27,652.7	64,407.5
Flexible resources available for uncommitted schemes	8,124.9	40,262.0	29,702.6	78,089.4

Over programming

(18,089.1) (1,799.1) (1,732.0) (21,620.3)

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Originator: D Meeson

Tel: 74250

**Report of the Director of Corporate Services**

**Executive Board**

**Date: 15th November 2006**

**Subject: Financial Health Monitoring 2006/07 – Half Year Report**

**Electoral wards affected:**

**Specific implications for:**

Equality and Diversity

Community Cohesion

Narrowing the gap

Eligible for call In

Not eligible for call in  
(details contained in the report)

**Executive Summary**

1. The purpose of this report is inform members of the financial health of the authority after six months of the financial year, in respect of the revenue budget for general fund services, the housing revenue account and to receive the Mid Year update of the Annual Efficiency Statement.
2. The report identifies that a number of council services are continuing to face financial pressures in 2006/07, often reflecting pressures which impacted on the Council's 2005/06 outturn.
3. As reported at month four a number of additional funding sources were identified to mitigate against some of the pressures, and these have been allocated to those areas of immediate concern.
4. It is crucial that departments continue to address pressures and implement action plans to manage them within available resources.
5. Members are asked to note the projected financial position of the Authority after six months of the financial year, and to note the decision of the Leader, Chief Executive and Director of Corporate Services to approve the Annual Efficiency Statement – Mid Year update 2006/07 for submission to the Department for Communities and Local Government by the 17th November 2006.

## **1. PURPOSE OF REPORT**

- 1.1 This report updates sets out for the Board the Council's financial health position for 2006/07 after six months of the financial year, although the position has not significantly changed from that reported in September. The report covers revenue expenditure and income to date compared to the approved budget, the projected year end position and proposed actions to ensure a balanced budget by the year end. The report also highlights the position regarding other key financial indicators, including Council Tax collection and the payment of creditors.
- 1.2 In addition, this report sets out the Council's efficiencies which have been achieved during 2006/07 to date and the value of efficiencies which are expected to be achieved by the year end.

## **2. BACKGROUND INFORMATION**

- 2.1 Members will recall that the net budget for the general fund was set at £486.5m, which provided for a contribution of £0.3m to reserves. As a result, the level of general fund reserves at 31<sup>st</sup> March 2007 were estimated to be £12.3m.
- 2.2. As reported in the 2005/06 outturn report to Board in June 2006, spending for 2005/06 was £1.4m in excess of approved estimates. The effect of this was that reserves at 31<sup>st</sup> March 2006 stood at £10.6m, which was lower than the £12.0m forecast assumed in the Council's approved reserves policy. However, as reported, significant capital finance savings in 2006/07 had been identified, and it was agreed by Executive Board that reserves should immediately be replenished, with the balance allocated to the Council's contingency to provide some level of resource to deal with any recurring spending pressures.
- 2.3 Budget Monitoring is a continuous process throughout the year, and this report summarises the position of the budget after six months.

## **3. MAIN ISSUES**

- 3.1 As reported at month four, the budget pressures experienced by the Social Services Department in 2005/06 have continued to some degree in the current financial year and the 2006/07 budget includes challenging targets for service improvement and realignment with associated financial savings. Although much has now been achieved in the current year, there has been some slippage in delivering the required actions and demand/demographic pressures continue to impact on the service.
- 3.2 The department has produced an action plan to in respect of their 2006/07 budget which is being closely monitored. Provision has also now been included in the projection in respect of agreed reductions in the Supporting People contract within Social Services to reflect efficiency savings. There may be some limited scope for this overall impact to be mitigated.
- 3.3 The trading position at Roseville Enterprises is still under careful review and work continues to secure firm commitments for window and door work in the current year and a year end deficit of £0.5m is forecast at this time. This is after actioning a virement of £1m as recommended by the Board.
- 3.4 Whilst work is still ongoing to establish the impact of the potential shortfall in HMO licences, this projection still assumes a £2.8m in year deficit.

- 3.5 On 14th September 2006, the Department of Communities and Local Government announced the Year 2 LABGI scheme and the impact of this for Leeds has been assessed at £5.2m above the budget for 2006/07, although £1.2m had already been assumed in the month 4 report the Board. In addition final settlement relating to the Yorkshire Enterprise company (YEL) has now been agreed in the sum of £0.3m
- 3.6 Assuming all other services can deliver their action plans the overall projection is an overspend £1.7m, as summarised in the following table:-

### Summary Position

<b>Total General Fund Projected Variations</b>	<b>£m</b>
Social Services	3.8
HMO Licencing	2.8
Other	0.9
 Actions agreed at Executive Board 20th September 2006	 3.2
 Additional resources:-	
Debt rescheduling	(3.5)
LABGI additional income	(5.2)
YEL	(0.3)
 <b>Revised Balance</b>	 <b>1.7</b>

#### 4 REVENUE BUDGET MONITORING POSITION - HOUSING REVENUE ACCOUNT (HRA)

- 4.1 An in year deficit of £0.8m is currently forecast for the HRA. This projection assumes that there will no longer be sufficient right to buy, demolitions and other disposals to allow the Authority to hit the trigger of 3000 property movements over two years. Current indications are that there is a strong likelihood that this trigger will not be met which would result in a cost of £2.2m in 06/07 and in each subsequent year the trigger is not met. Reserves of £2m are held to alleviate the first year impact.
- 4.2 The department is continuing to explore options to ensure the subsidy trigger is met, including the acceleration of demolition programmes and reviewing the Right to Buy process to bring forward sales into the current financial year. Reductions in RTBs is affecting a number of authorities.
- 4.3 The projection reflects the re-distribution to the ALMOs of savings generated through a reduction in disrepair claims in 2005/06, for which a specific provision of £1.9m was made at outturn, as reported to Members in the 2005/06 outturn report.
- 4.4 On the basis the working balance carried forward to 2007/08 will be £4.6m.

#### 5. ANNUAL EFFICIENCY STATEMENT

- 5.1 For 2006/07 the Authority had an efficiency target of £17.93m, being 2.5% of the Authority's 2004/05 baseline expenditure. This baseline calculation was prepared on the basis of the Authority's actual spend for 2004/05, excluding schools, police revenue expenditure and specific one off grants.

- 5.2 In addition to delivering efficiencies totalling 2.5%, at least 50% of these (1.25% or £8.97) had to be of a cashable nature, whereby resources are released, as opposed to non-cashable efficiencies which result from delivering enhanced outputs for the same inputs. Against this target of £17.93m, the Authority submitted a Forward Looking Statement for 2006/07 totalling £21.01m.
- 5.3 At the mid point the Council is still on target to achieve efficiencies for 2006/07 in excess of £21m. Taking into account efficiencies reported in 2004/05 and 2005/06 of £31.01m, the cumulative position is projected to be £52.06m against a cumulative target of £33.27m.

## **6. COLLECTION OF LOCAL TAXATION**

- 6.1 The level of Council Tax collected at the end of September 2006 is 56.1% of the debit for the year of £213m, and the performance target of 96.60% is expected to be achieved.
- 6.2 The collection of non-domestic rates for the first six months is 462.3% of the current net debit of £277.5m, which is 1.0% ahead of the same period last year. Again, the performance target of 98.6% is expected to be achieved at the year end.

## **7. PROMPT PAYMENT OF INVOICES**

- 7.1 A local target of 92% for paying all undisputed invoices within 30 days of receipt of agreed terms was set for the year. The first half year performance of 90.7% is slightly behind the target although work is ongoing to improve performance through the continued development of electronic ordering and invoicing of goods, and expanding the use of purchasing cards.

## **8. RECOMMENDATION**

- 8.1 Members of the Executive Board are asked to note the projected financial position of the Authority and to note the decision of the Leader, Chief Executive and Director of Corporate Services to approve the Annual Efficiency Statement – Mid Year update 2006/07 for submission to the Department for Communities and Local Government by the 17th November 2006.



Originator: D Meeson

Tel: 74250

**Report of the Director of Corporate Services**

**Executive Board**

**Date: 15th November 2006**

**Subject: Financial Plan Annual Review**

**Electoral wards affected:**

**Specific implications for:**

Equality and Diversity

Community Cohesion

Narrowing the gap

Eligible for call In

Not eligible for call in  
(details contained in the report)

**Executive Summary**

- 1 The propose of this report is to provide members with an update of the current approved Financial Plan covering the years 2005-2008.
- 2 The report reaffirms the principles embedded in the current plan and provides an update on national issues affecting local government finance, particularly in respect of the Local Government Finance settlement for 2007/08 which was announced in December 2005 and the forthcoming Comprehensive Spending Review 2007.
- 3 It also outlines the current approved budget for 2006/07, provides an assessment of the financial health of the Council and a progress check on the delivery of the current plan.
- 4 The development of a strategy for the delivery of the 2007/08 budget is a key element of the latest update, and the report includes proposals for the allocation of resources to priorities in accordance with the principles of the Plan, taking account of known pressures, the likely level of available funding and the development of service prioritisation in resource realignment.
- 5 Members are asked to approve the update of the Plan, forward this report to Overview and Scrutiny Committee in accordance with the Council's Constitution, and note the intention to produce a new financial plan following the announcement of CSR 2007.

## **1. INTRODUCTION**

- 1.1. The Council's approved Financial Plan was approved by the Executive Board on the 17<sup>th</sup> November 2004. The purpose of the Financial Plan is to support the Council's corporate planning process, to outline the principles which will shape the Council's financial strategy over the planning period and to provide a framework for the preparation of annual budgets. The current approved Financial Plan covers the period 2005 – 2008.
- 1.2 In previous years we have attempted to mirror the Government's own spending review planning timetable, which incorporates the overall allocation for resources within the public sector. The intention would have been to produce a new Financial Plan this year, which would have covered the three years 2007 – 2010. However, earlier this year the Government took the decision to postpone the 2006 Spending Review in favour of a more fundamental Comprehensive Spending Review; the results of which will be announced mid 2007. As such it has only proved possible to undertake a review of the current plan which is the main subject of this report, with the intention to produce a new Financial Plan in mid 2007 following the announcement of the Government's Comprehensive Spending Review (CSR 2007).
- 1.3. This annual review of the plan will reflect on the current approved budget for 2006/07, provide an assessment of the financial health of the Council and a progress check on the delivery of the plan and the efficiencies that are a key element of it. It will also review developments at the national level likely to impact upon the Council's future budgets, as well as identifying some of the pressures that will impact upon next year's budget
- 1.4. Rescheduling the production of a new Financial Plan does also provide the opportunity to review the Council's approach to medium term financial planning, and a number of proposals are included in the paper to improve the alignment of resource planning to the Council's corporate and service planning processes, as part of the ongoing Council Change Programme.

## **2.0 CURRENT PLAN**

- 2.1 The current Financial Plan was prepared in the context of the Government's July 2004 Spending Review. This covered the period 2005/06 to 2007/08. The spending review identified significant increases in public spending of £61bn over the three years to £341bn by 2007/08. A significant aspect of the Spending Review 2004 was the announcement of efficiency savings across government departments, as detailed in the Gershon Review. The efficiency review assumed that savings of 2.5% per annum would be made, totalling 7.5% over the Spending Review period. This equated to £6.45bn savings for Local Government, and Leeds' Financial Plan was underpinned by achieving this target level of efficiencies. A further requirement was that at least 50% of the efficiency gains were cashable i.e. reduced cost for the same level of service. The remaining efficiency gains up to 50% may be non cashable i.e. increased outcome or output for the same level of input.
- 2.2 The assumed increase in resources for Leeds were below the national increase which has tended to be the case for a number of years. Based on these forecasts, the Financial Plan outlined the following financial strategy:

- Overall spending to increase in line with the projected FSS increase
- Passport the increase in FSS to Education and Social Services in line with both national and local priorities
- For all other services, resources were directed towards maintaining existing levels of service and reflecting unavoidable and approved increases, as follows:
  - the effect of pay awards
  - the increase in employer's superannuation rates
  - other inflation
  - full year effects of approved developments
  - support to the Council's Corporate Plan priorities
  - 2.5% savings to reflect the efficiency agenda

2.3 The plan identified that in order to deliver the strategy and to address both corporate and service priorities, a number of departmental efficiency reviews would need to be undertaken throughout the period of the plan. These reviews continue to be identified and progressed.

### **3. NATIONAL CONTEXT**

3.1 The Government is currently conducting a second Comprehensive Spending Review, which will report next year. In addition the results of the Lyons Inquiry into Local Government and the white paper on Local Government will set the scene for the financial framework for local government over the next planning period.

3.2 The results of the extended remit of the Lyons Inquiry into Local Government is now expected by the end of the calendar year and will make recommendations on the role and functions of local government together with options for it's future funding although it is now felt that these will be incremental as opposed to radical changes to council finances.

3.3 A consultation paper on the Local Government Finance system confirmed the Government's intention to move to three year grant settlements, although the current settlement only covers the two years 2006/07 and 2007/08. It is still their intention to move to three year grant settlements to be aligned with national three year spending plans. Projections will be used for the dominant data drivers of population and Council Tax bases. For other data items, the Government will use frozen figures based on multi year averages. New funding will be distributed initially as specific grant. This will be announced as part of the CSR 2007.

3.4 The Government announced the Local Government Finance Settlement details for 2006/07 and 2007/08 in December 2005, which was broadly in line with the assumptions contained in the CSR 2004. There were however changes to the system of calculating Revenue Support Grant, redistributing Non-domestic rates and abolishing Formula Spending Shares. A new specific grant was introduced – the Dedicated Schools Grant (DSG), which took the Schools' Budget out of the general grants system. All expenditure previously within the Schools' budget transferred into this grant.

3.5 The only actual figures that are now available relate to Formula Grant. There is no longer any way in which amounts at service level can be meaningfully derived from government figures. Formula Grant is the sum of Revenue Support Grant and Non-domestic rates.

3.6 The following table shows the figures at the national level for Aggregate External Finance, Central Government support that includes Formula Grant, with a 3.7% increase in Formula Grant (from the adjusted 2006/07 position) for 2007/08 and a total increase in Aggregate External Finance of 5.0%

	2005/06 Adjusted £M	2006/07 Final £M	Variance %	2007/08 Updated £M	Variance %
<b>AGGREGATE EXTERNAL FINANCE</b>					
Revenue Support Grant (RSG)	2,193	3,378	54.1	4,105	
Business Rates	18,000	17,500	-2.8	17,500	
Sub-total	20,193	20,878	3.4	21,605	4.0*
Police Grant	3,895	3,936	1.1	4,028	2.3
<b>Total Formula Grant</b>	<b>24,088</b>	<b>24,814</b>	<b>3.0</b>	<b>25,633</b>	<b>3.7*</b>
Dedicated Schools Grant (DSG)	25,072	26,576	6.0	28,171	6.0
Other Special & Specific Grants	10,300	10,736	4.2	11,292	5.3
<b>TOTAL AEF</b>	<b>59,460</b>	<b>62,127</b>	<b>4.5</b>	<b>65,096</b>	<b>5.0*</b>

\* These percentages are those quoted for increases from the adjusted 2006/07 amounts

3.7 The following table shows the Formula Grant figures for Leeds City Council for 2006/07 and 2007/08, broken down over the constituent elements that it now consists of:

	2005/06 ADJ £m	2006/07 FINAL £m	VAR 2005/06 - 2006/07 %	2007/08 UPDATED £m	VAR 2006/07 - 2007/08 %
Relative Needs Amount		185.0		189.1	2.2
Relative Resource Amount		-38.6		-40.2	4.1
Central Allocation		120.5		123.7	2.7
Floor Damping		-2.4		-1.2	
<b>TOTAL</b>	<b>258.2</b>	<b>264.5</b>	<b>2.5</b>	<b>271.4</b>	<b>2.9 *</b>

\* The comparison for 2007/08 is made with an adjusted 2006/07 figure of £263.8m.

3.8 In July 2005 the second Comprehensive Spending review was announced. This will report in mid 2007 and set national spending plans for the years 2008-09, 2009-10 and 2010-11. This will provide the opportunity for a fundamental review of the balance and pattern of public expenditure, taking stock of what the investments and reforms have delivered to date and what are the challenges ahead. These are likely to include:



- At least a further 2.5% generated through efficiencies per year over the period of CSR07
- Nominal reductions in administration budgets across government, following a freeze under CSR 2004
- Opportunities for transforming service delivery across government, releasing resources for reallocation to front line services.
- Pay settlements across the public sector will be based on the achievement of the Government's inflation target of 2%.

3.9 The Government is looking at how it can make spending go further through zero based reviews and exploring where efficiency gains can be made. Councils will need to demonstrate that they are prioritising resources and looking at ways of doing things differently to make their money go further. From this it is not likely that future settlements will be generous.

3.10 Leeds entered into a Local Area Agreement (LAA) in March 2006 and the Council is the accountable body for funds within the LAA. The LAA is a three year agreement between central government and the local area represented by the Council and other key partners through the Local Strategic Partnership. The primary objective is to work to shared outcomes to make a difference to people's lives and localities. The agreement requires funding streams to be pooled and there will be more pooling of budgets to deliver the agreed aims. The achievement of stretched targets will release a pool of money for the city in 4/5 years.

#### **4. REVIEW OF PROGRESS TOWARDS THE PLAN**

##### **4.1 Budget 2006/07 – General Fund**

4.1.1 In developing the 2006/07 budget, consideration was given to the following issues:

- Impact of the 2006/07 Local Government Finance settlement
- The Council's spending priorities
- The Reserves strategy for the Council

4.1.2 The final settlement was received on 31st January 2006 and provided for an increase in Formula Grant for 2006/07 of £6.3m (2.5%) over 2005/06, and £7.7m (2.9%) for 2007/08, after adjusting for changes in the funding arrangements of specific functions.

4.1.3 As detailed in paragraph 3.5 above, the Government has abolished Formula Spending Shares, so it is no longer possible to compare our own spending, either overall or on particular services, with a central government benchmark or with our original financial plan.

4.1.4 The table below sets out the main features of the 2006/07 budget and identifies funding for changes in function of £334.2m. The indicative increase in DSG for 2006/07 equates to a 4.1% increase and is lower than the 6% national average increase due to a combination of demographic and technical issues.

	<b>£M</b>
Budget 2005/06	803.9
Adjustments for changes in funding specific functions including the transfer to DSG	-334.2
Revised base budget	469.7
Increase in the budget for social services (including capital financing)	17.0
All other services	
Effect of pay awards and inflation	11.8
Full Year effects of pressures	3.6
Income effects	1.3
Demography/volume changes	0.2
All other variations in cost	5.7
Efficiency and other savings	-13.9
Change in contribution to general reserves	-2.7
Additional funding sources	-11.7
Additional support to Corporate Plan priorities	5.5
<b>Base Budget 2006/07</b>	<b>486.5</b>
<b>Increase from Revised Base</b>	<b>16.8</b>
	<b>(3.6%)</b>

4.1.5 In arriving at the approved budget, the broad principles outlined in the Financial Plan have continued, although as explained earlier, FSS has been abolished and Education funded through direct grant. The overall strategy has been maintained to ensure that resources are directed towards maintaining existing levels of service and reflecting unavoidable and approved increases as follows:-

- The effect of pay awards
- Increases in employers' superannuation rates
- Other inflation
- Full year effect of approved developments
- Support to the Council's Corporate Plan priorities
- Savings to reflect the efficiency agenda

4.1.6 The budget for 2005/06 included £5.0m for further support towards Corporate Plan Priorities. These have now been incorporated into the base budgets and additional resources of £5.4m allocated in the following areas:-

- (a) £1.0m for transforming services, and a range of initiatives for the more efficient delivery of support services
- (b) £4.0m to ensure all neighbourhoods are safe, clean, green and well maintained

- (c) £250k to ensure our children and young people are healthy, safe and successful. This brings the total budget for core costs of the new directorate of Children's Services to £500k
- (d) £150k to support Leeds as a highly competitive, international city

This brings the total amount realigned to support corporate plan priorities between 2003/04 and 2006/07 to £61m cumulatively.

- 4.1.7 For 2006/07 the Council has a target to deliver efficiencies of approximately £30m representing the cumulative effect of the 2005/06 efficiency target of £15m plus a further £15m of new efficiencies to be delivered in 2006/07. Of these, at least 50% (£7.5m) must be cashable. In accordance with the financial plan, departments were asked to identify efficiency gains, and in total the cashable savings included in the 2006/07 budget were £11.2m.
- 4.1.8 A formal reserves policy was established as part of the 2005/06 budget process which set a target of between 3% and 4% of net expenditure excluding schools, which in cash terms amounted to between £14m and £18m. However for 2006/07 the policy was developed to encompass an assessment of financial risks included in the budget. This is based on departmental budget risk registers which identify areas of the budget which may be uncertain, categorised as high, medium or low risk based on probability and potential impact on the budget.
- 4.1.9 These have been examined and the "at risk" element of each budget area quantified. This represents the scale of any likely overspend/shortfall in income and does not necessarily represent the whole of a particular budget heading. Each risk area is then scored in terms of the probability and impact on the budget. The results of this exercise for 2006/07 indicated a level of reserves of around £12m was required and a contribution of £0.3m was provided in the 2006/07 budget to achieve a balance of £12.3m as at 31st March 2007.
- 4.1.10 It was further agreed that, from 2005/06, departments would be required to prepare budget action plans to deal with spending variations on departmentally controlled budgets during the year up to a limit of 2% of net expenditure. Any budget variations above this amount would be dealt with corporately, using, where necessary, the General Fund reserve.

## 4.2 Budget 2006/07 - Dedicated Schools Budget (DSG)

- 4.2.1 The funding system for education changed from April 2006. All expenditure previously within the 'Schools Budget' transferred into a grant known as the Dedicated Schools Grant (DSG). Adjustments were made to transfer the previous grant funding for teacher pay reform into the DSG, and previous LEA contributions to the Standards Fund Grants were removed from the DSG in order that many Standards Fund Grants are now paid at a rate of 100%. This produced a 2005/06 adjusted DSG baseline budget for Leeds of £347.3m.
- 4.2.2 The indicative 2006/07 DSG for Leeds was £361.7m but the finalised allocation was £363.9m. The DfES indicative allocation was based on the DfES's estimated projection of pupil numbers but the finalised allocation reflects actual January 2006 pupil counts, which were higher than anticipated by the DfES. Each additional pupil attracted additional funding of £3,532. The finalised allocation represented a 4.8% increase in overall resources but was lower than the 6% national average increase due to a combination of demography (where pupil numbers are decreasing faster than

the national average), the removal of funding for the David Young Academy from 1st Sept 2006, and the inclusion of an allocation for Early Years provision based on the number of pupils attending Private, Voluntary and Independent providers.

#### 4.3 Budget 2006/07 - Housing Revenue Account

4.3.1 The HRA covers the management of the council's rented housing stock, and in accordance with government legislation operates as a ring-fenced account. The funding of the HRA is separate to the way in which the rest of the council is funded, with costs being met from rental income and government subsidy. However, in Leeds, for a number of years, the way in which the government calculates subsidy has resulted in a negative contribution rather than a grant.

4.3.2 The current year's budget for the HRA provides for negative subsidy of £33m. This provides for an average rent increase of £2.47 over 48 weeks (equivalent to 5.0%) in line with implementation of the Government's rent restructuring programme.

4.3.3 On 1st February 2003, six separate Arms Length Management Organisations (ALMOs) became responsible for delivering management and repairs to the council's housing stock. In September 2006 tenants voted for a reduction in ALMOs from six to three. The new organisations are expected to commence operations in April 2007. The ALMOs are allocated an annual management fee for delivering this service. The value of this for 2006/07 was £101m including additional SCA. The Strategic Landlord is committed to maximising the funding directly available to the ALMOs whilst retaining a robust strategic function. Thus in future years it will continue to disaggregate appropriate expenditure for the ALMOs to directly manage and to actively review the appropriateness of costs contained within the HRA.

4.3.4 Over the period 2003/04 to 2004/05 all ALMOs were successful in achieving a 2-star inspection rating from the Audit Commission which gives them access to £403m of additional capital funding to invest in bringing the housing stock up to decent homes standards. This directly brings with it an element of additional subsidy over the life of the programme which is currently used to support ALMO expenditure programmes.

#### 4.4 Budget Management 2006/07

4.4.1 Achievement of the objectives of the Financial Plan is dependent upon effective in year budget monitoring. This is a continuous process and financial health reports are provided to Members on a regular basis.

4.4.2 The half year financial health report highlights a number of cost pressures and details of these and proposals to minimise the impact on the financial strategy are detailed in a separate report elsewhere on this agenda.

#### 4.5 Comprehensive Performance Assessment – Use of Resources

4.5.1 The Use of Resources judgement attempts to assess how well the Council manages and uses its financial resources and is now classified as a level 1 assessment and is on par with assessments for Children and Young People and for Social Care (Adults). The assessment focuses on the importance of having sound and strategic financial management to ensure that resources are available to support the Council's priorities and to improve services. The judgement is based on 5 themes:-

- financial reporting
- financial management
- financial standing
- internal control
- value for money

4.5.2 The Use of Resources assessment will be conducted annually and in all Councils by the Council's auditors. In respect of the value for money criteria, the Council is required to complete a self assessment. The overall Use of Resources judgement is based on combining auditor's scores for each of the areas covered. The scores are as follows:-

- 4 = well above minimum requirement - performing strongly,
- 3 = consistently above minimum requirements - performing well,
- 2 = at only minimum requirements - adequate performance,

4.5.3 The results of the CPA assessment 2005 gave the Council an overall score of 3 for the Use of Resources as follows:-

<b>Assessment</b>	<b>Score</b>
Financial Reporting	2
Financial Management	3
Financial Standing	2
Internal Control	3
Value for Money	3
<b>Overall Score</b>	<b>3</b>

4.5.4 The results were discussed with the external auditors and an action plan agreed. This formed the basis for key areas of improvements during 2006/07 and significant progress has been made. The evidence for CPA 2006 has been completed and the results are due to be announced in December 2006.

## **5 DEVELOPMENT OF THE BUDGET STRATEGY 2007/08**

### **5.1 General Fund**

5.1.1 As the final year of the current financial plan, the principles outlined in paragraph 4.1.5 above have been adopted in developing a strategy for the 2007/08 budget.

5.1.2 As part of the 2006/07 settlement the Government announced the formula grant for 2007/08 at £271.4m, a cash increase of £6.9m (2.6%) for the Council. Council Tax is in fact the only locally determined tax, and whilst nationally it only generates around 4.5% of all taxation it continues to be subject to a great deal of a political debate, both in terms of its application as a tax and also annual increases in it. Each 1% variation in Council Tax equates to spending of £2.2m; and whilst crude and universal capping has been abolished, Government have made it clear that they are prepared to cap authorities that set "excessive" increases in their Council Tax. Government announcements at the time the RSG for 2006/07 and 2007/08 RSG was published and since, have clearly articulated their expectation that increases in Council tax will be kept to less than 5%. It is clear from this that the increase in the overall resources available to the Council in 2007/08 will be limited. From the available resources the Council will need to fund a number of base budget pressures including: –

- Pay Awards and other inflation - The Chancellor of the Exchequer indicated in his 2006 budget speech that public pay would on average rise 2.25% in the next year, and the plan provides for this. In addition an increase in the employer's contribution to the West Yorkshire Pension Fund of 0.8% has also had to be provided for in accordance with the latest actuarial report. In respect of non pay budgets, provision has had to be made for a number of areas where specific information is known, and in some instances significant increases have been provided for. These include a Landfill tax price increase of £3 per tonne and increases in the price of energy. These pressures are forecast to be £17.3m.
- In other areas, a general provision of 2.0% has been provided, although departments will be required to critically review the need for providing inflationary allowances for many budgets. This equates to £4.2m. Provision of 2% has been included for grants made to outside bodies.
- It has been assumed that any changes in funding arrangements for specific functions will be cost neutral and adjusted in the final settlement.
- The full year effects of developments built into the 2006/07 budget and other developments approved during the year. These include:-

£m

• Strategic Review of Planning	0.4
• Garden Pilot	0.4
• City Services – PFI costs	0.5
• City Museum	0.3
• Technorth extension	0.2
• PCSOs	0.1

- Capital financing charges and other corporate issues

5.1.3 The 2006/07 revenue budget was supported by Section 278 funds and by assumptions as to expenditure initially charged to revenue which could be properly charged to capital. This effectively reduced the funding available to support the capital programme and this is not considered to be sustainable as long term funding sources for revenue:-

- Section 278 is dependent on the use of developer's contributions in year and it is anticipated that this will reduce from the £5m in the budget to less than £4m based on the experience in 2005/06
- The budget provided to capitalise certain costs, amounting to £4.5m. However this level is no longer considered sustainable and it is likely that a more realistic figure is around £1m to £3m.

The net impact of these on the 2007/08 budget can be partly offset by the third year of LABGI.

5.1.4 2007/08 will be the third year of the Gershon efficiency target to deliver efficiencies of 2.5% per annum over the 3 years covered by the 2004 spending review. It is not yet known what targets will be introduced as part of the 2007 review, but they are likely to be at least 2.5%.

5.1.5 The Council has a target to deliver efficiencies of £18m per annum of which 50% must

be cashable. On the basis of previous years' performance it would not seem unreasonable to assume that £9m could be achieved in 2007/08.

- 5.1.6 A two year NRF allocation was announced in November 2005, and Leeds will receive an additional £2.1m in 2007/08. However as part of the Local Area Agreement this money will form part of the pooled funding stream, and it has therefore been assumed that this additional funding will not be available to fund base budget pressures.
- 5.1.7 It is clear from the above that it is likely that there will be a shortfall of available resources to meet the base budget issues, and there are also significant departmental pressures which need to be addressed as part of the finalisation of the 2007/08 budget. These include continuing demographic and demand led pressures particularly within Social Services, and the Council's response to the Children's services agenda, including the costs associated with establishing a new structure for the Children's Services department. In addition there are a number of significant pressures of a corporate nature which will need to be addressed as part of the budget process. These include the fall out of non recurring one off income sources such as HMO licencing income, income derived from section 278 schemes and assumed capitalisation.
- 5.1.8 A detailed review of base budget assumptions and a critical review of departmental pressures is currently being undertaken.
- 5.1.9 The plan did recognise that there was a need to improve resource prioritisation to the Council's key priorities. The Council's Corporate Priority Boards will give a focus for establishing the Council's priorities at an early stage in the 2007/08 budget process to form the basis of decisions about the allocation of resources and realignment. In addition, consideration is being given to how service prioritisation can better inform the process of realigning resources to key priorities.

## **5.2 Service Prioritisation**

- 5.2.1 Over the summer of 2005, PriceWaterhouseCoopers IIP(Pwc) were commissioned by the Council to undertake a high level diagnostic of Council Services, identifying the relative value and quality of the main service areas and to seek out areas for efficiency and performance improvement. This was to be done through a series of interviews, documentation reviews and comparison. In particular they have reviewed the following sources of information:-
- performance data, benchmarks against a comparative group of excellent and good authorities
  - value for money indicators
  - corporate, council, service and financial plans
  - budget books
  - satisfaction report and performance data
  - inspectorate reports
- 5.2.2 The model consisted of two elements, a service catalogue and a project catalogue. The service catalogue allows the consideration of the priority of particular services against the quality of the delivery of these services. It provides scope for challenging the Council's key services and can also flag up the challenges and opportunities within each department by considering which services:

- really add value
- are delivered efficiently or effectively
- are delivered in the optimum way
- should be targeted for change
- could be improved through greater investment, collaboration, new ways of working etc.

5.2.3 Service prioritisation models have thus been produced for each of the Council's six departments plus a separate one for Education Leeds. The model is seen as a high level methodology rather than a pinpoint diagnostic and so should not act as the definitive performance or importance status of each service. Its benefit, however, is that it can provide for high level understanding of the relative strengths, weaknesses and importance of each of the Council's main services and teams. As such it can be used to inform or guide the Council's budget and service planning processes as well as supporting a wider efficiency and improvement programme.

5.2.4 There has been some progress on a number of departmental projects identified in the Project Catalogue, with 41 projects being completed and 63 under development out of a total of 156 suggested projects.

5.2.5 Further work is ongoing to use this process in order to realign resources to priorities.

### **5.3 Dedicated Schools Budget (DSG)**

5.3.1 The Dedicated Schools Grant, the new funding arrangement for Education, is a ring fenced grant which can only be used to fund Schools Block expenditure i.e. the Individual Schools Budget (ISB) and the Central Schools Block. Education LEA functions are funded by mainstream government funding like other council services and are included in the assumptions above.

5.3.2 As part of the two year settlement, the Government announced that the 2007/08 indicative DSG allocation for Leeds will be £16.8m greater than the base budget for the current year. The increase over the adjusted base for the ISB is £14.5m, which will fund the 3.7% minimum funding guarantee of £12.5m with the balance to meet all other pressures. The remainder of the allocation will address pressures in the Central Schools block. These include:-

- Inflationary pressures on Central Schools Budget
- Provision of more practical learning pathways for children in key stage 4
- Provision of enhanced support for schools in meeting the outcomes of "No Child Left Behind,"
- Private, voluntary & independent nursery provision for 3 & 4 year olds accessing education in non-maintained settings – increased costs due to inflation, demography & operation of additional children's centres.
- Fallout of 2006/07 schools contingency provision to assist schools in meeting the costs of equal pay compensation.
- Outside Placements – an increase in the number of pupils requiring replacement.

5.3.3 The 2005/06 outturn report identified that the Council's strategy for funding the development costs of schools' PFI/BSF schemes by borrowing short term from the PFI reserve and schools reserves was no longer sustainable as schools reserves had



fallen significantly in 2005/06. Officers are currently working to formulate a viable alternative strategy to fund these development costs.

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

- 5.4.1 The financial strategy for the HRA is developed in the HRA Business Plan. The key factors in determining the strategy are the amount of Housing Subsidy allocated by Central Government and the implementation of the government's rent restructuring programme. Housing Subsidy is driven by three key elements: Management and Maintenance Allowances, stock numbers and funding of debt.
- 5.4.2 For 2007/08 the DCLG guidance is not yet available for national changes in Management and Maintenance Allowances.
- 5.4.3 It is estimated that over the three year period 2006/07 to 2008/09 there will be a reduction in council housing stock of 3500 to 4000 properties (equivalent to 6% of stock). This will occur through Right To Buy sales and demolitions or disposals of properties which are not sustainable either because of their physical condition or lack of demand. These changes are principally demand led, difficult to accurately predict and impact on subsidy levels. From 1 April 2004, 75% of receipts generated through RTB sales (net of expenses) are required to be paid over to central government.
- 5.4.4 Average rent rises for 2007/08 are expected to be 5%. Central government is continuing with its rent restructuring review which aims to harmonise Local Authority rents with Registered Social Landlords by April 2012 for comparable properties. The government has indicated that rent restructuring will be resource neutral when viewed nationally and proposes to compensate local authorities by increasing Management and Maintenance Allowances. Additionally, rent restructuring brings with it an increasing requirement to de-pool service charges.
- 5.4.5 Additionally the HRA receives subsidy based on the actual cost of borrowing, which broadly offsets the real cost of borrowing. Interest rates of 5.15% are assumed.
- 5.4.6 The HRA currently receives additional subsidy directly related to the ALMO's supplementary capital programme. Whilst not guaranteed, the Financial Plan assumes that this funding continues unaltered until completion of the Decent Homes programme. Significant reductions in the cost base of the HRA will be required to reflect this fall out of subsidy towards the end of this Financial Plan.
- 5.4.7 The Swarcliffe PFI scheme commenced on 1 April 2005. The HRA Business model currently assumes average inflation rises of 2.5% in relation to management costs.

## **6 CONCLUSIONS**

- 6.1 It is clear that the financial pressures facing the Council over the next financial year will exceed the likely level of resources available. Moreover if the Council is to redirect its resources to its key corporate priorities, it will be necessary to challenge the way in which the Council delivers its services through service prioritisation.
- 6.2 However, it should be noted that 2007/08 will be the final year of the current financial plan and much has been achieved. It has provided a robust framework for medium term planning and has underpinned the annual budget setting processes whilst supporting the delivery of services and targeting the Council's priority areas.

- 6.3 Following the publication of the CSR 2007, a new Financial Plan will be developed during 2007/08 to cover the years 2008 to 2011. It is apparent that the level of resources available to the Council in the years beyond 2007/08 will be limited. It is recognised that there is a need to strengthen the links between service planning and financial planning to ensure the realignment of resources to priorities, and it is proposed to develop the Financial Plan as a key element of the new Corporate Plan which will also be published during 2007.
- 6.4 It is also clear that service prioritisation needs to be further embedded at a cross-departmental level in order to better inform the decisions regarding the allocation of resources.
- 6.5 In order to facilitate improved monitoring of the plan, it is proposed that a series of milestones are incorporated into the new Financial Plan and to develop an approach to medium term planning which will encompass a rolling three year projection of resources and pressures. This will also provide a better framework for decision making requiring clarity as to the impact upon resources in future years as well as the current. It will also

## **7 RECOMMENDATIONS**

Executive Board are asked to

- 7.1 Approve this update to the Council's Financial Plan 2005-08 and to request departments to prepare detailed budgets for 2007/08 in accordance with the principles included within this update.
- 7.2 Forward this report to the Council's Overview and Scrutiny Committee as part of their review of the Executive's initial budget proposals in accordance with the Council's Constitution.
- 7.3 Note the intention to produce a new financial plan once the details of the CSR 2007 have been announced and a move towards three year budgeting.



Originator: M Taylor

Tel: x74234

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**Report of the DIRECTOR OF CORPORATE SERVICES**

**Executive Board**

**Date: 15<sup>th</sup> November 2006**

**Subject: TREASURY MANAGEMENT STRATEGY UPDATE 2006/07**

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**Electoral Wards Affected:**

**Specific Implications For:**

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

no

Not Eligible for Call In

(Details contained in the report)

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**EXECUTIVE SUMMARY**

1. This report provides a review and update of the treasury management strategy for 2006/07.
2. The Council's level of external debt at 31<sup>st</sup> March 2007 is anticipated to be £1,265m, £26m higher than expected when the strategy was approved in February 2006.
3. The 2006/07 budget assumed savings from treasury management activity of £200k and to date revenue savings of £4.9m have been achieved. This is largely due to restructuring of the existing loan portfolio, securing long term borrowing at lower rates than assumed in the strategy and taking advantage of competitive rates by borrowing future years capital requirements and investing monies in fixed deposits until required.
4. The level of debt is expected to remain within the new Authorised limits for external debt as agreed by Council on 1<sup>st</sup> November 2006.

## 1.0 Purpose Of This Report

1.1 The 2006/07 treasury management strategy was approved by Executive Board on 17<sup>th</sup> February 2006. This report provides a review and update of the strategy for 2006/07.

## 2.0 Background Information

2.1 The operation of the Treasury Management function is governed by provisions set out under part 1 of the Local Government Act 2003 whereby the Council is required to have regard to the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance in Local Authorities.

2.2 The Prudential Code requires that full Council set certain limits on the level and type of borrowing before the start of the financial year together with a number of Prudential indicators. Any in year revision of these limits must similarly be set by Council.

2.3 The Code of Practice requires that policy statements are prepared for approval by the Council at least twice a year. The Policy and Strategy statement for 2006/2007 was approved by the Executive Board on 17<sup>th</sup> February 2006 and by full Council on 28<sup>th</sup> February 2006. This report provides Members with a review and update of the strategy for 2006/2007.

## 3.0 Main Issues

### 3.1 *Review of Strategy 2006/2007*

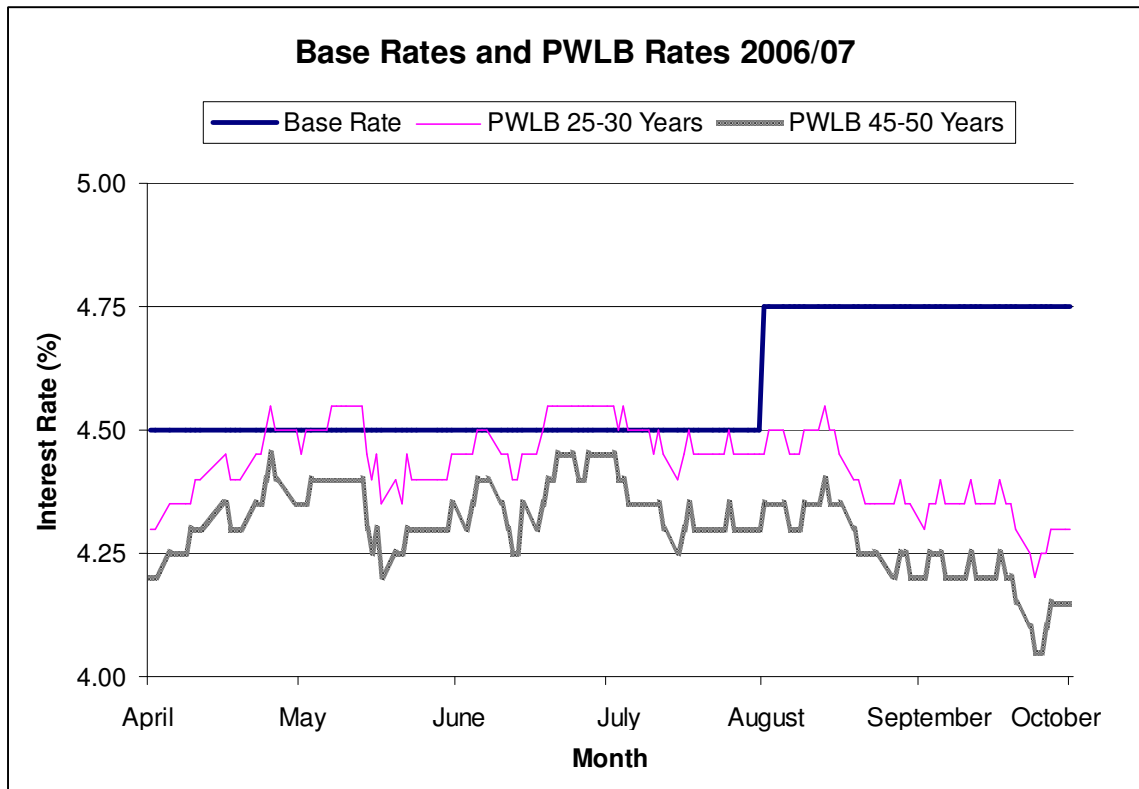
3.1.1 The current borrowing forecasts are shown in Table 1.

**Table 1**

<b>ANALYSIS OF BORROWING 2006/07 – 2008/09</b>	<b>2006/07 This Report £m</b>	<b>2007/08 £m</b>	<b>2008/09 £m</b>
<b>Net Borrowing at 1 April</b>	1,054	1,265	1,397
New Borrowing for the Capital Programme – HRA	117	111	35
New Borrowing for the Capital Programme – Non HRA	118	49	18
Debt redemption costs charged to Revenue (Incl HRA)	( 21)	( 25)	( 26)
Reduced/(Increased) level of Revenue Balances	( 3)	( 3)	( 3)
<b>Net Borrowing at 31 March *</b>	<b>1,265</b>	<b>1,397</b>	<b>1,421</b>
* Comprised as follows			
Long term Borrowing			
Existing Fixed	1,313	1,298	1,313
Existing Variable	40	55	65
New Borrowing		25	24
Short term Borrowing	12	19	19
Total External Borrowing	1,365	1,397	1,421
Less Investments	100	0	0
Net External Borrowing	1,265	1,397	1,421
% Gross borrowing exposed to interest rate risk	4%	8%	8%
Capital Financing Requirement	1,351	1,487	1,512

Note: The Capital Financing Requirement (CFR) is the maximum the Council can borrow for capital purposes.

- 3.1.2 Table 1 above shows that 2006/07 net external borrowing is now forecast at £1,265m, which is £26m higher than forecast in the report to Executive Board on 17th February 2006. This is due to increases in capital programme borrowing for both the Housing Revenue account and the General Fund. The increase in the borrowing requirement is explained in the Capital Programme half year update which is a separate report on this agenda.
- 3.1.3 The net borrowing as at 01/04/2006 is £44m less than anticipated in the February report largely due to short term revenue balances of £41m. The forecast borrowing requirement for 2006/07 is now forecast at £235m (which includes replacing £24m of 13.5% stock which matured on 01/10/06) of which £77m was pre-funded in 2005/06. This leaves a borrowing requirement of £158m in 2006/07.
- 3.1.4 Interest rate movements during the year are shown in the graph below. The base rate moved upwards in August 2006 to 4.75%. This increase was earlier than anticipated by most forecasters and was against a background of firm growth in the economy, rapid growth in the supply of money and credit and indications that inflation was likely to remain significantly above the target of 2.0%. Forecasters now predict a rise of 0.25% in November 2006 before rates fall back towards the second half of 2007.
- 3.1.5 Long term rates have fallen during the year and have ranged between 4.45% and 4.05% for the 45 to 50 year period. The long term rate hit 4.05% at the end of September and was based upon poor US data that had not been predicted by economists. The Council's treasury advisors latest forecasts are for long term rates to remain within 4.2% and 4.95% through to 2008. There is the possibility however of long term rates falling lower than this towards the end of the year when traditionally demand for government gilts increases.



- 3.1.6 Monitoring of the long term rates has presented opportunities to restructure £289m of loans as shown in Table 2 to generate current and future year savings. This included £194m of PWLB loans and a further £95m of market loans, including £45m that was pre-arranged before 01/04/06. The restructuring of market loans also had the objective of removing the number of opportunities for the lender to vary the interest rate on the loans and thereby reduce volatility. The revenue budget set in February this year assumed that savings of £200k would be delivered through rescheduling and improved balances. Market conditions have enabled restructuring to generate savings to date of £4.9m. The Director of Corporate Services will continue to monitor market conditions to identify any further opportunities.

**Table 2**

<b>Rescheduling 2006/07</b>				
Date	Source	Amount (£m)	Term (Years)	Interest Rate (%)
24/04/06	Market Loan	5	60	4.15
24/04/06	Market Loan	10	60	4.81
24/04/06	Market Loan	5	60	3.995
28/04/06	PWLB	22	45	4.4
28/04/06	PWLB	22	46	4.4
28/04/06	PWLB	26	47	4.4
28/04/06	PWLB	22	48	4.4
28/04/06	PWLB	22	50	4.4
02/05/06	Market Loan	10	60	3.96
02/05/06	Market Loan	10	60	3.96
08/05/06	Market Loan	5	60	4.33
19/05/06	PWLB	20	36	4.3
16/06/06	PWLB	30	50	4.25
19/07/06	PWLB	30	47	4.25
19/09/06	Market Loan	15	70	4.25
21/09/06	Market Loan	20	70	4.45
21/09/06	Market Loan	15	70	4.24
		<b>289</b>		

- 3.1.7 To meet the borrowing requirement for the year, new loans of £158m have been taken, £93m from PWLB and £65m in market loans of which £35m were arranged before 01/04/06. These market loans are termed Lenders Option Borrowers Option (LOBO) and contain clauses which allow the lender, at pre-determined dates, to vary the interest rate on the loan. If one of these options is exercised and the new rate is not accepted, the borrower then has the option to repay the loan. Details of new borrowing for 2006/07 undertaken during the year are set out in Table 3.

**Table 3**

<b>New Borrowing for 2006/07 Requirement</b>				
Date	Source	Amount (£m)	Term (Years)	Interest Rate (%)
03/04/06	Market Loan	10	60	3.52
03/04/06	Market Loan	10	60	3.58
03/04/06	Market Loan	5	60	3.40
03/04/06	Market Loan	10	60	3.38
01/06/06	Market Loan	10	60	3.68
01/06/06	Market Loan	10	60	3.78
01/06/06	Market Loan	10	60	3.83
19/07/06	PWLB	25	46	4.25
14/09/06	PWLB	30	49	4.20
14/09/06	PWLB	25	48	4.20
29/09/09	PWLB	13	48	4.05
		<b>158</b>		

- 3.1.8 In addition to funding the 2006/07 requirement, historically low PWLB interest rates in the 45-50 year band presented the opportunity to borrow in advance a substantial part of the 2007/08 borrowing requirement, investing the amounts until they are required. The opportunity was taken to borrow £107m from the PWLB to fund the 2007/08 capital programme as shown in Table 4. £100m of this sum has then been invested until the required dates at an average annual rate of 5.02%.

**Table 4**

<b>Pre Funding for 2007/08 Requirement</b>				
Date	Source	Amount (£m)	Term (Years)	Interest Rate (%)
19/05/06	PWLB	20	43	4.25
19/05/06	PWLB	20	44	4.25
19/05/06	PWLB	30	50	4.25
19/05/06	PWLB	30	42	4.25
29/09/09	PWLB	7	48	4.05
		<b>107</b>		

**3.2 Borrowing Limits for 2006/07 , 2007/08 and 2008/09**

- 3.2.1 The Council is required to set various limits for 2006/07, 2007/08 and 2008/09 in accordance with the Local Government Act 2003, having regard for CIPFA's prudential code. These limits including prudential indicators are detailed in Appendix A.
- 3.2.2 A report seeking to increase borrowing limits for 2006/07 was approved by Council on 1<sup>st</sup> November 2006. The new agreed limits for 2006/07 are set out below in Table 5.

**Table 5**

	<b>2006/07 February 2006 £m</b>	<b>2006/07 This Report £m</b>
<b>Authorised Limits</b>		
Borrowing	1,410	1,550
Other Long Term Liabilities	40	40
<b>Total</b>	<b>1,450</b>	<b>1,590</b>
<b>Operational Boundary</b>		
Borrowing	1,260	1,460
Other Long Term Liabilities	30	30
<b>Total</b>	<b>1,290</b>	<b>1,490</b>

- 3.2.3 The limits specific to Treasury Management were revised by Full Council on 1<sup>st</sup> November 2006. It is anticipated that the authority will remain within the new authorised limits for 2006/07. Both the authorised limit and operational boundary are made up of a limit for borrowing and one for other long term liabilities and the Director of Corporate Services has authority, under the Prudential Code, to vary these two elements within the overall limits.
- 3.2.4 Current performance against borrowing limits is shown in Appendix B. A full review of the borrowing limits for 2007/08 onwards will be undertaken when the capital programme is reviewed for the Council meeting in February 2007.

### **3.3 Investment Strategy & Limits**

- 3.3.1 With effect from the 1<sup>st</sup> April 2004, to coincide with the introduction of the prudential code, legislation and guidance on Local Government Investments was issued. This legislation allows Councils with external debt to hold investments for more than 364 days, a freedom not previously allowed. Further freedoms were also introduced which give Councils greater flexibility and hence access to higher returns, provided that any investment strategy is consistent with the Prudential framework. The Prudential code requires that Councils set limits on investments for periods longer than 364 days. In February 2006, in view of the new strategy to consider borrowing in the current year for part of the 2007/08 requirement, this limit was set at £100m.
- 3.3.2 The capital programme borrowing requirements for 2007/08 and 2008/09 are now higher than assumed in setting the above limit. Should rates be advantageous, this limit needs to be sufficient to allow borrowing for future years, with this advanced funding being invested until it is required. It was therefore agreed by Council on 1<sup>st</sup> November 2006 to increase the limit on investments for periods longer than 364 days to £150m.
- 3.3.3 The criteria for determining the lending list of approved investment counterparties is based upon an investment matrix provided by Sector Treasury Services and was approved by Executive Board in February 2002. This matrix has been used to select investment counterparties where the Council has borrowed in advance and invested the sums until required to fund the capital programme. Sector continually update the list based upon the latest market ratings. The list will be kept under review as the treasury strategy develops.

### **4.0 Implications For Council Policy And Governance**

- 4.1 The operation of the Treasury Management function is governed by provisions set out under part 1 of the Local Government Act 2003 whereby the Council is required to have regard to the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance in Local Authorities.
- 4.2 The Prudential Code requires that full Council set certain limits on the level and type of borrowing before the start of the financial year together with a number of Prudential indicators. Any in year revision of these limits must similarly be set by Council.
- 4.3 The Code of Practice requires that policy statements are prepared for approval by the Council at least twice a year. The Policy and Strategy statement for 2006/2007 was approved by the Executive Board on 17<sup>th</sup> February 2006 and by full Council on 28<sup>th</sup> February 2006.

### **5.0 Legal And Resource Implications**

- 5.1 This update on the treasury strategy recognises the increase in borrowing required to fund the capital programme requirements of both General Fund and HRA. Where there is additional supported borrowing the revenue costs are met by the Government. The revenue costs for additional unsupported borrowing on the General Fund are offset against Treasury Management savings generated so far in the year.



## **6.0 Conclusions**

- 6.1 Treasury Management activity has enabled revenue savings of £4.9m to be generated to date. The Director of Corporate Services will continue to monitor market conditions to identify any further opportunities for increasing revenue savings.
- 6.2 It is anticipated that the authority will remain within the new authorised limits for 2006/07 as outlined in Table 5.

## **7.0 Recommendations**

That the Executive Board:

- 7.1 Notes the update on Treasury Management borrowing and investment strategy for 2006/07.

## Leeds City Council - Prudential Indicators 2006/07 - 2008/09

No.	PRUDENTIAL INDICATOR	2006/07	2007/08	2008/09
<b>(1). EXTRACT FROM BUDGET AND RENT SETTING REPORTS</b>				
1	<b>Ratio of Financing Costs to Net Revenue Stream</b> General Fund - Excluding DSG (Note 1)	8.89%	10.72%	10.61%
2	HRA	15.16%	16.22%	16.58%
<b>Impact of Unsupported Borrowing on Council Tax &amp; Housing Rents</b>				
3	increase in council tax B7(band D, per annum) (Note 2)	£ . P	£ . P	£ . P
4	increase in housing rent per week	36.59	52.67	53.85
5	Net Borrowing and the capital financing requirement (Note 3)	0.00	0.00	0.00
5	Net Borrowing and the capital financing requirement (Note 3)	OK	OK	OK
<b>Estimate of total capital expenditure</b>				
6	Non HRA	209,038	196,051	101,625
7	HRA	168,030	152,491	76,061
	TOTAL	377,068	348,542	177,686
<b>Capital Financing Requirement (as at 31 March)</b>				
8	Non HRA	£'000	£'000	£'000
9	HRA	725,389	722,225	714,429
	TOTAL	625,373	763,280	797,894
	TOTAL	1,350,762	1,485,505	1,512,323

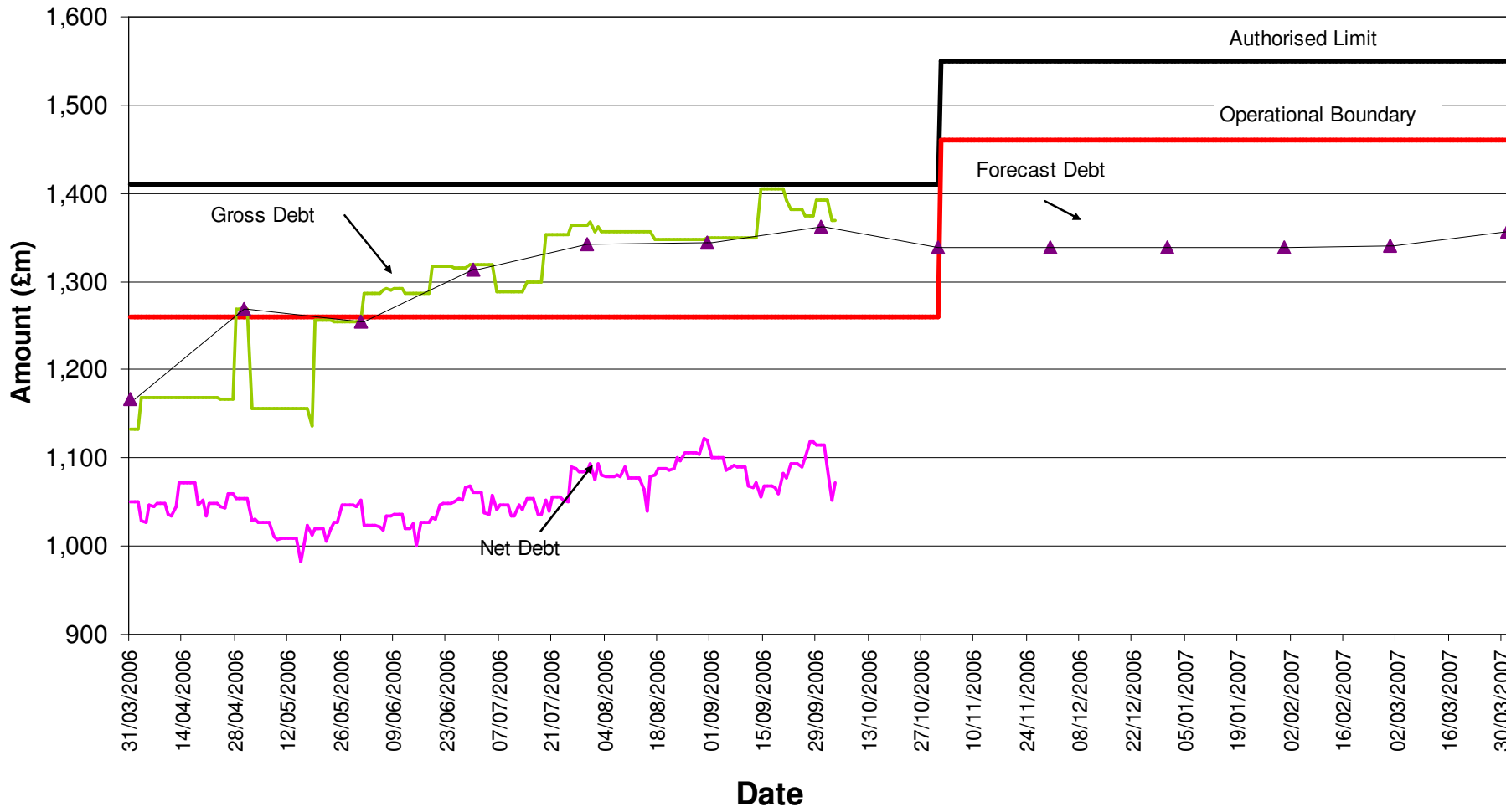
No.	PRUDENTIAL INDICATOR	2006/07	2007/08	2008/09
<b>(2). TREASURY MANAGEMENT PRUDENTIAL INDICATORS</b>				
		£'000	£'000	£'000
10	<b>Authorised limit for external debt - (Note 5)</b> borrowing	1,550,000	1,490,000	1,570,000
	other long term liabilities	40,000	40,000	40,000
	TOTAL	1,590,000	1,530,000	1,610,000
11	<b>Operational boundary - (Note 5)</b> borrowing	1,460,000	1,365,000	1,415,000
	other long term liabilities	30,000	30,000	30,000
	TOTAL	1,490,000	1,395,000	1,445,000
14	<b>Upper limit for fixed interest rate exposure</b> Net principal re fixed rate borrowing / investments OR:-	115%	115%	115%
15	<b>Upper limit for variable rate exposure</b> Net principal re variable rate borrowing / investments OR:-	40%	40%	40%
17	<b>Upper limit for total principal sums invested for over 364 days (Note 5)</b> (per maturity date)	150,000	100,000	100,000

16	Maturity structure of fixed rate borrowing 2006/07 -> 2008/9	Lower Limit	Upper Limit	Projected 31/03/2006
	under 12 months	0%	30%	0.01%
	12 months and within 24 months	0%	30%	4.11%
	24 months and within 5 years	0%	40%	14.95%
	5 years and within 10 years	0%	50%	3.51%
	10 years and above	25%	90%	77.42%

## Notes.

- The indicator for the ratio of financing costs to net revenue stream for General Fund is now calculated based on the Net Revenue Charge less the Dedicated Schools Grant (DSG). The Government changed the funding of education to DSG from 2006/07.
- The code requires that the Council identifies the capital financing costs arising from unsupported borrowing expressed as the amount per band D property.
- In order to ensure that over the medium term net borrowing will only be for a capital purpose, the Council should ensure that net external borrowing does not exceed the total capital financing requirement in the preceding year plus estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence.
- Prudential indicator 12 relates to actual external debt at 31st March, which will be reported in the Treasury Management Annual Report.  
  
Prudential indicator 13 relates to the adoption of the CIPFA Code of Practice on Treasury Management. The Council formally adopted this Code of Practice in March 2003.
- Limits for 2007/08 and 2008/09 are as set in the February 06 report, but will be reviewed in the February 07 Treasury Management Strategy report.

# Prudential Code Monitoring 2006/07 - Debt



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Originator: Nicola Raper

Tel: 24 74095

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**Report of the Director of Legal and Democratic Services**

**Executive Board**

**Date: 15 November 2006**

**Subject: Approval of a Statement of Gambling Policy**

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**Electoral wards affected:**

All

**Specific implications for:**

Equality and Diversity

Community Cohesion

Narrowing the gap

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**Executive Summary**

1. This Report provides members of the Executive Board with a revised draft Statement of Gambling Policy under the Gambling Act 2005. The original draft of the Policy came before Executive Board in September 2006, and was referred to Overview and Scrutiny Committee in accordance with the Budgetary and Policy Framework Rules. The original draft was then considered by the Overview and Scrutiny Committee, and the Policy revised by Officers taking into account the comments of Scrutiny, together with the comments of those who responded to the consultation exercise. Executive Board are asked to consider the revised draft and refer the matter to Full Council, who will consider whether to approve the Statement of Gambling Policy at a special meeting in December 2006.

## **1.0 Purpose of this report**

- 1.1 The purpose of this Report is to provide Executive Board with an updated and revised draft Policy on the licensing of gambling premises under the Gambling Act 2005. The revisions have been made following Scrutiny (in accordance with the Budgetary and Framework Rules) and responses to the consultation exercise.

## **2.0 Background information**

- 2.1 The Gambling Act 2005 gives effect to Government proposals for the reform of the law on gambling. The Act contains a new regulatory system to cover the provision of all commercial gambling in Great Britain, other than the National Lottery and spread betting.
- 2.2 Leeds City Council is appointed as the Licensing Authority for Leeds, and will issue licences to premises for gambling within the Leeds district, together with various permits and notices to regulate smaller scale or ad hoc gambling. It should be noted that any operator wishing to provide gambling at premises must first have applied to the requisite operator for Personal Licences from the Gambling Commission before they can approach the Licensing Authority for a Premises Licence.
- 2.3 The Act requires the Council, as Licensing Authority, to aim to permit the use of premises for gambling insofar as the Authority thinks it:
- in accordance with the relevant Code of Practice
  - in accordance with any relevant guidance issued by the Gambling Commission
  - reasonably consistent with the Licensing objectives
  - in accordance with the Policy issued by the Licensing Authority under the Act
- 2.4 There are three licensing objectives under the Gambling Act 2005, and they are:
- preventing gambling from being a source of crime or disorder, being associated with crime or disorder, or being used to support crime
  - ensuring that gambling is conducted in a fair and open way
  - protecting children or other vulnerable persons from being harmed or exploited by gambling
- 2.5 Members will note that these objectives are different from the four objectives set out in the Licensing Act 2003. Specifically, they do not include public nuisance or public safety, and there is no positive duty to promote the objectives. In addition, the Act makes it clear that issues such as the need for gambling premises, or whether they have or will get planning permission are not relevant considerations on the granting of a Licence.
- 2.6 Transitional Arrangements

The transitional period is currently expected to commence on 1 January 2007. From this date, gambling operators will be able to approach the Gambling Commission to apply for Personal and Operator Licences. From 30 April 2007

those organisations who have made application to the Gambling Commission will then become eligible to apply to Leeds, as the Licensing Authority, for the necessary Premises Licence. These applications must be made to the Council by 31 July 2007. Existing operators who make the necessary application in this transitional window will qualify for continuation rights, which will allow them to continue trading once the Act is brought into full force. It is anticipated that the Act will come into full force on 1 September 2007.

### 3.0 Main issues

#### 3.1 Consultation

Members will recall that at their meeting on 20 September 2006, it was resolved to refer the matter to Overview and Scrutiny Committee in accordance with the Budgetary and Policy Framework Rules. Overview and Scrutiny Committee considered the draft Statement of Policy on 9 October, together with the consultation responses and further information provided by the Entertainment Licensing Section on the extent of the consultation. As a result of their consideration, Overview and Scrutiny Committee produced a note of their discussion to assist Officers in their revision of the draft Policy. A copy of the note prepared and agreed by Overview and Scrutiny Committee is attached to this Report as **Appendix 1**.

Members may also recall seeing at the meeting on 20 September 2006 a Report on the outcome of the consultation on the draft Statement of Gambling Policy. That Report, together with the comments of Overview and Scrutiny, has been used to prepare a table of responses to the consultation. The table is attached as **Appendix 2** to this Report. It details the source of any comment on the draft Policy, together with details of the comments made or a summary of the comments, the proposed reply of the Council and any changes made to the Policy as a result. This is a key document and is designed to show clearly which comments from the consultation have been taken into account, and where changes have been made to the Policy as a result. The table also indicates where changes have not been made to the Policy despite a comment, and identifies the reason why that is the case. In the majority of situations, this is because the comment fell outside the scope of what the Council, as Licensing Authority, can achieve through its licensing policy.

#### 3.2 Leeds Large Casino bid

Members may be aware that an appeal against the decision not to shortlist Leeds for the Regional Casino was not upheld by the Casino Advisory Panel. However, Leeds still has an existing bid for a Large Casino Licence. Members will recall that there are likely to be eight large Casinos nationally. The Large Casino bid is being co-ordinated through the Development Department. As part of the bid process, the Development Department has created a Casino Task Group through the Leeds Initiative, comprising of representatives of businesses, faith groups and other interested parties. The Task Group is chaired by Councillor Barry Anderson. The Development Department also commissioned a health, economic and social impact study, which looks at the current situation with gambling in Leeds and the possible effect of a large Casino, should the bid be successful. The final Report of the consultants was considered by the Casino Task Group on 30 October 2006. Relevant matters from the Casino Bid and the Report have been incorporated into the revised draft Policy.

3.3 A copy of the revised draft Policy is attached for Members to consider at **Appendix 3**.

#### **4.0 Implications for council policy and governance**

4.1 Due to the strict time frame imposed by the Gambling Act 2005, it has been necessary to call a meeting of Full Council in December in order to approve the final Statement of Gambling Policy. This meeting is scheduled for 13 December 2006.

4.2 It is intended to make necessary changes to the Constitution at the same time.

4.3 It will then be necessary to call a special meeting of the Licensing Committee to deal with the necessary delegation of functions under the Act to Sub-Committees and to Officers.

#### **5.0 Legal and resource implications**

5.1 New responsibilities will require additional temporary legal support to both Licensing Committee and the Entertainment Licensing Section, and a review of the existing resources within the Entertainment Licensing Section.

5.2 The final Policy must be taken into account when Officers and Members are making decisions on applications for Premises Licences and Permits under the Gambling Act 2005.

#### **6.0 Conclusions**

6.1 That Members should consider the comments of Overview and Scrutiny Committee and the consultation responses and decide whether to refer the revised draft for approval.

#### **7.0 Recommendations**

7.1 Members are requested to:

7.1.1 consider the responses to the consultation carried out, including the comments of Overview and Scrutiny Committee at Appendix 1 and the table of responses at Appendix 2, and endorse the proposed responses to the consultation exercise and recommend to Full Council that these be approved as the Council's response to matters raised in consultation;

7.1.2 note the revised draft Statement of Gambling Policy set out at Appendix 3, and recommend to Full Council that this be approved as the final Policy under the Gambling Act 2005.



## OVERVIEW AND SCRUTINY COMMITTEE – COMMENTS ON THE STATEMENT OF GAMBLING POLICY.

On 4 September Overview and Scrutiny Committee received and considered a preliminary report on the Statement of Gambling Policy.

At this stage the Committee made some initial observations which were forwarded to officers and the Leader of Council.

The Committee's greatest concern at this stage was the seemingly limited range of those who have been consulted on the draft policy. Whilst acknowledging that some of its concerns might be alleviated when the full list of those who have been consulted was available, the Committee felt that, as the document stood at that stage it appeared that some key partners had not been consulted, particularly, District Partnerships, Area Committees, PCTs and faith organisations.

The Committee stressed that its wish to see these bodies consulted was not in any way a statement of whether the Committee did or did not support the provision of Casinos but a feeling that the absence of views from these organisations weakened the legitimacy of the policy.

It was also the Committee's view that consultation should not end with the publication of the policy, but should continue throughout the life of the document including during any review of its effectiveness.

On 9<sup>th</sup> October 2006 the Committee considered an updated report on the Draft Statement of Gambling Policy as part of the council's budget and policy framework procedure rules. This report included the results of the consultation on the draft policy.

A number of issues emerged from these discussions. Whilst satisfied that further consultation work had been undertaken a key concern of the Committee remained the need for the Council to establish robust mechanisms to ensure a continuing dialogue with those who may wish to comment on gambling. The Committee is not convinced that these mechanisms are in place.

Members also had concerns that the provisions of the Act itself limited the council's ability to exercise its legitimate role of promoting community wellbeing.

The key concepts of the Act, i.e. the licensing objectives of the Act are:

- preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime,
- ensuring that gambling is conducted in a fair and open way, and
- protecting children and other vulnerable persons from being harmed or exploited by gambling.

The most common local issues such as nuisance, general disorder and public safety are not within the scope of the objectives, and therefore the Licensing Authority would not be able to accept any objection on these grounds as being relevant. This is of concern to the Committee.

The Committee is aware that enforcement and licence condition regulations have not yet been issued. ???The Council should therefore lobby the Minister of State for the Department of Culture, Media and Sport and the Gambling Commission for the right for councils to ensure community wellbeing.

Notwithstanding the above, members of the Committee are of the view that there are practical actions the council could now do.

Acknowledging the broader responsibilities of the Council, the Committee is of the view that the Council should use other arenas to discuss gambling, for example schools.

A key recommendation coming from the Scrutiny Inquiry into alcohol misuse was;

“That the Director of Legal and Democratic Services and the Director of Development arrange for the Development Plan Panel and the Licensing Committee meets to consider the consequences of licensing and planning policies on each other”.

The Committee recommends that this same approach is taken for gambling.

The alcohol commission also recommended;

“That the Head of Entertainment Licensing provides ward councillors with up to date information on all the on and off licensed premises in their ward, and the licensed hours and opening times for each of the premises”.

The Committee recommends that this principle is extended to premises offering gambling and that Ward Members are informed at the earliest possible opportunity by the Licensing Section and by the Development Department of any proposals relating to proposed gambling premises in their areas.

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**Section 1 - Detailed written replies and miscellaneous comments**

Source	Comments made / summary of comments	Reply	Policy Changes
<p>Overview and Scrutiny Committee Meeting – 4<sup>th</sup> September 2006.</p>	<ol style="list-style-type: none"> <li>1) Remove reference to excellent transport links in introduction section</li> <li>2) Section on vulnerable persons should be defined more clearly</li> <li>3) Improve Map of Leeds District. Seek clarification from Overview and Scrutiny on this point.</li> </ol>	<ol style="list-style-type: none"> <li>1) Comments noted.</li> <li>2) Comments noted.</li> <li>3) Comments noted.</li> </ol>	<ol style="list-style-type: none"> <li>1) Policy updated accordingly.</li> <li>2) Owing to responses made from other respondents the term vulnerable persons has been expanded to include new groups which in essence offers a clearer breakdown of who the council will view as vulnerable.</li> <li>3) Map will be amended accordingly prior to publication of the document.</li> </ol>
<p>Cllr R Feldman (by telephone)</p>	<p>Raised concerns regarding the category B2 gaming machine as per the table contained in the policy at page 28 .</p>	<p>The category B2 is not actually a traditional slot machine. It refers to a type of gaming machine known as a fixed odds betting terminal (FOBTs). These are a new type of gaming machine which generally appear in licensed bookmakers.</p> <p>FOBTs have ‘touch-screen’ displays and look similar to quiz machines familiar in pubs and clubs. They normally offer a number of games, roulette being the most popular. This allows betting shops the opportunity to offer their customers casino style table games with maximum prizes of £500 with each spin of the roulette wheel. Money is inserted either as notes or coins in the machine itself or using a debit card over the counter. Initial deposits could be over £100. To place a bet you choose the size of your initial stake and touch the screen on the relevant numbers or other</p>	<p>Owing to the special nature of these machines (which are only allowed in casinos and bookmakers) we have inserted more information by way of a footnote to repeat some of the explanation as detailed in the cell left.</p>

Draft Gambling Policy – Key Consultation Messages

Source	Comments made / summary of comments	Reply	Policy Changes
		<p>selections (such as red/black or odd/even) to place the bet on the table. Once you have placed your bets you touch the screen again to set the roulette wheel spinning. The wheel will come to rest after about 15 seconds.</p> <p>It would appear therefore that the maximum stake of £100 refers to the number of chips you can stake in any one game where the maximum cost of each chip is £15.</p>	
CIIR R Feldman (by telephone)	Asked for the Grand Theatre to be included at section 2.4 of the policy.	Comments noted.	Policy updated accordingly
Association of British Bookmakers (ABB)	<p>The ABB pressed for any conditions regarding door supervisors to only be used in exceptional cases where the particular circumstances of the case make it both necessary and proportionate. The ABB argued that historically door supervision has not been necessary at bookmakers. They suggested the following wording:</p> <p>“There is no evidence that the operation of betting offices has required door supervisors for the protection of the public. The authority will make a door supervision requirement only if there is clear evidence from the history of trading at the premises that the premises cannot be adequately supervised from the counter and that door supervision is both necessary and proportionate.”</p>	While the Council is generally happy with the current wording in the draft policy which suggests the use of all conditions including door supervisors will be done on a case by case basis we will revisit the section on ‘conditions’ to ensure that it clearly shows that door supervisors will not be imposed without proper due consideration of sound evidence that there are specific risks at the particular premises in question, which need to be addressed.	The council has amended several paragraphs to address the concerns of the ABB. Principally the term ‘door supervisors’ has been replaced with ‘supervision of entrances’ which should offer more flexibility for operators. See para 13.15
Association of British Bookmakers (ABB)	The ABB expressed concern at the draft policy’s statement regarding location issues and asked that the following statement be added, “The Council will	While the ABBs concern is noted it goes without saying that any decision the Licensing Authority takes would be evidential taking in to account the particular circumstances of the	The ABBs suggested wording has been employed at 13.9. In addition The policy has been updated to remove the reference to proximity.

Draft Gambling Policy – Key Consultation Messages

Source	Comments made / summary of comments	Reply	Policy Changes
	<p>require evidence that the particular location of the premises would be harmful to the licensing objectives. The mere location of the premises near to any of the premises or area referred to will not in itself result in the application being refused.”</p>	<p>application in question. The sub policy to look at location issues should be taken in the context of the wider policy aims set down at para 1.5 and para 5.1. We will however consider the wording suggested by the ABB within para 13.9.</p>	<p>Instead we now ask for the possible impact a gambling premises may have on any schools, vulnerable adult centres or residential districts in the area. Clearly proximity is a difficult term to define and may suggest that impacts would only be considered if they take place in the immediate vicinity of the premises. It is hoped this amendment will allow wider impacts to be assessed which, although further away from a given premises could still be linked to such premises.</p>
<p>Association of British Bookmakers (ABB)</p>	<p>With regards enforcement the ABB asked that the following paragraph be inserted, “ The authority recognises that certain bookmakers have a number of premises within its area. In order to ensure that any compliance issues are recognised and resolved at the earliest stage, operators are requested to give the authority a single named point of contact, who should be a senior individual, and whom the authority will contact first should any compliance queries or issues arise.</p>	<p>Given that the Statement of Gambling Policy is a high level strategic document aimed at a multitude of business types the Council takes the view that it should not include specific operational arrangements focused on any one particular sector. This suggestion will be noted and considered in any local enforcement protocol.</p>	<p>None required.</p>
<p>Roger Etchells</p>	<p>Roger Etchells raised concern that the draft policy did not include more information on representations stating, “We note at para 7.6 that the issue of representations is to be the subject of a separate guidance note. We do not believe it appropriate for separate guidance to be provided in relation to the making of representations. Such guidance should be contained in the</p>	<p>When LCC comes to prepare its guidance on the making of representations it will act in accordance with the primary legislation, any related regulations plus guidance issued by the Gambling Commission. Accordingly Leeds City Council takes the view that all these documents will have been through a thorough consultation process prior to release and as LCC will not depart from this guidance our approach will be consistent with national</p>	<p>Para 7.6 has been amended to include reference to the fact that our guidance will be prepared in accordance with any relevant statutory instruments and any gambling commission guidance once such documents are released.</p>

Draft Gambling Policy – Key Consultation Messages

Source	Comments made / summary of comments	Reply	Policy Changes
	policy and should be the subject of a full consultation with all sectors to ensure that all have an opportunity to comment. Accordingly any such guidance should be in the main policy document and have been fully consulted on.	guidelines and best practice. We do however accept that it may be useful to indicate something of this nature within the policy.	
Roger Etchells	Roger Etchells raised concerns with regards to para 13.11 of the draft statement stating, “The third (final sentence) of paragraph 13.11 seems to amount to a duplication of the planning process contrary to the first part of the paragraph and contrary to the guidance set out in the Gambling Commission’s guidance to local authorities of April 2006. We would urge that the sentence be deleted.	Council is unclear as to the meaning of this representation. Clarification sought from Roger Etchells.	None required
Roger Etchells	Roger Etchells raised concerns with regards to para 14 of the draft statement stating, “We are concerned about the reference to possible conditions referring to proof of age, CCTV, door supervision and opening hours. We appreciate that such conditions are said not to be mandatory but are concerned that the reference to matters which are set out as potentially being the subject of conditions will, in effect, establish a presumption that conditions should be imposed in respect of those matters.	Leeds City Council takes the view that guidance should be contained in the policy as to the areas that could be made the subject of conditions so that applicants can then address such matters through their applications. The Council is still bound to operate in accordance with the Act and applicants have the power of appeal if they feel the Council has departed from its policy or the legislation.	The council has amended several paragraphs to clarify the concerns expressed by Roger Etchells. (See particularly para 14.4) In essence the amendments seek to clarify that the council will not seek to add conditions accept where there is clear evidence that conditions are required because the mandatory or default conditions have failed to address such issues. Also at para 13.18 of the policy the council has inserted details taken from para 9.22 of the guidance issued to licensing authorities by the Gambling Commission, which gives an overview of how and when additional conditions should be used.



Draft Gambling Policy – Key Consultation Messages

Source	Comments made / summary of comments	Reply	Policy Changes
British Beer and Pub Association (BBPA)	The BBPA made comments regarding the automatic entitlement embedded in the Act for alcohol licensed premises to provide 2 gaming machines. They also consider that generally there should be no reason why alcohol licensed premises should not be able to benefit from providing more than two machines by applying for the requisite permit under the Act and that that it may be useful for the policy statement to reflect this.	Leeds City Council will consider if a statement can be incorporated in the policy which reflects this suggestion retaining the important provision in the Act which permits licensing authorities, during the application process, to satisfy themselves regarding such matters as they think relevant”.	None required
The Race Course Association (The RCA)	The RCA is concerned that the Licensing Authority may require separate licences for certain facilities – They state, “The Council may require off-course operators with on-course facilities to hold a separate betting premises licence for this area. Discussions with DCMS have indicated that this will not be a mandatory requirement, and will be at the discretion of the racecourse and the betting operator. This should be reflected in the statement of principles.”	Currently the statement indicates at Para 18.6 the following, “The Council agrees with the Commission’s view that it is preferable for all self-contained premises operated by off-course betting operators on tracks to be the subject of separate premises licences. This ensures that there is clarity between the respective responsibilities of the track operator and the off-course betting operator running a self-contained unit on the premises.” The Council will investigate if this policy is at odds with DCMS guidance and if necessary make any change accordingly.	This section has been thoroughly redrafted to indicate the special arrangements that will apply to tracks. The policy now indicates that off course operators providing betting facilities in self contained units may be able to operate under the authority of the track operators premises licence but where such arrangements take place, it will be the responsibility of the track operator to ensure the correct conduct of betting operations within the premises boundary. (see paras 18.1 – 18.5)
The Race Course Association	The RCA note that councils may apply conditions to racecourse premises licences to try and create a suitable betting environment, given that operators may not be required to hold an operators licence. The RCA ask that these conditions do not exceed those conditions as are to be outlined by the DCMS.	The Council will operate within the default and mandatory conditions framework. At present the policy only suggests that the LA will expect applicants to offer their own measures to meet the licensing objectives, offering a list of areas that they may wish to focus on. While the RCA reply is appreciated, the Council is mindful that ‘tracks’ extend to a disparate number of premises types including dog tracks and sports stadia. For this reason the Council is seeking	See new para 13.18 of the policy which contains details taken from para 9.22 of the guidance issued to licensing authorities by the Gambling Commission, which gives an overview of how and when additional conditions should be used.

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Source	Comments made / summary of comments	Reply	Policy Changes
		to include enough flexibility in this section of the policy to deal with all these different premises types.	
British Casino Association	<p>The BCA sought to make some general observations about the casino industry through its consultation reply.</p> <p>The BCA stated that as the operation of casinos has been highly regulated over the past 40 years, the introduction of the 'new' legislation will not impact on the high level of integrity with which these premises have historically operated.</p> <p>The final point the BCA wished to make related to licence conditions and to draw specific attention to para 9.29 of the Gambling Commission's guidance to Licensing Authorities which identifies matters which cannot be the subject of conditions.</p>	None required	None required
Gamcare	<p>Gamcare asked the Council to recognise that under the new Act it has a 'duty of care' to become corporate parents assisting residents of the authority with gambling addictions.</p> <p>The reply also included a summary document containing a list of inclusions, which form GamCare's viewpoint of what should be included in either the policy or as licensing conditions, these are as follows:</p> <ul style="list-style-type: none"> <li>• Leaflets offering assistance to problem gamblers should be available on gambling premises in a location that is both prominent and discreet such as toilets.</li> <li>• Self exclusion forms available</li> </ul>	These suggestions are noted and will be considered.	<p>We have incorporated a number of the measures suggested by Gamcare at para 12.7.</p> <p>See as follows:</p> <p>Applicants should consider the following proposed measures for protecting and supporting vulnerable persons, for example:</p> <ul style="list-style-type: none"> <li>• Leaflets offering assistance to problem gamblers should be available on gambling premises in a location that is both prominent and discreet, such as toilets.</li> <li>• Trained personnel for the purpose of identifying and providing support to vulnerable persons</li> <li>• Self exclusion schemes</li> <li>• Stickers or notices on gaming</li> </ul>

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Source	Comments made / summary of comments	Reply	Policy Changes
	<ul style="list-style-type: none"> <li>• Operators should have regard to best practice issued by organisations that represent the interests of vulnerable people</li> <li>• Fixed Odds Betting Terminals (FOBTs) should clearly display odds</li> <li>• All ATMs or cash terminals should be separate from gaming machines so that clients will have to leave the machine area to acquire funds if so required. The ATMs should also display stickers with GamCare Helpline positioned prominently on the machine</li> <li>• Casinos should be obliged to provide compulsory non-gambling areas or 'chill out rooms'.</li> <li>• Posters should be displayed on gambling premises suggesting 'stay in control of your gambling' with details of GamCare telephone number and website.</li> </ul>		<p>machines to identify the stakes/prizes</p> <ul style="list-style-type: none"> <li>• Operators should demonstrate there understanding of best practice issued by organisations that represent the interests of vulnerable people</li> <li>• Fixed Odds Betting Terminals should clearly display the odds</li> <li>• Positioning of ATM machines</li> <li>• Stickers / posters with GamCare Helpline and website in prominent locations, ie on ATM machines</li> <li>• Windows, entrances and advertisements to be positioned or designed not to entice passers by.</li> </ul>
RAL Limited	<p>RAL limited expressed deep concern at any suggestion that a condition should be imposed on adult gaming centre premises licences requiring door supervisors especially as a mandatory condition. RAL sited various lines of argument Namely: to impose door supervisors on the grounds of crime and disorder would be disproportionate given the tenuous link between AGCs and any crime or disorder, AGCs are currently well managed premises who take their social responsibility duties with regards to children and vulnerable persons very</p>	<p>The Council fully accepts the comments made however the policy statement repeatedly details the overriding principle of assessing each individual application on its merits on a case by case basis. For this reason we feel no policy changes are required.</p>	<p>The council has amended several paragraphs to clarify the concerns expressed by RAL Limited. (See particularly para 14.4) In essence the amendments clarify that the council will not seek to add conditions (inc those related to 'door supervision') accept where there is clear evidence that conditions are required because the mandatory or default conditions have failed to address such issues. Also at para 13.18 of the policy the council has inserted details taken from para 9.22 of the guidance</p>



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Source	Comments made / summary of comments	Reply	Policy Changes
Montpelier Estates Cont...	<p><b>2)</b> Montpellier estates also suggested measures to help bolster the policy in order to help children and vulnerable persons suggesting that operators of gaming establishments should be required to help fund education programmes and PR campaigns aimed at vulnerable members of the community. There could be varying degrees of involvement depending on turnover of the establishment and programmes could range from simple leafleting at the front desk of gaming venues through to organised educational schemes whereby disadvantaged children could be taught maths together with the potential hazards of gambling by means of learning about odds, multiplication, fractions, etc.</p> <p><b>3)</b> In terms of gaming machines Montpellier estates felt the policy required more stringent policies to be drawn up, for example Category C machines should not be allowed in the same room as category D machines and the access point between the two rooms should be supervised to ensure children can not gain access to restricted areas. The reply highlighted concern that superficial measures such as a coloured lines on the floor or rope barriers to delineate two gaming areas where children can see the higher stake machines beyond the barrier would only serve as an enticement.</p>	<p><b>2)</b> It is the Council's view that this would be an operational decision for the individual operator and while a useful suggestion would be unsuitable for a high level strategic document such as the Statement of Gambling Policy which is a document aimed at the principles of licensing. The suggestion will be noted however for consideration at any appropriate forums.</p> <p><b>3)</b> These suggestions are noted and will be considered.</p>	<p><b>2)</b> None required</p> <p><b>3)</b> These suggestions have been incorporated at para 14.6 covering Licensed family entertainment centres and also at para 16.2 covering bingo premises. In both cases the first bullet point now strengthens our approach to separation mechanisms stating: "Where category C or above machines are available in premises to which children are admitted then the council will ensure that all such machines are located in an area of the premises separate from the remainder of the premises by a physical barrier which is effective to prevent access other than through a designated entrance. For this</p>

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Source	Comments made / summary of comments	Reply	Policy Changes
	<p>4) Finally Montpellier Estates sought to highlight the advantages of locating any new casino developments in the city centre making the case that locating the casino in such an area would give the greatest chance of long term success for the casino, the entertainment complex and the city. They stated it would allow the most cost effective policing and monitoring, combined with an integrated design process which would minimise the detrimental effects of any such development.</p>	<p>4) This suggestion will be forwarded to the relevant team within Development for their consideration including the team dealing with the large/regional casino bid.</p>	<p>purpose a rope, floor markings or similar provision will not suffice and the council may insist on a permanent barrier of at least 1 meter high.” 4) None required</p>

**Section 2 - Questionnaire replies**

<b>Question 1) - Does the policy do enough to promote the crime prevention licensing objective?</b>				
<b>Respondent ID(s)</b>	<b>Type</b>	<b>Comments made / summary of comments</b>	<b>Reply</b>	<b>Policy Changes</b>
GQU/0089	Sports club	I think all gambling premises should be well away ½ mile from schools, youth clubs and any places that cater for younger citizens.	The Council acknowledges this suggestion and has undertaken in the draft policy to investigate location issues such as these at Para 13.9. Any blanket policy such as the one suggested here would be outside the scope of the Act.	The policy has been updated at para 13.9 to remove the reference to proximity. Instead we now ask for the possible impact a gambling premises may have on any schools, vulnerable adult centres or residential districts in the area. Clearly proximity is a difficult term to define and may suggest that impacts would only be considered if they take place in the immediate vicinity of the premises. It is hoped this amendment will allow wider impacts to be assessed which, although further away from a given premises could still be linked to such premises.
GQU/0099	Anonymous Religious Body	Gambling should not even be considered in a high risk area. It is highly inappropriate and would put an extra burden on the police.	The Council acknowledges this comment however the Licensing Authority must assess each application on its merits in line with the provisions of the Act.	None required
GQU/0018	Anonymous Member of the public	More documented evidence of how the Council will work together with the police.	The Council has undertaken to prepare an enforcement protocol in conjunction with West Yorkshire Police and the other responsible authorities when the Act is	None required

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<b>Question 1) - Does the policy do enough to promote the crime prevention licensing objective?</b>				
<b>Respondent ID(s)</b>	<b>Type</b>	<b>Comments made / summary of comments</b>	<b>Reply</b>	<b>Policy Changes</b>
			brought into full effect. This document will explain how the police and LA will work together to promote this licensing objective.	
GQU/0017	Anonymous Other business owner	Very controlled regulation over people involved in the business, and restricted advertising techniques, and power to close the place down if its too much trouble socially.	i) The new Gambling Act by its very nature is an attempt to effectively regulate the gambling industry. ii) Advertising of some gambling products is restricted under the current licensing regime and the new Act and accompanying regulations will overhaul much of this old legislation. It should be noted however that the Council's remit under the Act does not extend to advertising. iii) Part 15 of the Act provides the Gambling Commission, local authorities, licensing authorities and the police with the powers necessary to monitor compliance with the provisions of the Act and with licence conditions, and to investigate suspected offences. There will be various means of addressing problem premises including powers of prosecution, closure powers and licence reviews.	None required
GQU/0062	Member of the public (non anonymous)	Council and Police enforcement protocols are notoriously deficient in both financial and material resources of appropriate quality and quantity.	None required	None required

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<b>Question 2) - Does the policy do enough to ensure gambling is conducted in a fair and open way?</b>				
<b>Respondent ID(s)</b>	<b>Type</b>	<b>Comments made / summary of comments</b>	<b>Reply</b>	<b>Policy Changes</b>



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<b>Question 2) - Does the policy do enough to ensure gambling is conducted in a fair and open way?</b>				
<b>Respondent ID(s)</b>	<b>Type</b>	<b>Comments made / summary of comments</b>	<b>Reply</b>	<b>Policy Changes</b>
GQU/0009	Anonymous Member of the public	Someone needs to ensure that gambling is conducted in a fair and open way - to protect vulnerable people being exploited. If it's not the local council who issues the licence, (can could withdraw or suspend it) and it must go to the police and face criminal investigation, which let's face it, is more costly and less likely to happen, then there is more chance of venues being less stringent in this area.	The Council notes guidance issued to Licensing Authorities from the Gambling Commission which states, "Generally the Commission would not expect licensing authorities to become concerned with ensuring that gambling is conducted in a fair and open way as this will be a matter for either the management of the gambling business, and therefore subject to the operating licence, or will be in relation to the suitability and actions of an individual and therefore subject to the personal licence.	None required
GQU/0011	Anonymous sports centre	Statistical scrutiny of gaming events (roulette wheels) and financial payouts/profits	This would be a matter for the Gambling Commission. NB: The new regime brings in controls over the companies which manufacture gaming equipment. There are controls in place within this framework to ensure the technical standards of gaming equipment.	None required
GQU/0067	Anonymous Member of the public	If things are not conducted in a fair and open way will this not lead to other crimes/revenges possibly.	The Council accepts that there could be a link between the licensing objectives of 'ensuring gambling is conducted in a fair and open way' and the objective of 'preventing gambling from being a source of crime or disorder.' The Council will consider if any policy changes are required to implicitly make this link and suggest any potential control measures.	While the council accepts there may be a link in this area we feel it would be difficult to address in the policy document. It should be noted that the objective of ensuring gambling is conducted in a fair and open way will, primarily be a matter for the Gambling Commission and will be addressed through the operating licence.

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<b>Question 2) - Does the policy do enough to ensure gambling is conducted in a fair and open way?</b>				
<b>Respondent ID(s)</b>	<b>Type</b>	<b>Comments made / summary of comments</b>	<b>Reply</b>	<b>Policy Changes</b>
GQU/0092	Clifford Parish Council	11.2 "...Other information." Should be clarified. Also the action "...to communicate..." should also be followed up by what action is taken by the G.C in view of the Councils concerns.	The Council will consider the first point in respect of clarifying what is meant by 'other information' however in respect of the second point the Council would argue that this level of detail would be unsuitable for a policy statement especially as it extends to a third party.	'11.2 "...other information" changed to read .."other matters as set out in the Gambling Commissions Code of Practice."
GQU/0009	Anonymous Member of the public	Someone needs to ensure that gambling is conducted in a fair and open way - to protect vulnerable people being exploited. If it's not the local council who issues the licence, (can could withdraw or suspend it) and it must go to the police and face criminal investigation, which let's face it, is more costly and less likely to happen, then there is more chance of venues being less stringent in this area.	The Council notes guidance issued to Licensing Authorities from the Gambling Commission which states, "Generally the Commission would not expect licensing authorities to become concerned with ensuring that gambling is conducted in a fair and open way as this will be a matter for either the management of the gambling business, and therefore subject to the operating licence, or will be in relation to the suitability and actions of an individual and therefore subject to the personal licence.	None required
GQU/0011	Anonymous sports centre	Statistical scrutiny of gaming events (roulette wheels) and financial payouts/profits	This would be a matter for the Gambling Commission. NB: The new regime brings in controls over the companies which manufacture gaming equipment. There are controls in place within this framework to ensure the technical standards of gaming equipment.	None required

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<b>Question 3a) - Does the policy do enough to protect children and the vulnerable from harm?</b>				
<b>Respondent ID(s)</b>	<b>Type</b>	<b>Comments made / summary of comments</b>	<b>Reply</b>	<b>Policy Changes</b>
GQU/0009	Anonymous Member of the public	Gambling is addictive and other countries with broader gambling laws show that vulnerable/poorer people and young people develop habits and lose income. There must be a proactive policy of supporting people to control their habit, reduced access to easy cash or credit once in the premises, and positive support from managers of premises, eg if someone asks to be banned from premises to prevent them coming back in when they feel vulnerable. These schemes should be promoted by the local Council since it's unlikely the companies themselves will be proactive.	Self barring schemes are already in existence in a number of premises and the DCMS is currently consulting on mandatory conditions related to the provision of ATMs on gambling premises. The Council will monitor developments in this area before making any necessary changes to the draft policy.	We have incorporated a number of the measures suggested here which also reflect those offered by Gamcare. See para 12.7 in the policy and also Gamcare's response detailed in the table in Section 1 previously.
GQU/0017	Other business owner	Once people are hooked it is too late, its difficult to recover. Maybe make casinos hire staff with an understanding of psychology and addiction, to keep this under control.	This would be a matter for the Gambling Commission to consider however it is important to note that the application process for the new system of personal licences for key gambling personnel includes extensive checks into a person's identity, character, financial background, training, and experience.	See above
GQU/0023	Gambling business	Raising the age of eligibility for the purchase of lottery tickets/scratchcards (ie. from 16 to 18)& liquor stores (ie. from 18-21) plus the exclusion of ATM machines to all licensed premises.	The first two points are outside the scope of the Gambling Act 2005. In regards to the third point the DCMS is currently consulting on mandatory conditions related to the provision of ATMs on gambling premises. The Council will monitor developments in this area before making any necessary changes to the draft policy or indeed the	The council has undertaken to consider the position of ATMs on licensed premises and has also suggested that applicants should consider the use of stickers on ATM

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<b>Question 3a) - Does the policy do enough to protect children and the vulnerable from harm?</b>				
<b>Respondent ID(s)</b>	<b>Type</b>	<b>Comments made / summary of comments</b>	<b>Reply</b>	<b>Policy Changes</b>
			finalised policy once it is published.	machines displaying information about the Gamcare helpline and website. See para 12.7
GQU/0086	Faith group	It is the enforcing of conditions that is crucial to the protection of children and vulnerable persons.	The Council would reply that this goes without saying however the Council is bound to operate within the framework of better regulation which advocates a risk based approach to enforcement. The Council will in due course produce an enforcement protocol in conjunction with West Yorkshire Police and the other responsible authorities when the Act is brought into full effect which will expand further on enforcement principles and arrangements.	None required
GQU/0100	Otley Town Council	There should be door supervision, but the supervisors should be trained, and should be Security Industry Authority Licensed personnel. Cash Machines (ATMs) should not be allowed in any premises which are used for gambling, so as not to encourage people to spend more than they have.	The Council may have the power to apply conditions related to SIA registered door staff at certain premises however it is important to note that the Act does not allow the Licensing Authority to impose such conditions in respect of casinos or bingo clubs. In regards to the second point the DCMS is currently consulting on mandatory conditions related to the provision of ATMs on gambling premises. The Council will monitor developments in this area before making any necessary changes to the draft policy or indeed the finalised policy once it is published..	The council has undertaken to consider the position of ATMs on licensed premises and has also suggested that applicants should consider the use of stickers on ATM machines displaying information about the Gamcare helpline and website. See para 12.7
GQU/0012	Anonymous Member of the public	In addition premises should be constantly warded and continuously policed to ensure young persons are not admitted. Also, citing	While the Council accepts the call for strong and effective regulation of the gaming industry, the Council is still bound to operate within the framework of better regulation	None required

<b>Question 3a) - Does the policy do enough to protect children and the vulnerable from harm?</b>				
<b>Respondent ID(s)</b>	<b>Type</b>	<b>Comments made / summary of comments</b>	<b>Reply</b>	<b>Policy Changes</b>
		should be well away from schools and colleges.	which advocates a risk based approach to enforcement. The Council will in due course produce an enforcement protocol in conjunction with West Yorkshire Police and the other responsible authorities when the Act is brought into full effect which will expand further on enforcement principles and arrangements. With regards the second point, The Council acknowledges this suggestion and has undertaken in the draft policy to investigate location issues such as these at Para 13.9. Any blanket policy such as the one suggested here would however be outside the scope of the Act.	
GQU/0043	Anonymous Member of the public	There should be an expectation of conditions, not just “consideration”. Protecting children and the vulnerable should be a top priority.	The Council notes guidance issued to Licensing Authorities from the Gambling Commission which states, “Licensing authorities should bear in mind their duty to act in accordance with the principles set out at section 153 of the Act. Since they should aim to permit the use of premises for gambling, they should not attach conditions that limit the use of premises for gambling except where that is necessary as a result of the requirement to act: in accordance with this guidance, the Gambling Commission codes of practice or the licensing policy statement; or in a way that is reasonably consistent with the licensing objectives.” The Council would argue that the policy statement in its current form reflects these requirements.	None required

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<b>Question 3a) - Does the policy do enough to protect children and the vulnerable from harm?</b>				
<b>Respondent ID(s)</b>	<b>Type</b>	<b>Comments made / summary of comments</b>	<b>Reply</b>	<b>Policy Changes</b>
GQU/0058	Anonymous Member of the public	Better and more visible presence of information on charities such as 'GamCare' for those vulnerable to gambling.	The Council notes this point and will be revisiting the sections in the draft policy which deal with the display of support information for problem gamblers, to see if any changes are required.	We have incorporated a number of the measures suggested here which also reflect those offered by Gamcare. See para 12.7 in the policy and also Gamcare's response detailed in the table in Section 1 previously.
GQU/0029	Gambling business	Most problem gambling emulates from betting offices and yet FOBTs have mushroomed. This must be causing harm to vulnerable people.	The Council is aware that FOBT's in bookmakers do give rise to special concern and the Council will be reviewing this section of the policy to see if any extra control measures are required.	The council has made specific reference to FOBTs at para 17.3. The newly inserted paragraph refers applicants who may wish to provide higher stake category B gaming machines including FOBTs to the list of control measures at para 12.7 (the protection of vulnerable persons.)

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<b>Question 3b) - What are your thoughts on our suggested approach regarding gaming machines?</b>				
<b>Respondent ID(s)</b>	<b>Type/Organisation</b>	<b>Comments made / summary of comments</b>	<b>Reply</b>	<b>Policy Changes</b>
GQU/008	Member of the public	High stake machine centres should require membership schemes to prevent low income occasional gamblers access. Membership	It is the Council's view that this would be an operational decision for the individual operator and any such control measure would be outside the scope of the Act. See	None required

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<b>Question 3b) - What are your thoughts on our suggested approach regarding gaming machines?</b>				
<b>Respondent ID(s)</b>	<b>Type/Organisation</b>	<b>Comments made / summary of comments</b>	<b>Reply</b>	<b>Policy Changes</b>
		schemes should seek to protect members from financial hardship.	detail at section 9.29 of the Gambling Commission's guidance for local authorities. It is interesting to note that following the relaxation of membership requirements for casinos some casinos still operate membership schemes voluntarily.	
GQU/0009	Member of the public	If high stake machines are in the same vicinity but different areas, young people will manage to get in, and the higher stake machines become associated with 'adulthood' - they should be in different locations altogether.	The Council notes this reply and will be reviewing all sections of the policy which cover this area to ensure the policy reflects the most up to date best practice in this regard.	Stronger measures in this area have been incorporated at para 14.6 covering Licensed family entertainment centres and also at para 16.2 covering bingo premises. In both cases the first bullet point now strengthens our approach to separation mechanisms stating: "Where category C or above machines are available in premises to which children are admitted then the council will ensure that all such machines are located in an area of the premises separate from the remainder of the premises by a physical barrier which is effective to prevent access other than through a designated entrance. For this purpose a rope, floor

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<b>Question 3b) - What are your thoughts on our suggested approach regarding gaming machines?</b>				
<b>Respondent ID(s)</b>	<b>Type/Organisation</b>	<b>Comments made / summary of comments</b>	<b>Reply</b>	<b>Policy Changes</b>
				markings or similar provision will not suffice and the council may insist on a permanent barrier of at least 1 meter high.”
GQU/0018 GQU/0023 GQU/0005 GQU/0012 GQU/0016 GQU/0082 GQU/0088 GQU/0025 GQU/0099	Various including members of the public and miscellaneous organisations	All of these respondents made representations asking that children should not be permitted to enter any premises which provide gaming machines whether low stake or otherwise.	While these comments are appreciated it is important to note that Leeds City Council has no power to restrict children playing Category D gaming machines, where the operator has the correct permit/licence, as this allowance is permitted by the Act.	Various amendments have been made which concentrate on the protection of children, with particular reference to the supervision of children by adults and policies to deal with truants. See ninth, twelfth and thirteenth bullet points at para 13.15.
GQU/0100	Otley Town Council	"Family Entertainment Centres" must be considered to be exactly that. No child should be allowed unless in the care of a responsible adult. No unaccompanied children should be admitted at all, to prevent children, especially truants, congregating inside or outside the premises and causing disorder.	These suggestions are noted and will be considered.	Various amendments have been made in this regard, with particular reference to children and truants. See ninth, twelfth and thirteenth bullet points at para 13.15.
GQU/0062	Member of the public (non anonymous)	Although I am not experienced in child or young person behaviour, I suggest that unlicensed FEM gaming machines could be operated by tokens bought on site from a responsible human vendor. This exercises control on use.	This suggestion is noted and will be considered.	Section 172(10) of the Act prohibits local authorities from applying conditions which relate to gaming machine categories, numbers, or method of operation.
GQU/0060	Member of the	It is impossible to tell who is a	None required	We have incorporated



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<b>Question 3b) - What are your thoughts on our suggested approach regarding gaming machines?</b>				
<b>Respondent ID(s)</b>	<b>Type/Organisation</b>	<b>Comments made / summary of comments</b>	<b>Reply</b>	<b>Policy Changes</b>
	Public	vulnerable adult or person so the existence of machines which give the illusion of a high reward will inevitably lead some people into spending more money than they have.		control measures related to the concerns raised here. The measures were offered by Gamcare. See para 12.7 in the policy and also Gamcare's response detailed in the table in Section 1 previously.

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<b>Question 3c) - Do you think the suggested policy related to location issues is needed?</b>				
<b>Respondent ID(s)</b>	<b>Type</b>	<b>Comments made / summary of comments</b>	<b>Reply</b>	<b>Policy Changes</b>
GQU/0018	Member of the public	Gambling should not be near any residential area whatsoever.	The Council acknowledges this suggestion and has undertaken in the draft policy to investigate location issues such as these at Para 13.9. Any blanket policy such as the one suggested here would however be outside the scope of the Act.	The policy has been updated at para 13.9 to remove the reference to proximity. Instead we now ask for the possible impact a gambling premises may have on any schools, vulnerable adult centres or residential districts in the area. Clearly proximity is a difficult term to define and may suggest that impacts would only be considered if they take place in the immediate vicinity of the premises. It

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<b>Question 3c) - Do you think the suggested policy related to location issues is needed?</b>				
<b>Respondent ID(s)</b>	<b>Type</b>	<b>Comments made / summary of comments</b>	<b>Reply</b>	<b>Policy Changes</b>
				is hoped this amendment will allow wider impacts to be assessed which, although further away from a given premises could still be linked to such premises.
GQU/0086	Faith Group	Whilst people of faith have to live within the legal framework of the country, sensitivity to faith concerns need to be taken into account in the siting of citywide projects. Consideration should be taken of particular density of faith demography in the city.	This comment will be forwarded to the relevant team within Development for their consideration including the team dealing with the large/regional casino bid.	None required
GQU/0085	Member of the public	If gambling is accepted as a legitimate entertainment and is reasonably regulated, it ought not be 'hidden away' from youngsters etc. It would be preferable if they were able to learn rather than be kept in ignorance. - There is a danger of being overly protective.	While it is acknowledged we are suggesting a policy which will investigate location issues, where relevant representations are received, we sill expect that market forces will be the primary driver for the location of gambling businesses and a scenario will not unfold where gambling premises are routinely 'hidden away'.	None required – NB: The legislation has in some areas been relaxed insofar as children are now allowed in bingo halls.
GQU/0025	Ward Councillor	Need definition of proximity.	This suggestion is noted and will be considered.	The policy has been updated at para 13.9 to remove the reference to proximity. Instead we now ask for the possible impact a gambling premises may have on any schools, vulnerable adult centres or residential districts in the area. Clearly proximity is

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<b>Question 3c) - Do you think the suggested policy related to location issues is needed?</b>				
<b>Respondent ID(s)</b>	<b>Type</b>	<b>Comments made / summary of comments</b>	<b>Reply</b>	<b>Policy Changes</b>
				a difficult term to define and may suggest that impacts would only be considered if they take place in the immediate vicinity of the premises. It is hoped this amendment will allow wider impacts to be assessed which, although further away from a given premises could still be linked to such premises.

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<b>Question 3d) - What are your thoughts on our suggested approach regarding assistance to vulnerable persons?</b>				
<b>Respondent ID(s)</b>	<b>Type</b>	<b>Comments made / summary of comments</b>	<b>Reply</b>	<b>Policy Changes</b>
GQU/0009	Member of the public	There needs to be a proactive outreach and it should be a condition of the license that someone on each premises should be responsible for monitoring possible vulnerable people, and supporting/referring them, obviously this will apply more to some premises than others. Is there any obligation for the Gambling Commission to fund a gambling charity?	While the Council acknowledges this useful suggestion we feel it would be extremely difficult to apply as a condition on a licence and would be thwart with legal difficulties. In addition such control measure would probably be outside the scope of the Council's licensing policy.	We have touched upon this area at para 12.7 and have suggested that 1) operators should be able to demonstrate a knowledge of best practice in the area of 'vulnerable persons' and 2) they should also consider whether it is necessary to employ staff trained in this area.
GQU/0017	Other business	It's closing the door after the horse	While the Council accepts that problem	We have incorporated a

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	owner	has bolted, people with addiction are not going to go to a government website for help, they probably will be out of control and unable to help themselves by then. You need to intervene early.	gamblers may not visit a council website to seek out support information, the provision of such information may also be of use to persons such as the family and friends of problem gamblers who may be more likely to visit a local authority site. This section of the policy will be thoroughly redrafted and the Council will consider various other means to promote this licensing objective accounting for the various suggestions made through the consultation process.	number of additional control measures in this area which reflect those suggested by Gamcare. See para12.7 in the policy and also Gamcare's response detailed in the table in Section 1 previously. In addition we have undertaken at para 12.5 to ensure information about the support services available for problem gamblers is distributed to a variety of public buildings including all one stop centres, libraries and leisure centres.
GQU/0086	Faith Group	Restrictive isn't the correct term- I do not want to be part of a police state but I think public authorities have a duty to publicise the potential dangers of gambling (as we do cigarettes and alcohol)as well as signposting to services that can support people. Monitoring of the increased use of such services needs to be undertaken in order to modify policy when and if necessary.	This suggestion is noted and will be considered.	None required
GQU/0100	Otley Town Council	People with problems with gambling are unlikely to access the council website for assistance. The operator should encourage strategies for self-	While the Council accepts that problem gamblers may not visit a council website to seek out support information the provision of such information may also be of use to	We have incorporated a number of additional control measures in this area which reflect those

<b>Question 3d) - What are your thoughts on our suggested approach regarding assistance to vulnerable persons?</b>				
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		help and provide prominent information on organisations where advice and help can be sought, such as GamCare, Gamblers Anonymous, National Debt-line and Mencap.	persons such as the family and friends of problem gamblers who may be more likely to visit a local authority site. This section of the policy will be thoroughly redrafted and the Council will consider various other means to promote this licensing objective accounting for the various suggestions made through the consultation process.	suggested by Gamcare. See para12.7 in the policy and also Gamcare’s response detailed in the table in Section 1 previously. In addition we have undertaken at para 12.5 to ensure information about the support services available for problem gamblers is distributed to a variety of public buildings including all one stop centres, libraries and leisure centres.
GQU/0012	Member of the public	As a “duty of care”, prospective gambling operators should recognise and eliminate risk before and during the visits. The onus will be on the operators.	None required	None required
GQU0016	Member of the public	Not too sure how this would prevent vulnerable people from gambling though.	This section of the policy will be thoroughly redrafted and the Council will consider various other means to promote this licensing objective accounting for the various suggestions made through the consultation process.	We have incorporated a number of additional control measures in this area which reflect those suggested by Gamcare. See para12.7 in the policy and also Gamcare’s response detailed in the table in Section 1 previously. In addition we have undertaken at para 12.5 to ensure information about the support

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				services available for problem gamblers is distributed to a variety of public buildings including all one stop centres, libraries and leisure centres.
GQU/0021	Member of the public	Have a self-named non gambling list in operation in gambling establishments.	This suggestion is noted and will be considered.	As above
GQU/0034	Member of the public	Proof of stable mind to be shown and evidence of economic state to afford to lose.	While the Council acknowledges this useful suggestion we feel it would be extremely difficult to apply as a condition on a licence and would be thwart with legal difficulties. In addition such control measure would probably be outside the scope of the Council's licensing policy.	As above
GQU/0048 GQU/0101	Member of public	Do not think problem gamblers will access a council website.	While the Council accepts that problem gamblers may not visit a council website to seek out support information the provision of such information may also be of use to persons such as the family and friends of problem gamblers who may be more likely to visit a local authority site. This section of the policy will be thoroughly redrafted and the Council will consider various other means to promote this licensing objective accounting for the various suggestions made through the consultation process.	We have incorporated a number of additional control measures in this area which reflect those suggested by Gamcare. See para12.7 in the policy and also Gamcare's response detailed in the table in Section 1 previously. In addition we have undertaken at para 12.5 to ensure information about the support services available for problem gamblers is distributed to a variety of public buildings including

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				all one stop centres, libraries and leisure centres.
GQU/0043	Member of the public	Information on support services needs to be on clear display on the premises in question, not just on council website.	This section of the policy will be thoroughly redrafted and the Council will consider various other means to promote this licensing objective accounting for the various suggestions made through the consultation process.	As above
GQU/0060	Member of the public	There should be an obligation on gambling suppliers to assess the ability of the person to pay: analogous to the obligation of bar tenders not to serve someone who is drunk.	While the Council acknowledges this useful suggestion we feel it would be extremely difficult to apply as a condition on a licence and would be thwart with legal difficulties. In addition such control measure would probably be outside the scope of the Council's licensing policy.	As above
GQU/0029	Gambling Business	In casinos the display of Gamcare material is only mandatory as a result of membership of BCA. The council need to make it mandatory as a condition of getting a licence.	The Council plan to review the legislative framework and accompanying guidance documents from the GC and the DCMS to see what powers the LA has to invoke conditions in this regard. The Council will consider if any policy amendments are required following this exercise.	We have incorporated a number of additional control measures in this area which reflect those suggested by Gamcare. See para12.7 in the policy and also Gamcare's response detailed in the table in Section 1 previously. In addition we have undertaken at para 12.5 to ensure information about the support services available for problem gamblers is distributed to a variety of public buildings including all one stop centres,

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				libraries and leisure centres.
GQU/0054	Morley Town Council	Information regarding support services available in council offices and libraries.	This suggestion is noted and will be considered.	As above
GQU/0092	Clifford Parish Council	Problem gamblers would not access support services as they are often in trouble before they realise the problem. Tight financial limits should be imposed on gamblers and the operators must ensure that they are adhered to.	This section of the policy will be thoroughly redrafted and the Council will consider various other means to promote this licensing objective accounting for the various suggestions made through the consultation process.	As above
GQU/0089	Other business owner	Vulnerable people or those with mental impairment are not likely to look for information on the website.	This section of the policy will be thoroughly redrafted and the Council will consider various other means to promote this licensing objective accounting for the various suggestions made through the consultation process.	As above
GQU/0099	Religious Body	Because gambling is addictive every person who gambles is a vulnerable person.	None required	None required

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<b>Question 3e) - Are there any other categories of person(s) who you feel we should mention in the policy who fall under the category of vulnerable?</b>				
<b>Respondent ID(s)</b>	<b>Type</b>	<b>Comments made / summary of comments</b>	<b>Reply</b>	<b>Policy Changes</b>
GQU/0009	Member of the public	people with learning disabilities, people with poor mental health or a mental illness (eg depression), people	These suggested additions will be considered during a thorough redraft of the policy.	Para 12.4 which seeks to clarify the term 'vulnerable person' has



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<b>Question 3e) - Are there any other categories of person(s) who you feel we should mention in the policy who fall under the category of vulnerable?</b>				
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		who may be able to make informed decisions but for whom gambling provides something else fundamental eg depressed people who's social activity is gambling and may need support for that issue rather than 'problem' gambling.		been expanded. It now includes explicit reference to persons who may not be able to make informed or balanced decisions about gambling due to a mental impairment.
GQU/0018	Member of the public	Mental illness or learning disability	These suggested additions will be considered during a thorough redraft of the policy.	As above
GQU/0012	Member of the public	Elderly, especially woman, ethnic minorities.	These suggested additions will be considered during a thorough redraft of the policy.	Elderly persons have been added to the list of vulnerable persons categorised at para 12.4.
GQU/0043	Member of the public	People under stress in their lives, particularly those with large debts.	These suggested additions will be considered during a thorough redraft of the policy.	None required
GQU/0067	Member of the public	People with mental illness or people on medication that may effect their judgement.	These suggested additions will be considered during a thorough redraft of the policy.	Para 12.4 which seeks to clarify the term 'vulnerable person' has been expanded. It now includes explicit reference to persons who may not be able to make informed or balanced decisions about gambling due to a mental impairment.
GQU/0070	Members only club	Anyone who may not understand our language such as anyone who has recently come to live in our country.	These suggested additions will be considered during a thorough redraft of the policy.	None required
GQU/0089	Other business owner	The people who are most likely to gamble foolishly are those who are impoverished because they don't	These suggested additions will be considered during a thorough redraft of the policy.	None required

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<b>Question 3e) - Are there any other categories of person(s) who you feel we should mention in the policy who fall under the category of vulnerable?</b>				
<b>Respondent ID(s)</b>	<b>Type</b>	<b>Comments made / summary of comments</b>	<b>Reply</b>	<b>Policy Changes</b>
		know how to manage money and see gambling as an easy way out of financial difficulties.		
GQU/0088	Other business owner	Mentally deficient adults, those with learning disabilities who may not understand the consequences of their actions.	These suggested additions will be considered during a thorough redraft of the policy.	Para 12.4 which seeks to clarify the term 'vulnerable person' has been expanded. It now includes explicit reference to persons who may not be able to make informed or balanced decisions about gambling due to a mental impairment.

**Section 3 – Summary of Policy changes in paragraph number order**

Para number (new para numbers unless otherwise stated)	Amendments (additions shown in bold)	Notes
Front Cover - Title	Change “Leeds Statement of Gambling Policy”  To  “Gambling Act 2005 - Statement of Licensing Policy 2007 – 2010”	The title of the document has been changed to more accurately detail the purpose of the document which is to set out how the council will approach the licensing of gambling premises.
<b>2. The Leeds District</b>		
2.1	Change  “It [Leeds] is the second largest metropolitan district in England with excellent accessibility and transport connections and a population of 2.2 million people living within 30 minutes drive of the city centre.”  To:  “It [Leeds] is the second largest metropolitan district in England and has a population of 2.2 million people living within 30 minutes drive of the city centre.”	The reference to excellent transport links has been removed at the request of Overview and Scrutiny Committee.
2.4	“The success of arts and heritage organisations including the <b>Grand Theatre</b> , West Yorkshire Playhouse, Opera North, Northern Ballet Theatre, Phoenix Dance Theatre, Harewood House and the Henry Moore Institute, has helped to attract other major arts and heritage investments such as the award winning Royal Armouries and the Thackray Medical Museum.”	Cllr Feldman requested that the Grand Theatre should be added to the list of arts and heritage organisations.
<b>3. The purpose of the Gambling Act 2005 – Statement of Licensing Policy</b>		
3.2	Bullet pointed summary of anticipated consultees updated to show actual consultees.	List updated to give an accurate summary of those consulted on the draft policy.

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Para number (new para numbers unless otherwise stated)	Amendments (additions shown in bold)	Notes
<b>7. Interested parties</b>		
7.6	<p>“The council will provide more detailed information on the making of representations in a separate guidance note.”</p> <p>Additional sentence added as follows:</p> <p>“The guidance note will be prepared in accordance with any relevant Statutory Instruments and any Gambling Commission guidance once such documents are released.”</p>	
<b>11. Ensuring that gambling is conducted in a fair and open way</b>		
11.2	<p>Change</p> <p>“The council will however familiarise itself with operator licence conditions and will communicate any concerns to the Gambling Commission about misleading advertising or any absence of required game rules or other information.”</p> <p>to read:</p> <p>“The council will however familiarise itself with operator licence conditions and will communicate any concerns to the Gambling Commission about misleading advertising or any absence of required game rules or other matters as set out in the Gambling Commission’s Code of Practice.”</p>	
<b>12. Protecting children and other vulnerable persons from being harmed or exploited by gambling</b>		
12.4	<p>Original para 12.4 amended from:</p> <p>As regards the term “vulnerable persons”, the council is not seeking to offer a definition but will, for regulatory purposes assume that this group includes people who gamble more than they want to; people who gamble beyond</p>	<p>A strong call during the consultation was for elderly persons to be added to the list of vulnerable persons. In addition a number of respondents expressed concern that people with mental illnesses had not been included.</p>

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Para number (new para numbers unless otherwise stated)	Amendments (additions shown in bold)	Notes
	<p>their means; and people who may not be able to make informed or balanced decisions about gambling due to a mental impairment, eg. alcohol or drugs.</p> <p>To read:</p> <p>“As regards the term “vulnerable persons”, the council is not seeking to offer a definition but will, for regulatory purposes assume that this group includes people who gamble more than they want to; people who gamble beyond their means, <b>elderly persons</b> and people who may not be able to make informed or balanced decisions about gambling due to a mental impairment, or because of the influence of Alcohol or drugs.”</p>	
12.4.1	<p>New para 12.4.1 added as follows:</p> <p>While the council acknowledges that it may be difficult for gambling premises staff to identify vulnerable persons, (especially in the case of persons who may have a mental illness) in the first instance the council would expect staff members to try and maintain an awareness of how much (eg. how long) customers are gambling. If it is perceived that any particular persons may be gambling excessively or are showing other obvious signs of being unwell then further investigation should follow to try and identify if the person may fall within the category of vulnerable.</p>	
12.5	<p>“The council will promote this objective by publishing information on the council website about the symptoms of problem gambling and the various support organisations which are available to help problem gamblers. These webpages will be prepared in conjunction with these support agencies.”</p> <p>Additional sentence added as follows:</p> <p>“In addition the council will also distribute promotional material about these services to all one stop centres, libraries and leisure centres in the district as well as any relevant community centres.”</p>	
12.7	Original 12. 7 deleted.	

Para number (new para numbers unless otherwise stated)	Amendments (additions shown in bold)	Notes
	<p>New 12.7 inserted as follows:</p> <p>Applicants should consider the following proposed measures for protecting and supporting vulnerable persons, for example:</p> <ul style="list-style-type: none"> <li>• Leaflets offering assistance to problem gamblers should be available on gambling premises in a location that is both prominent and discreet, such as toilets.</li> <li>• training for staff members which focuses on building an employee’s ability to maintain a sense of awareness of how much (eg. how long) customers are gambling, as part of measures to detect persons who may be vulnerable. (see 12.4.1)</li> <li>• Trained personnel for the purpose of identifying and providing support to vulnerable persons</li> <li>• Self exclusion schemes</li> <li>• Stickers or notices on gaming machines to identify the stakes/prizes</li> <li>• Operators should demonstrate their understanding of best practice issued by organisations that represent the interests of vulnerable people</li> <li>• Fixed Odds Betting Terminals should clearly display the odds</li> <li>• Positioning of ATM machines</li> <li>• Stickers / posters with GamCare Helpline and website in prominent locations, ie on ATM machines</li> <li>• Windows, entrances and advertisements to be positioned or designed not to entice passers by.</li> </ul>	
12.8	<p>New para 12.8 inserted as follows:</p> <p>The council may consider any of the above or similar measures as licence conditions should these not be adequately addressed by any mandatory conditions, default conditions or proposed by the applicant.</p>	

Para number (new para numbers unless otherwise stated)	Amendments (additions shown in bold)	Notes
<b>13. Introduction to premises licensing.</b>		
13.9	<p>Change:</p> <p>With regards to these objectives it is the council's policy, upon receipt of any relevant representations to look at specific location issues including:</p> <ul style="list-style-type: none"> <li>• the proximity of the premises to schools and vulnerable adult centres</li> <li>• the proximity of the premises to residential areas where there may be a high concentration of families with children</li> <li>• the size of the premises and the nature of the activities taking place</li> <li>• any levels of organised crime in the area.</li> </ul> <p>such information may be used to inform the decision the council makes about whether to grant the licence, to grant the licence with special conditions or to refuse the application.</p> <p>To read</p> <p>With regards to these objectives it is the council's policy, upon receipt of any relevant representations to look at specific location issues including:</p> <ul style="list-style-type: none"> <li>• the possible impact a gambling premises may have on any schools or vulnerable adult centres in the area</li> <li>• the possible impact a gambling premises may have on residential areas where there may be a high concentration of families with children</li> <li>• the size of the premises and the nature of the activities taking place</li> <li>• any levels of organised crime in the area.</li> </ul> <p>The council will need to be satisfied that there is sufficient evidence that the particular location of the premises would be harmful to the licensing</p>	

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Para number (new para numbers unless otherwise stated)	Amendments (additions shown in bold)	Notes
	objectives. Such evidence may be used to inform the decision the council makes about whether to grant the licence, to grant the licence with special conditions or to refuse the application.	
13.12	Original 13.12 moved down to 13.13  New 13.12 added as follows:  Where there are specific risks or problems associated with a particular locality, or specific premises, or class of premises, the council will be able to attach individual conditions to address this.	
13.13 (formerly 13.12)	New bullet point added after third bullet point as follows:  <ul style="list-style-type: none"> <li>• consistent with the licensing objectives</li> </ul>	
13.14 (formely 13.13)	'use of door supervisors'  changed to read  'supervision of entrances'	
13.15	NB: Original 13.14 moved down to 13.17  New 13.15 added as follows: (based on old 14.4)  Where certain measures are not already addressed by the mandatory/default conditions or by the applicant, the council may consider licence conditions to cover issues such as:  <ul style="list-style-type: none"> <li>• proof of age schemes</li> <li>• CCTV</li> <li>• supervision of entrances</li> <li>• supervision of machine areas</li> <li>• physical separation of areas</li> <li>• location of entrance points</li> </ul>	



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Para number (new para numbers unless otherwise stated)	Amendments (additions shown in bold)	Notes
	<ul style="list-style-type: none"> <li>• notices / signage</li> <li>• specific opening hours</li> <li>• a requirement that children must be accompanied by an adult</li> <li>• enhanced CRB checks of the applicant and/or staff</li> <li>• support to persons with gambling addiction</li> <li>• policies to address seasonal periods where children may more frequently attempt to gain access to premises and gamble such as half terms and summer holidays</li> <li>• policies to address the problems associated with truant children who may attempt to gain access to premises and gamble</li> <li>• any one or a combination of the measures as set out at paragraph 12.7 of this policy</li> </ul>	
13.16	<p>New 13.16 added as follows:</p> <p>This list is not mandatory, nor exhaustive, and is merely indicative of examples of certain measures which may satisfy the requirements of the licensing authority and the responsible authorities, depending on the nature and location of the premises and the gambling facilities to be provided.</p>	
13.18	<p>New 13.8 added as follows:</p> <p>The council is aware that the Secretary of State will set mandatory conditions and default conditions which are necessary for the general good conduct of gambling premises, therefore it is unlikely that the council will need to impose individual conditions imposing a more restricted regime in relation to matters that have already been dealt with. If the council is minded to do so because there is regulatory concerns of an exceptional nature, then any additional licence conditions must relate to the licensing objectives.</p>	
13.19 (formerly 13.15)	<p>Where door supervisors are required at these premises it is the operators responsibility to ensure that any persons employed in this capacity are fit and</p>	

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Para number (new para numbers unless otherwise stated)	Amendments (additions shown in bold)	Notes
	<p>proper to carry out such duties.</p> <p>Changed to read:</p> <p>Where door supervisors are provided at these premises the operator should ensure that any persons employed in this capacity are fit and proper to carry out such duties.</p>	
14. Adult gaming centres and licensed family entertainment centres (LFECs)		
14.2	Second sentence of para 14.2 moved to become 14.5	
14.4	<p>Original 14.4 moved to 13.15 and expanded (see above).</p> <p>New 14.4 added as follows:</p> <p>Where certain measures are not already addressed by the mandatory/default conditions or by the applicant, the council may consider licence conditions to address such issues, examples of which are provided at paragraph 13.15.</p>	
14.5	<p>Original 14.5 moved to 14.7</p> <p>Second sentence of old para 14.2 now becomes 14.5 as follows:</p> <p>Licensed family entertainment centres will be able to make available a certain number of category C and D machines where there is clear segregation in place so children do not access the areas where the category C machines are located. (see Appendix 1)</p>	
14.6	<p>New 14.6 added which includes measures previously shown at 16.2 including additional control measures as follows:</p> <p>Where category C or above machines are available in premises to which children are admitted then the council will ensure that:</p> <ul style="list-style-type: none"> <li>• all such machines are located in an area of the premises separate from the remainder of the premises by a physical</li> </ul>	

Para number (new para numbers unless otherwise stated)	Amendments (additions shown in bold)	Notes
	<p>barrier which is effective to prevent access other than through a designated entrance. For this purpose a rope, floor markings or similar provision will not suffice and the council may insist on a permanent barrier of at least 1 meter high</p> <ul style="list-style-type: none"> <li>• only adults are admitted to the area where the machines (category C) are located</li> <li>• access to the area where the machines are located is supervised at all times</li> <li>• the area where the machines are located is arranged so that it can be observed by staff</li> <li>• at the entrance to, and inside any such area there are prominently displayed notices indicating that access to the area is prohibited to persons under 18.</li> </ul>	
14.7	<p>New 14.7 added which shows sentence formerly shown at 14.5 as follows:</p> <p>The council will refer to the Commission’s website to familiarise itself with any conditions that apply to operating licences covering the way in which the area containing the category C machines should be delineated. The council will also make itself aware of any mandatory or default conditions on these premises licences, when they have been published.</p>	
15. Casinos		
15.3	<p>Old 15.3 (casino resolution) deleted so new 15.3 becomes:</p> <p><b>Proposal for a casino</b> – Leeds City Council submitted a proposal for one large casino, to the Independent Casinos Advisory Panel. Details regarding this proposal can be found by contacting Leeds City Council’s Development Department.</p> <p>NB: all other items moved up</p>	
15.4	Final sentence edited from:	The reference to children has been removed as children should not be on the premises in

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Para number (new para numbers unless otherwise stated)	Amendments (additions shown in bold)	Notes
	<p>When considering whether to impose a condition to restrict the number of betting machines in particular premises, the council , amongst other things, will take into account the size of the premises, the number of counter positions available for person-to-person transactions, and the ability of staff to monitor the use of the machines by children and young persons (it is an offence for those under 18 to bet) or by vulnerable people.</p> <p>To:</p> <p>When considering whether to impose a condition to restrict the number of betting machines in particular premises, the council , amongst other things, will take into account the size of the premises, the number of counter positions available for person-to-person transactions, and the ability of staff to monitor the use of the machines.</p>	<p>the first place.</p>
15.6	<p>New 15.6 inserted as follows:</p> <p>Where certain measures are not already addressed by the mandatory/default conditions or by the applicant, the council may consider licence conditions to cover certain issues, examples of which are provided at paragraph 13.15.</p>	
16. Bingo Premises		
16.2	<p>First bullet point::</p> <ul style="list-style-type: none"> <li>• all such machines are located in an area of the premises separate from the remainder of the premises by a physical barrier which is effective to prevent access other than through a designated entrance.</li> </ul> <p>Additional sentence added as follows:</p> <p>For this purpose a rope, floor markings or similar provision will not suffice and the council may insist on a permanent barrier of at least 1 meter high</p> <p>Additional wording added to end of third bullet point</p>	

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Para number (new para numbers unless otherwise stated)	Amendments (additions shown in bold)	Notes
	<p>...”at all times”.</p> <p>New final bullet point added as follows:</p> <ul style="list-style-type: none"> <li>• children will not be admitted to bingo premises unless accompanied by an adult.</li> </ul>	
16.4	<p>New 16.3 added as follows:</p> <p>Where certain measures are not already addressed by the mandatory/default conditions or the applicant, the council may consider licence conditions to address such issues, examples of which are provided at paragraph 13.15.</p>	
17. Betting premises		
17.2	<p>Final sentence of 17.2 amended from:</p> <p>When considering whether to impose a condition to restrict the number of betting machines in particular premises, the council , amongst other things, will take into account the size of the premises, the number of counter positions available for person-to-person transactions, and the ability of staff to monitor the use of the machines by children and young persons (it is an offence for those under 18 to bet) or by vulnerable persons.</p> <p>To read:</p> <p>When considering whether to impose a condition to restrict the number of betting machines in particular premises, the council , amongst other things, will take into account the size of the premises, the number of counter positions available for person-to-person transactions, and the ability of staff to monitor the use of the machines.</p>	
17.3	<p>New 17.3 added as follows:</p> <p>Where an applicant for a betting premises licence intends to offer higher</p>	<p>Comments were made during the consultation which highlighted the rise in popularity of FOBTs in bookmakers.</p>

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Para number (new para numbers unless otherwise stated)	Amendments (additions shown in bold)	Notes
	stake category B gaming machines (categories B2-B4) including any Fixed Odds Betting Terminals (FOBTs), then applicants should consider the control measures related to the protection of vulnerable persons, highlighted at para 12.7.	Accordingly this new paragraph has been added.
17.4	<p>New 17.4 added as follows:</p> <p>Where certain measures are not already addressed by the mandatory/default conditions or the applicant, the council may consider licence conditions to address such issues, examples of which are provided at paragraph 13.15.</p>	
18. Tracks		
18.1 – 18.10	This section has been thoroughly redrafted. The order of the paragraphs has been changed and new paragraphs have been added. It is not proposed to summarise each individual change here as the detail required to summarise the changes would become extremely complex. Both versions of the policy are available on request for any persons who wish to visually clarify the amendments.	
19. Travelling Fairs		
19.4	<p>“The council will work with its neighbouring authorities to ensure that land which crosses our boundaries is monitored so that the statutory limits are not exceeded.”</p> <p>Changed to read:</p> <p>“The council will work with its neighbouring authorities to ensure that land which crosses the council boundary is monitored so that the statutory limits are not exceeded.”</p>	

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Para number (new para numbers unless otherwise stated)	Amendments (additions shown in bold)	Notes
21. Unlicensed family entertainment centre gaming machine permits (NB: note “Statement of principles” deleted from title)		
21.3 – 21.5	<p>Paras 21.3 to 21.6 deleted.</p> <p>New paras 21.3 to 21.5 added as follows:</p> <p>21.3 In line with the above provision the council has prepared a ‘Statement of Principles’ document which explains the various issues the council will assess in order to determine the suitability of an applicant for a permit. This includes child protection issues. All applicants should review this document before submitting an application for an UFEC permit so they can tailor their application accordingly.</p> <p>21.4 In line with the Act, while the council cannot attach conditions to this type of permit, the council can refuse applications if they are not satisfied that the issues raised in the “Statement of principles” document have been addressed through the application.</p> <p>21.5 Applicants only need address the “Statement of principles” when making their initial applications and not at renewal time.</p>	
22. Gaming machine permits in premises licensed for the sale of alcohol		
22.3	<p>Para 22.3 deleted and new para 22.3 inserted as follows:</p> <p>All alcohol licensed premises with gaming machines must have regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and provide sufficient measures to ensure that under 18 year olds do not use the adult only gaming machines.</p> <p>NB: paras 22.4 becomes 22.7</p> <p>22.5 and 22.6 remain unchanged.</p>	

Draft Gambling Policy – Key Consultation Messages

Para number (new para numbers unless otherwise stated)	Amendments (additions shown in bold)	Notes
22.4	<p>New para 22.4 inserted as follows:</p> <p>Measures which may satisfy the council that persons under 18 years will be prevented from using the machines may include the machines being in close proximity to the bar, or in any other area where they are capable of being adequately supervised. Notices and signage may also help. As regards the protection of vulnerable persons applicants may wish to consider the provision of information leaflets and or helpline numbers for organisations such as GamCare.</p>	
<p>23. Prize Gaming Permits (NB: note “Statement of principles” deleted from title)</p>		
23.1 – 3.7	<p>This section has been thoroughly redrafted. The order of the paragraphs has been changed and new paragraphs have been added. It is not proposed to summarise each individual change here as the detail required to summarise the changes would become extremely complex. Both versions of the policy are available on request for any persons who wish to visually clarify the amendments.</p>	
<p>24. Club gaming and club machines permits</p>		
24.6 & 24.7	<p>New 24.6 and 24.7 added as follows:</p> <p>24.6 Clubs must also have regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and provide sufficient measures to ensure that under 18 year olds do not use the adult only gaming machines.</p> <p>24.7 Measures which may satisfy the council that persons under 18yrs will be prevented from using the machines may include the machines being in close proximity to the bar, or in any other area where they are capable of being adequately supervised. Notices and signage may also help. As regards the protection of vulnerable persons applicants may wish to consider the provision of information leaflets / helpline numbers for organisations such as GamCare.</p>	



Draft Gambling Policy – Key Consultation Messages

Para number (new para numbers unless otherwise stated)	Amendments (additions shown in bold)	Notes
25. Temporary Use notices		
25.1	<p>Amend first sentence from:</p> <p>Temporary use notices allow the use of premises for gambling where there is no premises licence but where a gambling operator wishes to use the premises temporarily for providing facilities for gambling.</p> <p>To read:</p> <p>Temporary use notices allow the use of premises on not more than 21 days in any 12 month period for gambling where there is no premises licence but where a gambling operator wishes to use the premises temporarily for providing facilities for gambling.</p>	
25.2	<p>Original 25.2 moved to become 25.4</p> <p>New 25.2 inserted as follows:</p> <p>Only persons or companies holding a relevant operating licence can apply for a temporary use notice to authorise the particular class of gambling permitted by their operating licence. For example, the holder of a casino operating licence could apply for a temporary use notice to provide casino games at a hotel.</p>	
25.3	<p>New 25.3 inserted as follows:</p> <p>A temporary use notice must be lodged with the licensing authority not less than three months and one day before the day on which the gambling is due to take place. Detailed information about how to serve a temporary use notice will be available in a separate guidance note.</p>	
27. Small society lottery registrations		
27.1	<p>New 27.1 inserted as follows: (NB: All other paragraphs moved down)</p> <p>A lottery generally refers to schemes under which prizes are distributed by</p>	

Draft Gambling Policy – Key Consultation Messages

Para number (new para numbers unless otherwise stated)	Amendments (additions shown in bold)	Notes
	chance among entrants who have given some form of value for their chance to take part.	
Appendices		
Appendix 1 – Table 1 – Row 7 column 3	Maximum prize for Category C gaming machines changed from £25 to £35.	



# **Gambling Act 2005 Statement of Licensing Policy 2007 - 2010**

Please note:  
The information contained within  
this document can be made  
available in different languages  
and formats including Braille,

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## **PART A – The Gambling Act 2005**

### **1. The licensing objectives**

- 1.1 Under the Gambling Act 2005 (the Act) Leeds City Council is the licensing authority for the Leeds district and licences premises for gambling activities as well as granting various other gambling permits. In this document unless otherwise stated any references to the council are to the Leeds Licensing Authority.
- 1.2 The council will carry out its functions under the Act with a view to promoting the three licensing objectives set out at Section 1 of the Act. The licensing objectives are:
- preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime
  - ensuring that gambling is conducted in a fair and open way
  - protecting children and other vulnerable persons from being harmed or exploited by gambling.
- 1.3 More information can be found about how the council will promote the licensing objectives in Part B and C of this document.
- 1.4 The council will also follow any regulations and statutory guidance issued in accordance with the Act and have regard to any codes of practice issued by the national gambling regulator, the Gambling Commission.
- 1.5 The council is aware that in making decisions about premises licences it should aim to permit the use of premises for gambling in so far as it thinks it:
- in accordance with any relevant code of practice issued by the Gambling Commission
  - in accordance with any relevant guidance issued by the Gambling Commission
  - reasonably consistent with the licensing objectives and
  - in accordance with this document.

### **2. The Leeds district**

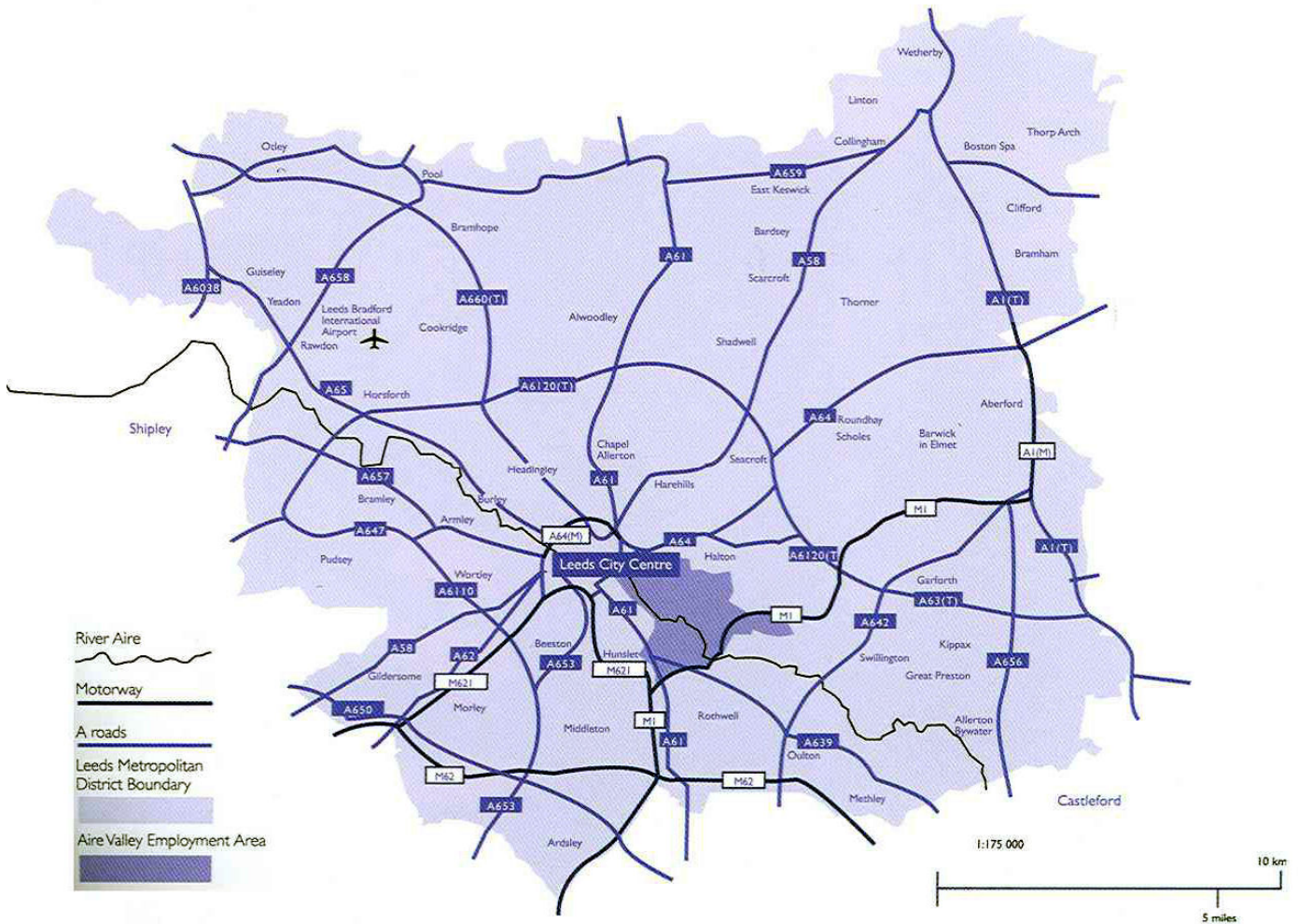
- 2.1 Leeds City Council has sought to establish Leeds as a major European city and cultural and social centre. It is the second largest metropolitan district in England and has a population of 2.2 million people living within 30 minutes drive of the city centre.
- 2.2 The Leeds metropolitan district extends over 562 square kilometres (217 square miles) and has a population of 715,000 (taken from the 2001 census). It includes the city centre and the urban areas that surround it, the more rural outer suburbs and several towns, all with their very different identities. Two-thirds of the district is greenbelt (open land with restrictive building), and there is beautiful countryside within easy reach of the city.
- 2.3 Over recent years Leeds has experienced significant levels of growth in entertainment use within the City coupled with a significant increase in residential

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development. The close proximity of a range of land uses and the creation of mixed-use schemes have many benefits including the creation of a vibrant 24-hour city. Leeds City Council has a policy promoting mixed use development including residential and evening uses throughout the city centre.

- 2.4 Leeds has strong artistic and sporting traditions and has the best attended free outdoor festivals in the country. The success of arts and heritage organisations including the Grand Theatre, West Yorkshire Playhouse, Opera North, Northern Ballet Theatre, Phoenix Dance Theatre, Harewood House and the Henry Moore Institute, has helped to attract other major arts and heritage investments such as the award winning Royal Armouries and the Thackray Medical Museum. The city also boasts a wealth of community based sports, heritage and recreational facilities. There is a vibrant voluntary sector including thousands of groups and societies.
- 2.5 Leeds is a city with many cultures, languages, races and faiths. A wide range of minority groups including Black Caribbean, Indian, Pakistani, Irish and Chinese as well as many other smaller communities make up almost 11% of the city population.
- 2.6 The Vision for Leeds 2004 - 2020 published by the Leeds Initiative, as the city's strategic partnership group, indicates that Leeds is now one of Britain's most successful cities. It boasts:
- a thriving economy
  - a vibrant city centre
  - a leading centre of learning, knowledge and research
  - a recognised regional capital
  - a positive image
  - a reputation for environmental excellence
  - a wide range of cultural facilities
  - a rich mix of cultures and communities.
- 2.7 The Vision for Leeds 2004-2020 has three main aims:
- going up a league as a city - making Leeds an internationally competitive city, the best place in the country to live, work and learn, with a high quality of life for everyone
  - narrowing the gap between the most disadvantaged people and communities and the rest of the city
  - developing Leeds' role as the regional capital contributing to the national economy as a competitive European city, supporting and supported by a region that is becoming increasingly prosperous.
- 2.8 This statement of licensing policy seeks to promote the licensing objectives within the overall context of the three aims set out in The Vision for Leeds 2004-2020.

## 2.9 Leeds metropolitan district



## 3. The purpose of the Gambling Act 2005 – Statement of Licensing Policy

- 3.1 Licensing authorities are required by the Gambling Act 2005 to publish a statement of the principles which they propose to apply when exercising their functions under the Act. This document fulfils this requirement. Such statement must be published at least every three years. The statement can also be reviewed from “time to time” and any amendments must be consulted upon. The statement must then be re-published.
- 3.2 Leeds City Council consulted widely upon this policy statement before finalising and publishing it. A list of the persons we consulted is provided below:
- West Yorkshire Police
  - the Local Safeguarding Children Board
  - representatives of local businesses (including Leeds Chamber of Commerce and the Federation of Small Businesses)
  - members of the public
  - the Gambling Commission
  - community representatives



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- town councils in the district
- parish councils in the district
- local Members of Parliament
- national bodies representing the gambling trade
- national charities concerned with the social impact of gambling
- other charities offering support to alcohol and drugs users
- representatives of existing licence holders
- Yorkshire Forward (the regional development agency)
- Yorkshire Culture
- Leeds Citizens Advice Bureau
- Primary Care Trusts
- Her Majesty's Revenue and Customs
- West Yorkshire Fire and Rescue Service
- Faith Groups within the Leeds district
- Department of Neighbourhoods & Housing, Environmental Health Services
- Leeds City Council Development Department

3.3 The consultation took place between June and September 2006 and followed the Cabinet Office code of practice on consultations published in April 2004. This document is available from the Cabinet Office website at:

[www.cabinetoffice.gov.uk](http://www.cabinetoffice.gov.uk)

3.4 A copy of the consultation report containing a summary of the comments received and the consideration by the council of those comments is available on request.

3.5 The policy was approved at a meeting of the Full Council on [X December 2006].

## **4. The licensing framework**

4.1 The Gambling Act 2005 brings about changes to the way that gambling is administered in the United Kingdom. The Gambling Commission is the national gambling regulator and has a lead role in working with central government and local authorities to regulate gambling activity.

4.2 The Gambling Commission issues operators licences and personal licences. Any operator wishing to provide gambling at a certain premises must have applied for the requisite personal licence and operators licence before they can approach the council for a premises licence. In this way the Gambling Commission is able to screen applicants and organisations to ensure they have the correct credentials to operate gambling premises. The council's role is to ensure premises are suitable for providing gambling in line with the three licensing objectives and any codes of practice issued by the Gambling Commission. The council also issues various permits and notices to regulate smaller scale and or ad hoc gambling in various other locations such as pubs, clubs and hotels.

4.3 The council does not licence large society lotteries or remote gambling through websites. These areas fall to the Gambling Commission. The National Lottery is not licensed by the Gambling Act 2005 and continues to be regulated by the National Lottery Commission under the National Lottery Act 1993.

## 5. Declaration

- 5.1 This statement of licensing policy will not override the right of any person to make an application, make representations about an application, or apply for a review of a licence, as each will be considered on its own merits and according to the statutory requirements of the Gambling Act 2005.
- 5.2 In producing this document, the council declares that it has had regard to the licensing objectives of the Gambling Act 2005, the guidance issued by the Gambling Commission, and any responses from those consulted on the policy statement.

## 6. Responsible authorities

- 6.1 The Act empowers certain agencies to act as responsible authorities so that they can employ their particular area of expertise to help promote the licensing objectives. Responsible authorities are able to make representations about licence applications, or apply for a review of an existing licence. Responsible authorities will also offer advice and guidance to applicants.
- 6.2 The council is required by regulations to state the principles it will apply to designate, in writing, a body which is competent to advise the authority about the protection of children from harm. The principles are:
- the need for the body to be responsible for an area covering the whole of the licensing authority's area
  - the need for the body to be answerable to democratically elected persons, rather than any particular vested interest group etc.
- 6.3 In accordance with the regulations the council designates the Local Safeguarding Children Board for this purpose.
- 6.4 The contact details of all the responsible authorities under the Gambling Act 2005 can be found in our application packs and on our website at:

[www.leeds.gov.uk/licensing](http://www.leeds.gov.uk/licensing)

## 7. Interested parties

- 7.1 Interested parties are certain types of people or organisations that have the right to make representations about licence applications, or apply for a review of an existing licence. These parties are defined in the Gambling Act 2005 as follows:

“For the purposes of this Part a person is an interested party in relation to an application for or in respect of a premises licence if, in the opinion of the licensing authority which issues the licence or to which the applications is made, the person-

- a) lives sufficiently close to the premises to be likely to be affected by the authorised activities,
- b) has business interests that might be affected by the authorised activities, or
- c) represents persons who satisfy paragraph (a) or (b)”

- 7.2 The council is required by regulations to state the principles it will apply to determine whether a person is an interested party. The principles are:
- 7.3 Each case will be decided upon its merits. The council will not apply a rigid rule to its decision making. It will consider the examples of considerations provided in the Gambling Commission's Guidance to local authorities.
- 7.4 Within this framework the council will accept representations made on behalf of residents and tenants associations.
- 7.5 In order to determine if an interested party lives or has business interests, sufficiently close to the premises to be likely to be affected by the gambling activities, the council will consider factors such as the size of the premises and the nature of the activities taking place.
- 7.6 The council will provide more detailed information on the making of representations in a separate guidance note. The guidance note will be prepared in accordance with any relevant Statutory Instruments and any Gambling Commission guidance once such documents are released.

## **8. Exchange of information**

- 8.1 Licensing authorities are required to include in their policy statement the principles to be applied by the authority with regards to the exchange of information between it and the Gambling Commission, as well as other persons listed in Schedule 6 to the Act.
- 8.2 The principle that the council applies is that it will act in accordance with the provisions of the Gambling Act 2005 in its exchange of information which includes the provision that the Data Protection Act 1998 will not be contravened. The council will also have regard to any guidance issued by the Gambling Commission to local authorities on this matter when it is published, as well as any relevant regulations issued by the Secretary of State under the powers provided in the Gambling Act 2005.

## **9. Licensing authority functions**

- 9.1 Licensing Authorities are responsible under the Act for:
- licensing premises where gambling activities are to take place by issuing premises licences
  - issuing provisional statements
  - regulating members' clubs and miners' welfare institutes who wish to undertake certain gaming activities via issuing Club Gaming Permits and/or Club Machine Permits
  - issuing Club Machine Permits to commercial clubs
  - granting permits for the use of certain lower stake gaming machines at Unlicensed Family Entertainment Centres
  - receiving notifications from alcohol licensed premises (under the Licensing Act 2003) of the use of two or less gaming machines

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- granting Licensed Premises Gaming Machine Permits for premises licensed to sell/supply alcohol for consumption on the licensed premises, under the Licensing Act 2003, where more than two machines are required
- registering small society lotteries below prescribed thresholds
- issuing Prize Gaming Permits
- receiving and endorsing Temporary Use Notices
- receiving Occasional Use Notices (for tracks)
- providing information to the Gambling Commission regarding details of licences issued (see section above on 'Exchange of information')
- maintaining registers of the permits and licences that are issued under these functions.

9.2 The council will not be involved in licensing remote gambling at all. This will fall to the Gambling Commission via operators licences.

**PART B – Promotion of the licensing objectives**

**10. Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime**

- 10.1 The Gambling Commission will take a lead role in keeping gambling crime free by vetting all applicants for personal and operators licences. The council's main role is to try and promote this area with regard actual premises. Thus, where an area has known high levels of organised crime the council will consider carefully whether gambling premises are suitable to be located there (see para 13.8 and 13.9) and whether conditions may be required such as the provision of door supervision. (see para 13.15)
- 10.2 There is a distinction between disorder and nuisance. In order to make the distinction, when incidents of this nature occur, the council will consider factors such as whether police assistance was required and how threatening the behaviour was to those who could see it.
- 10.3 Issues of nuisance cannot be addressed by the Gambling Act provisions however problems of this nature can be addressed through other legislation as appropriate.
- 10.4 Examples of the specific steps the council may take to address this area can be found in the various sections covering specific premises types in Part C of this document and also in Part D which covers permits and notices.

## **11. Ensuring that gambling is conducted in a fair and open way**

- 11.1 The council is aware that except in the case of tracks (see section 18) generally the Gambling Commission does not expect licensing authorities to become concerned with ensuring that gambling is conducted in a fair and open way as this will be addressed via operating and personal licences.
- 11.2 The council will however familiarise itself with operator licence conditions and will communicate any concerns to the Gambling Commission about misleading advertising or any absence of required game rules or other matters as set out in the Gambling Commission's Code of Practice.
- 11.3 Examples of the specific steps the council may take to address this area can be found in the various sections covering specific premises types in Part C of this document and also in Part D which covers permits and notices.

## **12. Protecting children and other vulnerable persons from being harmed or exploited by gambling**

### ***Protection of children***

- 12.1 This licensing objective means preventing children from taking part in gambling (as well as restriction of advertising so that gambling products are not aimed at or are particularly attractive to children). The council will therefore consider whether specific measures are required at particular premises, with regard to this licensing objective. Appropriate measures may include supervision of entrances / machines, segregation of areas etc.
- 12.2 This council will pay particular attention to any codes of practice which the Gambling Commission issues as regards this licensing objective in relation to specific premises such as casinos.
- 12.3 Examples of the specific steps the council may take to address this area can be found in the various sections covering specific premises types in Part C of this document and also in Part D which covers permits and notices.

### ***Protection of vulnerable people***

- 12.4 As regards the term "vulnerable persons", the council is not seeking to offer a definition but will, for regulatory purposes assume that this group includes people who gamble more than they want to; people who gamble beyond their means; elderly persons, and people who may not be able to make informed or balanced decisions about gambling due to a mental impairment, or because of the influence of alcohol or drugs. The council will consider this licensing objective on a case by case basis having regard to any guidance issued by the Gambling Commission. Should a practical definition prove possible in future then this policy statement will be updated with it, by way of a revision.
- 12.4.1 While the council acknowledges that it may be difficult for gambling premises staff to identify vulnerable persons, (especially in the case of persons who may have a

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mental illness) in the first instance the council would expect staff members to try and maintain an awareness of how much (eg. how long) customers are gambling. If it is perceived that any particular persons may be gambling excessively or are showing other obvious signs of being unwell then further investigation should follow to try and identify if the person may fall within the category of vulnerable.

- 12.5 The council will promote this objective by publishing information on the council website about the symptoms of problem gambling and the various support organisations which are available to help problem gamblers. These webpages will be prepared in conjunction with these support agencies. In addition the council will also distribute promotional material about these services to a variety of public buildings including all one stop centres, libraries and leisure centres.
- 12.6 The council will familiarise itself with operator licence conditions related to this objective which may include a requirement for operators to provide information to their customers on how to gamble responsibly and how to access information about problem gambling. The council will communicate any concerns to the Gambling Commission about any absence of this required information.
- 12.7 Applicants should consider the following proposed measures for protecting and supporting vulnerable persons, for example:
- leaflets offering assistance to problem gamblers should be available on gambling premises in a location that is both prominent and discreet, such as toilets
  - training for staff members which focuses on building an employee's ability to maintain a sense of awareness of how much (eg. how long) customers are gambling, as part of measures to detect persons who may be vulnerable. (see 12.4.1)
  - trained personnel for the purpose of identifying and providing support to vulnerable persons
  - self exclusion schemes
  - stickers or notices on gaming machines to identify the stakes/prizes
  - operators should demonstrate their understanding of best practice issued by organisations that represent the interests of vulnerable people
  - fixed Odds Betting Terminals should clearly display the odds
  - positioning of ATM machines
  - stickers / posters with GamCare Helpline and website in prominent locations, ie on ATM machines
  - windows, entrances and advertisements to be positioned or designed not to entice passers by.
- 12.8 The council may consider any of the above or similar measures as licence conditions should these not be adequately addressed by any mandatory conditions, default conditions or proposed by the applicant.

## **PART C – Premises licences**

### **13. Introduction to premises licensing**

- 13.1 The council will issue premises licences to allow those premises to be used for certain types of gambling. For example premises licences will be issued to amusement arcades, bingo halls, bookmakers and casinos.
- 13.2 Premises licences will be subject to the permissions/restrictions set-out in the Gambling Act 2005 and regulations, as well as specific mandatory and default conditions which will be detailed in regulations issued by the Secretary of State. Licensing authorities are able to exclude default conditions and also attach other conditions, where it is believed to be necessary and proportionate. (see 13.18)

#### ***Definition of “premises”***

- 13.3 Premises is defined in the Act as “any place”. Different premises licences cannot apply in respect of a single premises at different times. However, it is possible for a single building to be subject to more than one premises licence, provided they are for different parts of the building and the different parts of the building can be reasonably regarded as being different premises. Whether different parts of a building can properly be regarded as being separate premises will always be a question of fact in the circumstances.
- 13.4 The council will take particular care in considering applications for multiple licences for a building and those relating to a discrete part of a building used for other (non-gambling) purposes. In particular the council will assess entrances and exits from parts of a building covered by one or more licences to satisfy itself that they are separate and identifiable so that the separation of different premises is not compromised and that people do not ‘drift’ into a gambling area.
- 13.5 The council will pay particular attention to applications where access to the licensed premises is through other premises (which themselves may be licensed or unlicensed). Issues that the council will consider before granting such applications include whether children can gain access; compatibility of the two establishments; and the ability to comply with the requirements of the Act. In addition an overriding consideration will be whether, taken as a whole, the co-location of the licensed premises with other facilities has the effect of creating an arrangement that otherwise would, or should, be prohibited under the Act.
- 13.6 An applicant cannot obtain a full premises licence until the premises in which it is proposed to offer the gambling are constructed. The Gambling Commission has advised that reference to “the premises” are to the premises in which gambling may now take place. Thus a licence to use premises for gambling will only be issued by the council in relation to premises that are ready to be used for gambling. Whether a premises is finished to a degree that it can be considered for a premises licence will always be a question of fact in the circumstances. Requiring a building to be complete ensures that the council can, if necessary, inspect it fully, as can other responsible authorities with inspection rights.

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- 13.7 Where a premises is not yet built or is about to be altered for the purpose of providing gambling and ultimately a premises licence will be required, the applicant should in the first instance consider making an application for a provisional statement. (see section 20)

**Location**

- 13.8 The council is aware that demand issues (e.g. the likely demand or need for gambling facilities in an area) cannot be considered with regard to the location of premises but that considerations in terms of the licensing objectives can. The council will pay particular attention to the protection of children and vulnerable persons from being harmed or exploited by gambling, as well as issues of crime and disorder.

- 13.9 With regards to these objectives it is the council's policy, upon receipt of any relevant representations to look at specific location issues including:

- the possible impact a gambling premises may have on any schools or vulnerable adult centres in the area
- the possible impact a gambling premises may have on residential areas where there may be a high concentration of families with children
- the size of the premises and the nature of the activities taking place
- any levels of organised crime in the area.

The council will need to be satisfied that there is sufficient evidence that the particular location of the premises would be harmful to the licensing objectives. Such evidence may be used to inform the decision the council makes about whether to grant the licence, to grant the licence with special conditions or to refuse the application.

- 13.10 This policy does not preclude any application being made and each application will be decided on its merits, with the onus being upon the applicant to show how the concerns can be overcome.

**Duplication with other regulatory regimes**

- 13.11 The council will seek to avoid any duplication with other statutory / regulatory systems where possible, including planning. The council will not consider whether a licence application is likely to be awarded planning permission or building regulations approval, in its consideration of it. It will though, listen to, and consider carefully, any concerns about proposed conditions which are not able to be met by the applicant due to planning restrictions, should such a situation arise.

**Conditions**

- 13.12 Where there are specific risks or problems associated with a particular locality, or specific premises, or class of premises, the council will be able to attach individual conditions to address this.

- 13.13 Any conditions attached to a licence issued by the council will be proportionate and will be:



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- relevant to the need to make the proposed building suitable as a gambling facility
- directly related to the premises and the type of licence applied for, and, or related to the area where the premises is based
- fairly and reasonably related to the scale and type of premises
- consistent with the licensing objectives, and
- reasonable in all other respects.

13.14 Decisions about individual conditions will be made on a case by case basis, although there will be a number of control measures the council will consider using, such as supervision of entrances, supervision of adult gaming machines, appropriate signage for adult only areas etc. There are specific comments made in this regard under each of the licence types below. The council will also expect the applicant to offer his/her own suggestions as to the way in which the licensing objectives can be met effectively.

13.15 Where certain measures are not already addressed by the mandatory/default conditions or by the applicant, the council may consider licence conditions to cover issues such as:

- proof of age schemes
- CCTV
- supervision of entrances
- supervision of machine areas
- physical separation of areas
- location of entrance points
- notices / signage
- specific opening hours
- a requirement that children must be accompanied by an adult
- enhanced CRB checks of the applicant and/or staff
- support to persons with gambling addiction
- policies to address seasonal periods where children may more frequently attempt to gain access to premises and gamble such as half terms and summer holidays
- policies to address the problems associated with truant children who may attempt to gain access to premises and gamble
- any one or a combination of the measures as set out at paragraph 12.7 of this policy.

13.16 This list is not mandatory, nor exhaustive, and is merely indicative of examples of certain measures which may satisfy the requirements of the licensing authority and the responsible authorities, depending on the nature and location of the premises and the gambling facilities to be provided.

13.17 There are conditions which the council cannot attach to premises licences which are:

- any condition on the premises licence which makes it impossible for the applicant to comply with an operating licence condition;
- conditions relating to gaming machine categories, numbers, or method of operation;

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- conditions which provide that membership of a club or body be required (the Gambling Act 2005 specifically removes the membership requirement for casino and bingo clubs and this provision prevents it being reinstated) and
- conditions in relation to stakes, fees, winnings or prizes.

13.18 The council is aware that the Secretary of State will set mandatory conditions and default conditions which are necessary for the general good conduct of gambling premises, therefore it is unlikely that the council will need to impose individual conditions imposing a more restricted regime in relation to matters that have already been dealt with. If the council is minded to do so because there is regulatory concerns of an exceptional nature, then any additional licence conditions must relate to the licensing objectives.

### ***Door supervision***

13.19 The council will consider whether there is a need for door supervision in terms of the licensing objectives of protection of children and vulnerable persons from being harmed or exploited by gambling, and also in terms of preventing premises becoming a source of crime. It is noted though that the Gambling Act 2005 has amended the Private Security Industry Act 2001 and that door supervisors at casinos or bingo premises are not required to be licensed by the Security Industry Authority. Where door supervisors are provided at these premises the operator should ensure that any persons employed in this capacity are fit and proper to carry out such duties. Possible ways to achieve this could be to carry out a criminal records (CRB) check on potential staff and for such personnel to have attended industry recognised training.

## **14. Adult gaming centres and licensed family entertainment centres (LFECs)**

14.1 Adult gaming centres are a new category of premises introduced by the Act that are most closely related to what are commonly known as adult only amusement arcades seen in many city centres. Licensed family entertainment centres are those premises which usually provide a range of amusements such as computer games, penny pushers and may have a separate section set a side for adult only gaming machines with higher stakes and prizes.

14.2 Under the Act a premises holding an adult gaming centre licence will be able to make certain numbers of category B, C and D gaming machines available and no one under 18 will be permitted to enter such premises.

14.3 The council will specifically have regard to the need to protect children and vulnerable persons from harm or being exploited by gambling in these premises. The council will expect applicants to satisfy the authority that there will be sufficient measures to ensure that under 18 year olds do not have access to the premises, or in the case of LFECs to the adult only gaming machine areas.

14.4 Where certain measures are not already addressed by the mandatory/default conditions or by the applicant, the council may consider licence conditions to address such issues, examples of which are provided at paragraph 13.15.

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- 14.5 Licensed family entertainment centres will be able to make available a certain number of category C and D machines where there is clear segregation in place so children do not access the areas where the category C machines are located. (see Appendix 1)
- 14.6 Where category C or above machines are available in premises to which children are admitted then the council will ensure that:
- all such machines are located in an area of the premises separate from the remainder of the premises by a physical barrier which is effective to prevent access other than through a designated entrance. For this purpose a rope, floor markings or similar provision will not suffice and the council may insist on a permanent barrier of at least 1 meter high
  - only adults are admitted to the area where the machines (category C) are located
  - access to the area where the machines are located is supervised at all times
  - the area where the machines are located is arranged so that it can be observed by staff; and
  - at the entrance to, and inside any such area there are prominently displayed notices indicating that access to the area is prohibited to persons under 18.
- 14.7 The council will refer to the Commission's website to familiarise itself with any conditions that apply to operating licences covering the way in which the area containing the category C machines should be delineated. The council will also make itself aware of any mandatory or default conditions on these premises licences, when they have been published.

## 15. Casinos

- 15.1 The Gambling Act states that a casino is an arrangement whereby people are given the opportunity to participate in one or more casino games whereby casino games are defined as a game of chance which is not equal chance gaming. This means that casino games offer the chance for multiple participants to take part in a game competing against the house or bank at different odds to their fellow players.
- 15.2 **Licence considerations / conditions** - The Gambling Commission has indicated that further guidance will be issued in due course about the particular issues that licensing authorities should take into account in relation to the suitability and layout of casino premises. This guidance will be considered by the council when it is made available.
- 15.3 Where certain measures are not already addressed by the mandatory/default conditions or by the applicant, the council may consider licence conditions to cover certain issues, examples of which are provided at paragraph 13.15.
- 15.4 **Betting machines** – The council is aware that Section 181 of the Act contains an express power for licensing authorities to restrict the number of betting machines, their nature and the circumstances in which they are made available by attaching a licence condition to a casino premises licence (where betting is permitted in the casino). When considering whether to impose a condition to restrict the number of betting machines in particular premises, the council, amongst other things, will take into account the size of the premises, the number of counter positions available for

person-to-person transactions, and the ability of staff to monitor the use of the machines.

- 15.5 **Large Casino Bid** - The Act introduces three new categories of larger casino; one super/regional casino, eight large casinos and eight small casinos. Leeds City Council submitted a proposal for one large casino, to the Independent Casinos Advisory Panel (CAP). In the event that Leeds is successful in its bid to the CAP and is given consent to be able to grant a large casino licence the council will carry out a competitive bidding exercise. More information about this process can be found in Part F of this document.

## 16. Bingo premises

- 16.1 There is no official definition for bingo in the Gambling Act 2005 however from a licensing point of view there will be a new category of premises licence specifically for bingo premises which will be used by traditional commercial bingo halls for both cash and prize bingo. In addition they will also be able to provide a limited number of gaming machines in line with the provisions of the Act. (see Appendix 1)
- 16.2 The council is aware that it is important that if children are allowed to enter premises licensed for bingo that they do not participate in gambling, other than on category D machines. Where category C or above machines are available in premises to which children are admitted then the council will ensure that:
- all such machines are located in an area of the premises separate from the remainder of the premises by a physical barrier which is effective to prevent access other than through a designated entrance. For this purpose a rope, floor markings or similar provision will not suffice and the council may insist on a permanent barrier of at least 1 meter high
  - only adults are admitted to the area where the machines are located
  - access to the area where the machines are located is supervised at all times
  - the area where the machines are located is arranged so that it can be observed by staff
  - at the entrance to, and inside any such area there are prominently displayed notices indicating that access to the area is prohibited to persons under 18
  - children will not be admitted to bingo premises unless accompanied by an adult.
- 16.3 The council is also aware that the Gambling Commission is going to issue further guidance about the particular issues that licensing authorities should take into account in relation to the suitability and layout of bingo premises. This guidance will be considered by the council once it is made available.
- 16.4 Where certain measures are not already addressed by the mandatory/default conditions or the applicant, the council may consider licence conditions to address such issues, examples of which are provided at paragraph 13.15.

## 17. Betting premises

- 17.1 Betting premises are premises such as bookmakers where various types of gambling are authorised to take place. The Act contains a single class of licence for

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betting premises however within this single class there are different types of premises which require licensing such as normal high street bookmakers, bookmakers located in self contained facilities at race courses as well as the general betting premises licences that track operators will require.

- 17.2 **Betting machines** – The council is aware that Section 181 of the Act contains an express power for licensing authorities to restrict the number of betting machines, their nature and the circumstances in which they are made available by attaching a licence condition to a betting premises licence. When considering whether to impose a condition to restrict the number of betting machines in particular premises, the council, amongst other things, will take into account the size of the premises, the number of counter positions available for person-to-person transactions, and the ability of staff to monitor the use of the machines.
- 17.3 Where an applicant for a betting premises licence intends to offer higher stake category B gaming machines (categories B2-B4) including any Fixed Odds Betting Terminals (FOBTs), then applicants should consider the control measures related to the protection of vulnerable persons, highlighted at para 12.7.
- 17.4 Where certain measures are not already addressed by the mandatory/default conditions or the applicant, the council may consider licence conditions to address such issues, examples of which are provided at paragraph 13.15.

## 18. Tracks

- 18.1 Tracks are sites (including racecourses and dog tracks) where races or other sporting events take place. Betting is a major gambling activity on tracks, both in the form of pool betting (often known as the “totaliser” or “tote”), and also general betting, often known as “fixed-odds” betting. Multiple betting outlets are usually located on tracks such as ‘on-course’ betting operators who come onto the track just on race days to provide betting for the races taking place on that track. There can also be ‘off-course’ betting operators who may operate self contained facilities at the tracks which offer customers the chance to bet on other events, not just those taking place on the track.
- 18.2 All tracks will require a primary ‘general betting premises licence’ that the track operator will hold. It should be noted that track operators do not require an operating licence from the Gambling Commission although they may apply for one. This is because the various other gambling operators offering betting at the track will each hold an operating licence.
- 18.3 Tracks may also be subject to one or more premises licences, provided each licence relates to a specified area of the track. This may be preferable for any self-contained premises providing off-course betting facilities at the track. The council will however assess each individual case on its merits before deciding if this is necessary. Where possible the council will be happy for the track operator to decide if any particular off-course operators should apply for a separate premises licence.
- 18.4 If any off-course operators are permitted to provide betting facilities under the authorisation of the track operator’s premises licence, then it will be the responsibility of the premises licence holder to ensure the proper conduct of such betting within the premises boundary.

- 18.5 Gambling Commission guidance also indicates that it would be possible for other types of gambling premises to be located at a track under the authorisation of separate premises licences, eg a casino premises licence or adult gaming centre premises licence. If you require further guidance on this provision please contact the Entertainment Licensing Section.
- 18.6 Children and young persons will be permitted to enter track areas where facilities for betting are provided on days when dog-racing and/or horse racing takes place, although they are still prevented from entering areas where gaming machines and betting machines (other than category D machines) are provided.
- 18.7 The council will consider the impact upon the protection of children licensing objective and the need to ensure that entrances to each type of betting premises are distinct and that children are excluded from gambling areas where they are not permitted to enter.
- 18.8 **Betting machines** – The council is aware that Section 181 of the Act contains an express power for licensing authorities to restrict the number of betting machines, their nature and the circumstances in which they are made available by attaching a licence condition to a betting premises licence. When considering whether to impose a condition to restrict the number of betting machines in particular premises, the council, amongst other things, will take into account the size of the premises, the number of counter positions available for person-to-person transactions and the location of the machines, in order to ensure they are in a properly segregated area where children are not permitted.
- 18.9 Condition on rules being displayed – The council will consider any Gambling Commission guidance about the application of conditions regarding rules being displayed. The council may require the track operator to ensure that the rules are prominently displayed in or near the betting areas, or that the rules are displayed in the race-card or made available in leaflet form from the track office.
- 18.10 Where certain measures are not already addressed by the mandatory/default conditions or the applicant, the council may consider licence conditions to address such issues, examples of which are provided at paragraph 13.15.

## 19. Travelling fairs

- 19.1 Travelling fairs have traditionally been able to provide various types of low stake gambling without the need for a licence or permit provided that certain conditions are met and this provision continues in similar fashion under the new Act.
- 19.2 Travelling fairs have the right to provide an unlimited number of category D gaming machines and / or equal chance prize gaming (without the need for a permit) as long as the gambling amounts to no more than an ancillary amusement at the fair. (see Appendix 1)
- 19.3 The council will consider whether any fairs which take up the above entitlement fall within the statutory definition of a travelling fair.

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- 19.4 The council is aware that the 27-day statutory maximum for the land being used as a fair, is per calendar year, and that it applies to the piece of land on which the fairs are held, regardless of whether it is the same or different travelling fairs occupying the land. The council will work with its neighbouring authorities to ensure that land which crosses the council boundary is monitored so that the statutory limits are not exceeded.

## **20. Provisional statements**

- 20.1 A provisional statement application is a process which allows a developer to examine the likelihood of whether a building which has yet to be constructed or is about to be altered for the purpose of gambling, would be granted a premises licence when the building work is complete. A provisional statement is not a licence and merely gives the holder some form of guarantee that a premises licence would be granted so the project can be started. Once works are complete a full premises licence would still be required.
- 20.2 In terms of representations about premises licence applications, following the grant of a provisional statement, no further representations from responsible authorities or interested parties can be taken into account unless they concern matters which could not have been addressed at the provisional statement stage, or they reflect a change in the applicant's circumstances. In addition, the council may refuse the premises licence (or grant it on terms different to those attached to the provisional statement) only by reference to matters:
- a) which could not have been raised by objectors at the provisional licence stage; or
  - b) which in the authority's opinion reflect a change in the operator's circumstances.
- 20.3 When determining a provisional statement application the council will operate in accordance with the Act and will not have regard to any issues related to planning consent or building regulations. Eg. The likelihood that planning consent will be granted.

**PART D - Permits, temporary / occasional use notices and small society lottery registrations**

**21. Unlicensed family entertainment centre gaming machine permits (UFECs)**

- 21.1 The term ‘unlicensed family entertainment centre’ is one defined in the Act and refers to a premises which provides category D gaming machines along with various other amusements such as computer games and penny pushers. The premises is ‘unlicensed’ in that it does not require a premises licence but does require a permit to be able to provide its category D machines. It should not be confused with a ‘licensed family entertainment centre’ which does require a premises licence because it contains both category C and D gaming machines.
- 21.2 The Gambling Act 2005 contains a provision for local authorities to prepare a “Statement of Principles” that they propose to consider in determining the suitability of an applicant for a permit. Schedule 10, Para 7 of the Act states, “In preparing this statement, and/or considering applications, it [the council] need not (but may) have regard to the licensing objectives and shall have regard to any relevant guidance issued by the Commission under Section 25.
- 21.3 In line with the above provision the council has prepared a ‘Statement of Principles’ document which explains the various issues the council will assess in order to determine the suitability of an applicant for a permit. This includes child protection issues. All applicants should review this document before submitting an application for an UFEC permit so they can tailor their application accordingly.
- 21.4 In line with the Act, while the council cannot attach conditions to this type of permit, the council can refuse applications if they are not satisfied that the issues raised in the “Statement of Principles” have been addressed through the application.
- 21.5 Applicants only need to address the “Statement of principles” when making their initial applications and not at renewal time.

**22 Gaming machine permits in premises licensed for the sale of alcohol**

- 22.1 There is provision in the Act for premises licensed to sell alcohol for consumption on the premises, to automatically have two gaming machines, of categories C and/or D. The premises merely need to notify the council. The council can remove the automatic authorisation in respect of any particular premises if:
- provision of the machines is not reasonably consistent with the pursuit of the licensing objectives;
  - gaming has taken place on the premises that breaches a condition of Section 282 of the Gambling Act (i.e. that written notice has been provided to the licensing authority, that a fee has been provided and that any relevant code of practice issued by the Gambling Commission about the location and operation of the machine has been complied with)
  - the premises are mainly used for gaming; or
  - an offence under the Gambling Act has been committed on the premises.



- 22.2 If a premises wishes to have more than two machines, then it needs to apply for a permit and the council must consider that application based upon the licensing objectives, any guidance issued by the Gambling Commission issued under Section 25 of the Gambling Act 2005, and “*such matters as they think relevant.*” The council considers that “such matters” will be decided on a case by case basis but generally there will be regard to the need to protect children and vulnerable persons from harm or being exploited by gambling. The council will also expect the applicant to satisfy the authority that there will be sufficient measures to ensure that under 18 year olds do not have access to the adult only gaming machines.
- 22.3 All alcohol licensed premises with gaming machines must have regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and provide sufficient measures to ensure that under 18 year olds do not use the adult only gaming machines.
- 22.4 Measures which may satisfy the council that persons under 18 years will be prevented from using the machines may include the machines being in close proximity to the bar, or in any other area where they are capable of being adequately supervised. Notices and signage may also help. As regards the protection of vulnerable persons, applicants may wish to consider the provision of information leaflets and or helpline numbers for organisations such as GamCare.
- 22.5 The council can decide to grant the permit with a smaller number of machines and/or a different category of machines than that applied for. Conditions (other than these) cannot be attached.
- 22.6 The holder of a permit must comply with any Code of Practice issued by the Gambling Commission about the location and operation of the machine(s).
- 22.7 It is recognised that some alcohol licensed premises may apply for a premises licence for their non-alcohol licensed areas. Any such application would need to be dealt with under the relevant provisions of the Act.

## **23. Prize gaming permits**

- 23.1 Section 288 defines gaming as prize gaming if the nature and size of the prize is not determined by the number of people playing or the amount paid for or raised by the gaming. The prizes will be determined by the operator before play commences. Prize gaming can often be seen at seaside resorts in amusement arcades where a form of bingo is offered and the prizes are displayed on the walls.
- 23.2 A prize gaming permit is a permit issued by the licensing authority to authorise the provision of facilities for gaming with prizes on specified premises.
- 23.3 The Gambling Act 2005 contains a provision for local authorities to prepare a “Statement of principles” that they propose to consider in determining the suitability of an applicant for a permit. Schedule 14, Para 8 of the Act states, “in preparing this statement, and/or considering applications, it [the council] need not (but may) have regard to the licensing objectives and shall have regard to any relevant guidance issued by the Commission under Section 25.

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- 23.4 In line with the above provision the council has prepared a 'Statement of Principles' document which explains the various issues the council will assess in order to determine the suitability of an applicant for a permit. This includes child protection issues. All applicants should review this document before submitting an application for a prize gaming permit so they can tailor their application accordingly.
- 23.5 In line with the Act, while the council cannot attach conditions to this type of permit, the council can refuse applications if they are not satisfied that the issues raised in the "Statement of Principles" have been addressed through the application.
- 23.6 Applicants only need to address the "Statement of principles" when making their initial applications and not at renewal time.
- 23.7 There are conditions in the Gambling Act 2005 by which the permit holder must comply. The conditions in the Act are:
- the limits on participation fees, as set out in regulations, must be complied with;
  - all chances to participate in the gaming must be allocated on the premises on which the gaming is taking place and on one day; the game must be played and completed on the day the chances are allocated; and the result of the game must be made public in the premises on the day that it is played;
  - the prize for which the game is played must not exceed the amount set out in regulations (if a money prize), or the prescribed value (if non-monetary prize); and
  - participation in the gaming must not entitle the player to take part in any other gambling.

## **24. Club gaming and club machine permits**

- 24.1 Members clubs and miners' welfare institutes (but not commercial clubs) may apply for a 'club gaming permit' or a 'club machine permit'. The 'club gaming permit' will enable the premises to provide gaming machines (three machines of categories B4, C or D), equal chance gaming and games of chance as set-out in forthcoming regulations. A 'club machine permit' will enable the premises to provide gaming machines (three machines of categories B4, C or D).
- 24.2 To qualify for these special club permits a members club must have at least 25 members and be established and conducted "wholly or mainly" for purposes other than gaming, unless the gaming is permitted by separate regulations. It is anticipated that this will cover bridge and whist clubs, which will replicate the position under the Gaming Act 1968. A members' club must be permanent in nature, not established to make commercial profit, and controlled by its members equally. Examples include working men's clubs, branches of the Royal British Legion and clubs with political affiliations.
- 24.3 Before granting the permit the council will need to satisfy itself that the premises meets the requirements of a members' club and that the majority of members are over 18.
- 24.4 The council may only refuse an application on the grounds that:

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- (a) the applicant does not fulfil the requirements for a members' or commercial club or miners' welfare institute and therefore is not entitled to receive the type of permit for which they have applied;
- (b) the applicant's premises are used wholly or mainly by children and/or young persons;
- (c) an offence under the Act or a breach of a permit has been committed by the applicant while providing gaming facilities;
- (d) a permit held by the applicant has been cancelled in the previous ten years; or
- (e) an objection has been lodged by the Commission or the police.

24.5 There is also a 'fast-track' procedure available for premises which hold a club premises certificate under the Licensing Act 2003. Under the fast-track procedure there is no opportunity for objections to be made by the Commission or the police, and the ground upon which the council can refuse a permit is reduced. The grounds on which an application under the process may be refused are:

- (a) that the club is established primarily for gaming,
- (b) that in addition to the prescribed gaming, the applicant provides facilities for other gaming; or
- (c) that a club gaming permit or club machine permit issued to the applicant in the last ten years has been cancelled.

24.6 Clubs must also have regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and provide sufficient measures to ensure that under 18 year olds do not use the adult only gaming machines.

24.7 Measures which may satisfy the council that persons under 18 years old will be prevented from using the machines may include the machines being in close proximity to the bar, or in any other area where they are capable of being adequately supervised. Notices and signage may also help. As regards the protection of vulnerable persons applicants may wish to consider the provision of information leaflets / helpline numbers for organisations such as GamCare.

## 25. Temporary use notices

25.1 Temporary use notices allow the use of premises on not more than 21 days in any 12 month period for gambling where there is no premises licence but where a gambling operator wishes to use the premises temporarily for providing facilities for gambling. Premises that might be useful for a temporary use notice would include hotels, conference centres and sporting venues.

25.2 Only persons or companies holding a relevant operating licence can apply for a temporary use notice to authorise the particular class of gambling permitted by their operating licence. For example, the holder of a casino operating licence could apply for a temporary use notice to provide casino games at a hotel.

25.3 A temporary use notice must be lodged with the licensing authority not less than three months and one day before the day on which the gambling is due to take place. Detailed information about how to serve a temporary use notice will be available in a separate guidance note.

25.4 The Act makes a special reference, in the context of temporary use notices, to a “set of premises” to try and ensure that large premises which cannot reasonably be viewed as separate are not used for more temporary use notices than permitted under the Act. The council considers that the determination of what constitutes “a set of premises” will be a question of fact in the particular circumstances of each notice that is given. In considering whether a place falls within the definition of a “set of premises”, the council will look at, amongst other things, the ownership/occupation and control of the premises. The council will be ready to object to notices where it appears that their effect would be to permit regular gambling in a place that could be described as one set of premises.

## **26. Occasional use notices (for tracks)**

26.1 There is a special provision in the Act which provides that where there is betting on a track on eight days or less in a calendar year, betting may be permitted by an occasional use notice without the need for a full premises licence. Track operators and occupiers need to be aware that the procedure for applying for an occasional use notice is different to that for a temporary use notice.

26.2 The council has very little discretion as regards these notices aside from ensuring that the statutory limit of 8 days in a calendar year is not exceeded. The council will however consider the definition of a ‘track’ and whether the applicant is entitled to benefit from such notice.

## **27. Small society lottery registrations**

27.1 A lottery generally refers to schemes under which prizes are distributed by chance among entrants who have given some form of value for their chance to take part.

27.2 The Act creates two principal classes of lotteries. Licensed lotteries and exempt lotteries. Licensed lotteries are large society lotteries and lotteries run for the benefit of local authorities. These will be regulated by the Gambling Commission. Within the class of exempt lotteries there are four sub classes, one of which is small society lotteries.

27.3 A small society lottery is a lottery promoted on behalf of a non commercial society as defined in the Act which also meets specific financial requirements set out in the Act. These will be administered by the council for small societies who have a principal office in Leeds and want to run such lottery.

27.4 A lottery is small if the total value of tickets put on sale in a single lottery is £20,000 or less and the aggregate value of the tickets put on sale in a calendar year is £250,000 or less.

27.5 To be ‘non-commercial’ a society must be established and conducted:

- for charitable purposes,
- for the purpose of enabling participation in, or supporting, sport, athletics or a cultural activity; or
- for any other non-commercial purpose other than that of private gain.

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- 27.6 The other types of exempt lotteries are 'incidental non-commercial lotteries', 'private lotteries' and 'customer lotteries'. If you require guidance on the different categories of lotteries please contact the council.
- 27.7 The National lottery is not licensed by the Gambling Act 2005 and continues to be regulated by the National Lottery Commission under the National Lottery Act 1993.

## PART E - Enforcement

### 28. Enforcement principles

- 28.1 The council will work closely with the responsible authorities in accordance with a locally established joint enforcement protocol and will aim to promote the licensing objectives by targeting known high risk premises following government guidance around better regulation.
- 28.2 In carrying out its enforcement duties with regards to the inspection of premises; and the powers to institute criminal proceedings in respect of certain offences under the Act the council will endeavour to be:
- **proportionate**: regulators should only intervene when necessary: remedies should be appropriate to the risk posed, and costs identified and minimised;
  - **accountable**: regulators must be able to justify decisions, and be subject to public scrutiny;
  - **consistent**: rules and standards must be joined up and implemented fairly;
  - **transparent**: regulators should be open, and keep regulations simple and user friendly; and
  - **targeted**: regulation should be focused on the problem, and minimise side effects.
- 28.3 The council will endeavour to avoid duplication with other regulatory regimes so far as possible.
- 28.4 The council will also adopt a risk-based inspection programme in line with government recommendations around better regulation and the principles of the Hampton Review.
- 28.5 The main enforcement and compliance role for the council in terms of the Gambling Act 2005 will be to ensure compliance with the premises licences and other permissions which it authorises. The Gambling Commission will be the enforcement body for the operator and personal licences. Concerns about the manufacture, supply or repair of gaming machines will not be dealt with by the council but will be notified to the Gambling Commission. In circumstances where the council believes a premises requires a premises licence for gambling activities and no such licence is in force, the council will alert the Gambling Commission.
- 28.6 The council will also keep itself informed of developments as regards the work of the Better Regulation Executive in its consideration of the regulatory functions of local authorities.
- 28.7 The council's enforcement/compliance protocols/written agreements will be available upon request.

## 29. Reviews

- 29.1 A review is a process defined in the legislation which ultimately leads to a licence being reassessed by the Licensing Committee with the possibility that the licence may be revoked, suspended or that conditions may amended or new conditions added.
- 29.2 Requests for a review of a premises licence can be made by interested parties or responsible authorities, however, it is for the council to decide whether the review is to be carried-out. This will be on the basis of whether the request for the review is:
- i) in accordance with any relevant code of practice issued by the Gambling Commission
  - ii) in accordance with any relevant guidance issued by the Gambling Commission
  - iii) reasonably consistent with the licensing objectives and
  - iv) in accordance with this authority's Gambling Act 2005 – Statement of Licensing Policy.

In addition the council may also reject the application on the grounds that the request is frivolous, vexatious, will certainly not cause this authority to wish to alter/revoke/suspend the licence, or is substantially the same as previous representations or requests for review.

- 29.3 The council can also initiate a review of a licence on the basis of any reason which it thinks is appropriate.

## **PART F – Large Casino Bid**

### **30. Casino Licensing under the Gambling Act 2005**

- 30.1 The Gambling Act introduces three new categories of larger casino; 1 super/regional casino, 8 large casinos and 8 small casinos. The 17 new casinos will be sited in various regions around Britain in line with decisions made by the Independent Casino Advisory Panel.
- 30.2 The regional casino will have a minimum total customer area of 5,000m<sup>2</sup>. It will be able to offer casino games, bingo and/or betting and up to 1,250 category A (unlimited jackpot) and category B1 gaming machines;
- 30.3 Large casinos will have a minimum total customer area of 1,500m<sup>2</sup>. This category of casino will be able to offer casino games, bingo and/or betting and up to 150 category B1 gaming machines;
- 30.4 Small casinos will have a minimum total customer area of 750m<sup>2</sup>. A small casino will be able to offer casino games, betting and up to 80 category B1 gaming machines.

### **31. Proposal for a casino**

- 31.1 Leeds City Council submitted a proposal for a larger casino to the Independent Casino Advisory Panel. Details of this proposal can be obtained by contacting Leeds City Council's Development Department.
- 31.2 The casino bid has been made due to the potential benefits accruing to the city, should it be granted a large casino licence. These are:
- increased investment
  - regeneration of strategic areas of the city
  - job creation for local people
  - improved cultural facilities
  - enhanced tourism
  - increased profile for the Leeds city region.
- 31.3 Leeds City Council has not pre-selected a site or operator, but will instead use a structured process for the selection of a private sector partner and delivery of any associated development.

### **32. Casinos and competitive bidding**

- 32.1 If Leeds City Council is selected to grant a large casino licence, there are likely to be a number of operators who will want to run the new premises. In such situations the council will have regard to Schedule 9 of the Gambling Act 2005, and any regulations issued by the Secretary of State.
- 32.2 In addition, in order to maximise the physical regeneration benefits to the city, the council will evaluate:
- social implications of each bid/site



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- the opportunity for delivery of associated facilities, for example an arena or conference centre
- initial financial proposals
- the impact of the proposal on the transport infrastructure
- the impact on the environment
- social regeneration - the economic benefit of each bid.

These criteria will be used to provide an open and transparent mechanism for selecting a preferred site.

***Community cohesion***

32.3 The council will promote the involvement of the community in assessing any competing schemes. The impact on the social cohesion of an area will be one of the factors considered in evaluating each scheme.

***Crime and disorder***

32.4 In assessing the impact of competing bids on crime and disorder, the council proposes to involve a Police Architectural Liaison Officer in the development and evaluation of scheme proposals to ensure that where possible opportunities for crime are designed out at an early stage.

32.5 The council also proposes to secure resource support from the successful operator to contribute to the cost of additional policing throughout the life of the project.

***Social Inclusion Fund (SIF)***

32.6 In evaluating the social impact of a casino in Leeds, the council will develop a Social Inclusion Fund (SIF) to provide ongoing support to key community programmes in the city. It is envisaged that the SIF will be partially used to fund ongoing communication/consultation with community groups, as well as providing programmes and counselling for families affected by gambling.

32.7 In assessing any competing bid, the council will have regard to the social impact of each bid, together with the commitment of the relevant operator to the principles of the Social Inclusion Fund.

32.8 In the sorting of competing bids the council will seek to agree a form of revenue or profit share with the successful operator. This could be in the form of a turnover rental arrangement or a joint venture vehicle. The money will then be directed into the SIF, and will be used to tackle city specific issues and minimise the negative social impact of a casino.

32.9 Social inclusion initiatives might include:

- contribution to a social inclusion fund
- provision of counselling/support services
- community involvement/consultation proposals
- employment proposals
- skills/training initiatives
- proposals for working alongside the Jobs and Skills team within the Council

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- proposals to prioritise local employee opportunities, including specific targeting of disadvantaged groups.

**Education initiatives**

32.10 The preferred operator will be required to work with the council to provide pre-employment skills training to local people. If the casino scheme is part of an integrated development, the operator will be asked to provide an on-site learning space accessible to local community groups and educational establishments.

32.11 Education initiatives might include:

- on-site learning/skills centre
- university partnership proposals
- education outreach schemes.

**Problem gambling**

32.12 We will require the successful operator to detail mechanisms for identifying problem gamblers and restricting their access to the casino. Part of our selection criteria would be to insist that a percentage of the operator staff are trained counsellors, able to provide advice and support to those engaged in or affected by problem gambling. In addition the preferred operator will need to be proactive in addressing problem gambling, and will need to take account of best practice both at home and overseas.

## Appendix 1 - Gaming machines

This appendix describes the categories of gaming machine as set out in the Act (and in regulations) and the number of such machines that may be permitted in each type of gambling premises.

- Table 1 below sets out the current proposals for the different categories with the maximum stakes and prizes that will apply. This table will be updated as soon as the proposals are confirmed.
- Table 2 overleaf shows the maximum number of machines permitted and in the case of casinos the ratios between tables and machines.

Category of machine	Maximum Stake	Maximum Prize
A	Unlimited	Unlimited
B1	£2	£4,000
<sup>1</sup> B2	£100	£500
B3	£1	£500
B4	£1	£250
C	50p	£35
D	10p or 30p when non monetary prize	£5 cash or £8 non monetary prize

Table 1

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**1** The category B2 is not actually a traditional slot machine. It refers to a type of gaming machine known as a fixed odds betting terminal (FOBTs). These are a new type of gaming machine which generally appear in licensed bookmakers. FOBTs have 'touch-screen' displays and look similar to quiz machines familiar in pubs and clubs. They normally offer a number of games, roulette being the most popular.

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## (Appendix 1 continued)

Premises Type	Machine category						
	A	B1	B2	B3	B4	C	D
Regional casino (machine/table ratio of 25-1 up to maximum)	Maximum of 1250 machines Any combination of machines in categories A to D, within the total limit of 1250 (subject to table ratio)						
Large casino (machine/table ratio of 5-1 up to maximum)		Maximum of 150 machines Any combination of machines in categories B to D, within the total limit of 150 (subject to table ratio)					
Small casino (machine/table ratio of 2-1 up to maximum)		Maximum of 80 machines Any combination of machines in categories B to D, within the total limit of 80 (subject to table ratio)					
Pre-2005 Act Casinos (no machine/table ratio)		Maximum of 20 machines categories B to D or C or D machines instead					
Betting premises and tracks operated by pool betting			Maximum of 4 machines categories B2 to D				
Bingo Premises				Maximum of 4 machines in category B3 of B4		No limit C or D machines	
Adult gaming centre				Maximum of 4 machines in category B3 of B4		No limit C or D machines	
Family entertainment centre (with premises licence)						No limit C or D machines	
Family entertainment centre (with Permit)							No limit on category D machines
Clubs or miners' welfare institutes with permits					maximum of 3 machines in categories B4 to D		
Qualifying alcohol licensed premises						1 or 2 machines of category C or D automatic upon notification	
Qualifying alcohol licensed premises with gaming machine permit						Number as specified on permit	
Travelling fair							No Limit on Category D machines
	<b>A</b>	<b>B1</b>	<b>B2</b>	<b>B3</b>	<b>B4</b>	<b>C</b>	<b>D</b>

Table 2

## Appendix 2 – Glossary of terms

<b>Term</b>	<b>Description</b>
ATM	Auto teller machine or cash machine.
Betting	Betting is defined as making or accepting a bet on the outcome of a race, competition or other event or process or on the outcome of anything occurring or not occurring or on whether anything is or is not true. It is irrelevant if the event has already happened or not and likewise whether one person knows the outcome or not. (Spread betting is not included within this definition).
Betting Machines / Bet Receipt Terminal	Betting Machines can be described as automated betting terminals where people can place bets on sporting events removing the need to queue up and place a bet over the counter.
Bingo	There are essentially two types of bingo: Cash bingo, where the stakes paid make up the cash prizes that can be won and Prize bingo, where various forms of prizes can be won, not directly related to the stakes paid.
Book	Running a 'book' is the act of quoting odds and accepting bets on an event. Hence the term 'Bookmaker'.
Casino games	A game of chance, which is not equal chance gaming. Casino games includes Roulette and black jack etc.
Chip	Casinos in the U.K require you to use chips to denote money. They are usually purchased and exchanged at a cashier's booth.
Default condition	To be prescribed in Regulations. Will be attached to all classes of premises licence, unless excluded by the council.
Equal Chance Gaming	Gaming which does not involve playing or staking against a bank.
Fixed odds betting	If a gambler is able to establish what the return on a bet will be when it is placed, (and the activity is not 'gaming' see below), then it is likely to be betting at fixed odds.
Fixed Odds betting terminals (FOBTs)	FOBTs are a type of gaming machine which generally appear in licensed bookmakers. FOBTs have 'touch-screen' displays and look similar to quiz machines familiar in pubs and clubs. They normally offer a number of games, roulette being the most popular.
Gaming	Gaming can be defined as 'the playing of a game of chance for winnings in money or monies worth, whether any person playing the game is at risk of losing any money or monies worth or not'.
Gaming Machine	Any type of machine allowing any sort of gambling activity including betting on virtual events but not including home computers even though users can access online gaming websites.
Licensing Objectives	The licensing objectives are three principal goals which form the basis of the Act. Stakeholders who have an interest in the Act need to try and promote these objectives: The licensing objectives are: <ul style="list-style-type: none"> <li>• preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime</li> <li>• ensuring that gambling is conducted in a fair and open way</li> <li>• protecting children and other vulnerable persons from being harmed or exploited by gambling.</li> </ul>
Lottery	A lottery generally refers to schemes under which prizes are distributed by chance among entrants who have given some form of value for their chance to take part. A lottery is defined as either a simple lottery or a complex lottery. A simple lottery is one where persons are required to pay to participate and one or more prizes are allocated to one or more members of a class, and the prizes are allocated by a process which relies wholly on chance. A complex lottery is where persons are required to pay to participate and one or more members of a class, and the prizes are allocated by a series of processes where the first of those processes relies wholly on chance. Prize means money, articles or services provided by the members of the class among whom the prize is allocated. (It should be noted that the National Lottery is not included in this definition of lottery and is regulated by the National Lottery Commission).
Mandatory condition	A condition which will be set by the Secretary of State (some set out in the Act and some to be prescribed by regulations) which will be automatically

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<b>Term</b>	<b>Description</b>
	attached to a specific type of premises licence. The council will have no discretion to alter or remove these conditions.
Odds	The ratio to which a bet will be paid if the bet wins. e.g. 3-1 means for every £1 bet, a person would receive £3 of winnings.
Off-course betting operator	Off-course betting operators may, in addition to premises away from the track, operate self contained betting premises within a track premises. Such self contained premises will provide facilities for betting on both events taking place at the track (on-course betting), as well as other sporting events taking place away from the track. (off-course betting). In essence such premises operate like a traditional high street bookmakers. They will however only normally operate on race days.
On-course betting operator	The on-course betting operator is one who comes onto on a track, temporarily, while races are taking place, and operates at the track side. On-course betting operators tend to offer betting only on the events taking place on the track that day. (on-course betting)
Pool Betting	For the purposes of the Gambling Act, pool betting is made on terms that all or part of the winnings: 1) Shall be determined by reference to the aggregate of the stakes paid or agreed to be paid by the persons betting 2) Shall be divided among the winners or 3) Shall or may be something other than money. For the purposes of the Gambling Act, pool betting is horse-race pool betting if it relates to horse-racing in Britain.
Regulations or Statutory instruments	Regulations are a form of law, often referred to as delegated or secondary legislation. They have the same binding legal effect as Acts and usually state rules that apply generally, rather than to specific persons or things. However, regulations are not made by Parliament. Rather, they are made by persons or bodies to whom Parliament has delegated the authority to make them, such as a minister or an administrative agency.
Representations	In the context of the Gambling Act representations are either positive statements of support or negative objections which are made in relation to a licensing application. Representations must be made in time. Eg. During a designated notice period.
Responsible authority (authorities)	Responsible authorities (RAs) are agencies which have been appointed by the Gambling Act or regulations to fulfil a designated role during the licensing process. RAs must be sent copies of all licensing applications and have the power to make representations about such applications. RAs also have the power to ask for licences to be reviewed. For Leeds the RAs include West Yorkshire Police, The local Safeguarding Children Board, Leeds City Council's Development Department as well as several others.
Skill machine / Skill with prizes machine	The Act does not cover machines that give prizes as a result of the application of pure skill by players. A skill with prizes machine is one on which the winning of a prize is determined only by the player's skill – any element of chance imparted by the action of the machine would cause it to be a gaming machine. An example of a skill game would be trivia game machines, popular in pubs and clubs, which require the player to answer general knowledge questions to win cash prizes.
Spread betting	A form of investing which is more akin to betting, and can be applied either to sporting events or to the financial markets. Spread betting is regulated by the Financial Services Authority.
Stake	The amount pledged when taking part in gambling activity as either a bet, or deposit to the bank or house where the house could be a gaming machine.
Statement of principles document	A document prepared by the council which outlines the areas that applicants need to consider before applying for gaming permits.
Table gaming	Card games played in casinos.
Tote	"Tote" is short for Totaliser, a system introduced to Britain in 1929 to offer pool betting on racecourses.
Track	Tracks are sites (including horse tracks and dog tracks) where races or other sporting events take place. Examples of tracks within the Leeds district would be Elland Road Football ground and Headingley Stadium.



Originator: Jane Bell

Tel: 3950572

**REPORT OF THE DIRECTOR OF CHILDREN'S SERVICES**

**REPORT TO EXECUTIVE BOARD**

**DATE : 15<sup>th</sup> NOVEMBER 2006**

**SUBJECT : 2006 Annual Performance Assessment of Services for Children and Young People in the City of Leeds**

**Electoral Wards Affected : All**

**Specific Implications For :**

Equality and Diversity

Community Cohesion

Narrowing the Gap

**Executive Board Decision**

**Eligible for Call In**

**Not eligible for Call In**   
(details contained in the report)

**SUMMARY**

In May 2006 Leeds City Council Children's Services had the annual performance assessment (APA). The Annual Performance Assessment makes judgements about:

- the council's children's services and the specific contributions they make to improving outcomes for children and young people
- the council's capacity to further improve these services.

The findings of the APA identify that Leeds City Council's contribution to outcomes for children and young people in the city is good (3).

**1.00 PURPOSE OF THE REPORT**

1.01 The purpose of the report is to summarise the findings of the 2006 annual performance assessment (APA) process for Leeds. The letter advising Leeds of the outcome of the 2006 APA assessment is attached at Appendix 1.

**2.00 BACKGROUND**

2.01 In 2005, the first Annual Performance Assessments were undertaken in children's services authorities by Ofsted and the Commission for Social Care Inspection (CSCI). The Annual Performance Assessment provides the rating for the council's children's

services in the CPA.

- 2.02 The Annual Performance Assessment makes judgements about:
- the council's children's services and the specific contributions they make to improving outcomes for children and young people
  - the council's capacity to further improve these services.
- 2.03 The grade descriptors used by the inspectors use a ranking of 1-4 where:
- 1 is a service that does not deliver the minimum standard for users – Inadequate
  - 2 is a services that delivers only the minimum requirement for users – Adequate
  - 3 is a service that delivers consistently above the minimum requirements for users – Good
  - 4 is a service that delivers well above the minimum requirement for users – Excellent/ Outstanding
- 3.00 Key Issues**
- 3.01 The findings of the APA identify that Leeds City Council's contribution to outcomes for children and young people in the city is Good (3). In summary the findings are:
- The contribution of **the local authority's children's services** in maintaining and improving outcomes for children and young people – Grade 3
  - The council's overall **capacity to improve** its services for children and young people – Grade 3
  - The contribution of **the local authority's social care services** in maintaining and improving outcomes for children and young people – Grade 3.
  -
- 3.02 The APA states that the Council has continued to make improvements in children's services, involving them in consultation processes to aid planning. The council has engaged its partners well, and this is reflected in the Children and Young People's Plan (CYPP). The plan identifies a clear set of objectives supported by action plans, which allocate responsibilities and set out clear measures of success. It recognises the gaps and shortfalls that the council and its partners need to address in order to achieve better outcomes for children and young people.
- 3.02 In 2005, the council was assessed as providing good social care services for children and young people and was judged as having a good capacity to improve. The 2006 assessment confirms that Leeds council now provides good education and continues to provide good social care support for children and families.
- 3.03 The children's services grade will provide the score for the children and young people service block in the comprehensive performance assessment (CPA) and will be published to the Audit Commission. The social care judgement is for CSCI information only.
- 3.04 The full letter is attached in appendix 1 and a summary of the key strengths and areas for improvement is outlined in Table 1 below.



**Table 1 Key strengths and areas for improvement**

<b>Key strengths</b>	<b>Areas for improvement</b>
<p><i>Being healthy:</i></p> <ul style="list-style-type: none"> <li>• joint commissioning arrangements</li> <li>• community based health services through schools and children’s centres</li> <li>• prompt referrals for young offenders manifesting acute and non-acute mental health difficulties</li> <li>• schools enabling learners to be healthy.</li> </ul>	<p><i>Being healthy:</i></p> <ul style="list-style-type: none"> <li>• reduce the incidence of teenage pregnancy</li> <li>• improve the access of young offenders to substance misuse assessment and intervention services.</li> </ul>
<p><i>Staying safe:</i></p> <ul style="list-style-type: none"> <li>• robust and well embedded case file audit system</li> <li>• social worker allocation to children on the register and looked-after children</li> <li>• effective child protection registration system reflected in reviews, duration on the register and repeat referral rates</li> <li>• stable placements for most looked-after children</li> <li>• good transition planning for children with disabilities</li> <li>• schools ensuring learners stay safe.</li> </ul>	<p><i>Staying safe:</i></p> <ul style="list-style-type: none"> <li>• improve the timeliness of reviews for looked-after children</li> <li>• improve the completion of core assessment within prescribed timescales</li> <li>• all residential care provision fully meeting the national minimum standards.</li> </ul>
<p><i>Enjoying and achieving:</i></p> <ul style="list-style-type: none"> <li>• early years provision</li> <li>• number of schools causing concern</li> <li>• range of innovative ideas to tackle weaknesses in attendance.</li> </ul>	<p><i>Enjoying and achieving:</i></p> <ul style="list-style-type: none"> <li>• attainment at Key Stage 3 and Key Stage 4</li> <li>• reduce the levels of unauthorised absence.</li> </ul>
<p><i>Making a positive contribution:</i></p> <ul style="list-style-type: none"> <li>• innovative ways of engaging young people to encourage them to participate and contribute to planning processes</li> <li>• minimise the risk of looked-after young people offending</li> <li>• year-on-year increases in the proportion of young people reached through publicly funded youth services.</li> </ul>	<p><i>Making a positive contribution:</i></p> <ul style="list-style-type: none"> <li>• the engagement of looked-after children in their reviews.</li> </ul>
<p><i>Achieving economic well-being:</i></p> <ul style="list-style-type: none"> <li>• childcare regeneration services that enabled parents to receive training and employment</li> <li>• support offered to care leavers</li> <li>• opportunities in school to prepare for future well-being</li> <li>• development of a robust 14 to 19 strategy.</li> </ul>	<p><i>Achieving economic well-being:</i></p> <ul style="list-style-type: none"> <li>• improve attainment levels for 14 to 19 year-olds.</li> </ul>

Key strengths	Areas for improvement
<p><i>Management of children's services:</i></p> <ul style="list-style-type: none"> <li>• clarity of vision and innovative approach to council structure</li> <li>• needs analysis to improve services</li> <li>• approaches to workforce planning and development.</li> </ul>	<p><i>Management of children's services:</i></p>

- 3.04 The APA letter identifies several areas where the Joint Area Review or the next APA will focus. These include:
- Effectiveness of the directorate structure to deliver the agenda of Every Child Matters.
  - Effectiveness of the contraception and sexual health services for young people.
  - Effectiveness of measures to raise attainment at Key Stages 3 and 4.
  - Success of the programme to reduce unauthorised absence.
  - Actions taken on the outcomes of the 14 to 19 strategy reviews.

**Joint Area Review**

- 3.05 In addition the APA, the Council has now had confirmation of the date of the joint area review (JAR). The fieldwork inspection will take place between the 3<sup>rd</sup> and 14<sup>th</sup> December 2007. The JAR will take place at the same time as the corporate performance assessment (CPA). Further reports will follow outlining the JAR process and the Council framework for preparing for the JAR and CPA inspections.

**4.00 RECOMMENDATION**

- 4.01 Executive Board are asked to note the report.

Alexandra House  
33 Kingsway  
London WC2B 6SE

T 08456 404045  
enquiries@ofsted.gov.uk  
www.ofsted.gov.uk



Making Social Care  
Better for People



Rosemary Archer  
Director of Children's Services  
Leeds City Council  
1<sup>st</sup> Floor West Merrion House  
110 Merrion Centre  
Leeds  
LS2 8DT

**1 November 2006**

Dear Ms Archer

**2006 ANNUAL PERFORMANCE ASSESSMENT OF SERVICES FOR CHILDREN AND YOUNG PEOPLE IN LEEDS CITY COUNCIL**

This letter summarises the findings of the 2006 annual performance assessment (APA) process for your local authority. We are grateful for the information, which you provided to support this process, and for the time made available by yourself and your colleagues to discuss relevant issues.

**Summary**

Areas for judgement	Grade awarded <sup>1</sup>
The contribution of <i>the local authority's children's services</i> in maintaining and improving outcomes for children and young people	3
The council's overall <i>capacity to improve</i> its services for children and young people	3
The contribution of <i>the local authority's social care services</i> in maintaining and improving outcomes for children and young people	3

<sup>1</sup>

Grade	Service descriptors	Capacity to improve descriptors
4	A service that delivers well above minimum requirements for users	Excellent / outstanding
3	A service that consistently delivers above minimum requirements for users	Good
2	A service that delivers only minimum requirements for users	Adequate
1	A service that does not deliver minimum requirements for users	Inadequate

Leeds City Council's contribution to the improvement of outcomes for children and young people in the city is good. The council has continued to make improvements in children's services, involving them in consultation processes to aid planning. Improvements have also been reflected in the attainments of many young people. The council has engaged its partners well, and this is reflected in the Children and Young People's Plan (CYPP). The plan identifies a clear set of objectives supported by action plans, which allocate responsibilities and set out clear measures of success. It recognises the gaps and shortfalls that the council and its partners need to address in order to achieve better outcomes for children and young people. Each outcome area is led by a multi-agency board and under each of these, measures have been set out that reflect the priorities identified through their own performance management and through the discussions with the Department for Education and Skills and CSCI.

The council has established some interim structures that allow for the continuity of service provision, but is considering ways that allow the council to develop a strategic and commissioning unit to work with both its internal and external partners. This is a bold approach that has been modelled on the successful arrangement with Education Leeds.

In 2005, the council was assessed as providing good social care services for children and young people and was judged as having a good capacity to improve. The 2006 assessment confirms that Leeds council now provides good education and continues to provide good social care support for children and families.

## **Being healthy**

The council makes a good contribution toward improving the health of children and young people in Leeds. The CYPP for Leeds identifies both priorities and measures to demonstrate whether there has been improvement in this outcome area. The strengths of the plan are the multi-agency agreement to the tasks set out, and evidence that children and young people have contributed to the plan. There are joint commissioning arrangements in Child and Adolescent Mental Health Services (CAMHS) and packages and placements for children with complex needs and/or disabilities.

There are a number of strategies in place which promote community based health services through schools and children's centres. These focus on several themes: childhood obesity; sexual health; substance misuse – including smoking, mental and emotional health; and maternal and infant health. The council also recognises that people's socio-economic status has a powerful impact on health outcomes reflected in infant mortality and dental health figures.

School inspection judgements show that health awareness is promoted well by encouraging healthy eating and ensuring regular access to sport and exercise. A higher than average number of schools are working towards the healthy schools standard, and the council is well on its way to exceeding the national target of 30% of its schools achieving the healthy school standard by December 2006.

The incidence of teenage pregnancy in 2004 saw a significant increase following previous year-on-year reductions. In response, the council completed a gap analysis to ascertain the factors that had contributed to the reductions and has now re-aligned its approach to sexual health in general.

There is a lower proportion of young offenders receiving substance misuse assessment and interventions than from other councils. As a consequence, the council's youth offending team (YOT) has re-commissioned the service with another provider and is confident that young offenders will now be assessed and offered treatment promptly. Both these examples demonstrate a council and health service community that is responsive to the emerging needs of young people.

There were two areas identified in the 2005 performance assessment: referrals of young offenders to mental health services; and ensuring the health and dental health needs of looked after children were being met. There has been at least adequate, and in some cases demonstrable, progress in both areas.

## **Staying safe**

This year's assessment identifies several areas that need to be addressed, and therefore the council's contribution to improvement in staying safe is judged adequate.

Child protection indicators and stability of placements for looked after children demonstrate good performance and outcomes. All looked after children and those on the register have a named social worker. The council continues to ensure that the vast majority of children over the age of 14 with disabilities, have transition plans to support their move from children's services to adult services. The council's performance management system is sound. The council has a robust case file audit system that is used to assess the quality of the work being undertaken by social workers. The system has been in place for nearly two years and, while in the early stages there was some resistance amongst staff, both this and the electronic social care record system are now well established. Both managers and social workers feel it has improved the quality of the work and of case recording.

The council's services are equally accessible to all sections of the community including people from black and minority ethnic backgrounds. In response to the increasing demands of unaccompanied and asylum seeking children, the council established a dedicated and innovative team linked with the police and immigration services.

Section 5 inspections have judged that, of the schools inspected in Leeds, over two thirds were good or better in ensuring the safety of pupils.

There are some social care issues, which although actions have been taken, have yet to take full effect. The assessment of the impact of policies on promoting race equality, begun last year, has not been fully completed; the timeliness of reviews for looked after children needs to be addressed; and the completion of core assessments within prescribed timescales improved.

Work is more advanced in other areas. The marginal fall in the number of adoptions of looked after children made last year has been addressed by establishing dedicated teams to recruit and support adoption parents, while the recent review of the provision for residential care for children has a number of innovative features including private finance initiatives. However, there are several residential care homes for children that do not fully meet the national minimum standards in some outcome areas.

## **Enjoying and achieving**

The council's contribution to improving the outcomes in this area is good overall.

Early years provision remains a strength, both in the quality of its outcomes for children and the range of provision. Children's centres across the authority have achieved a beacon award for their quality. Actions imposed on child minders when they first register are higher than normal. However, the level of support given by the council services and additional training for providers and rigorous quality assurance measures result in subsequent inspection judgements for childcare exceeding national averages, and those for funded provision (age 3 and above) being in line with expected levels.

Attainment across Key Stages 1 to 4 remains variable. Standards at Key Stages 1 and 2 are broadly satisfactory but those at Key Stages 3 and 4 are below national averages. However, there has been encouraging improvement in attainment since last year in both stages. Since the 2004 Ofsted report, the number of schools being placed in a category of concern has reduced and currently there is no school in special measures. The authority is doing significantly better than both similar authorities and nationally in preventing schools being placed in a category.

The authority has continued to address the issue of raising attendance, with some innovative initiatives aimed at reducing truancy. Attendance in primary schools is in line with similar authorities but the picture is less assured in secondary schools and for looked after children. Despite attendance targets being met over the last three years, unauthorised absence remains an area for improvement. Nevertheless, the authority has a planned programme of measures to tackle the issue.

The provision for pupils with learning difficulties and/or disabilities is good. Pupils make good or outstanding progress in over half the schools inspected and there is no unsatisfactory provision. The processing of statements has become more efficient and is now comparable to national timescales. The attainment of looked after children has shown improvement with 14% gaining 5 or more GCSE A\* to C grades while there was an increase from 18% to 23% for those pupils receiving free school meals.

Overall, pupils enjoy their education: inspection findings show that in 20 of the 30 schools, pupils' level of enjoyment was rated good or outstanding, and in the remainder it was satisfactory.

The authority has clearly recognised where there are weaknesses, acted on recommendations from last year with some success, and continues to promote innovative ideas to secure further improvement.

### **Making a positive contribution**

The council makes a good contribution to the improvement of outcomes for children and young people in this area.

Children and young people make a positive contribution to the work of the council through an effective system of consultation. They are encouraged to participate in decision making and in supporting the community through a variety of initiatives and mechanisms. The young people's involvement in compiling the CYPP was impressive. The council's approach has used both the formal links with youth councils and schools and the more innovative approaches to young people in informal settings, such as the Reach Out and Reconnect group (ROAR), successfully consulting 350 young people at a city centre shopping plaza. It has the potential to be an established working partnership with the council. Young people were also involved in the selection and appointment of the director of children's services.

The council has sustained its actions to prevent offending and to reduce re-offending by children and young people. The youth justice plan is a comprehensive document that was commended by the Youth Justice Board. The council has maintained good performance in managing the risk of looked after children offending. The proportion of young people reached by publicly funded youth services has increased year on year since 2002.

However, the council is aware that the level of participation of looked after children in case reviews is comparatively low, and has analysed those cases where the young person has not participated or been involved. It is devising different ways for young people to put their views forward, including using the intranet to communicate their views.

### **Achieving economic well-being**

The council's contribution to improvement in this area is good.

Good childcare arrangements make a significant contribution to supporting families through offering childcare places, children's centres, and enabling parents to seek employment. During 2005/06, the Childcare Regeneration Service enabled 398 parents to receive training and gain employment, 203 being lone parents and a further 1,575 parents on low or modest incomes with childcare in areas of significant disadvantage.

Employment, education and training opportunities for care learners are similar to those available to the wider populations. The council makes good accommodation arrangements

for the vast majority of its care leavers, and 94.6% of them live in suitable housing. This proportion represents an increase of over 16% since last year.

Inspection judgements suggest that two-thirds of primary schools and one-third of secondary schools offer good or better opportunities for pupils to take part in activities to promote their economic well-being.

Education provision for 14 to 19 year olds is satisfactory, but standards vary. Attainment levels are generally below those nationally, but there have been improvements in both Key Stages 3 and 4, particularly at GCSE and AS levels, although results do not yet meet national levels. However, the authority has a robust 14 to 19 strategy and has developed a strong partnership with its Local Learning and Skills Council. A number of reviews and surveys have been initiated to evaluate both the way the provision is organised and to identify good practice, which can be applied across the authority. These are already beginning to have a positive influence in raising the quality and diversity of the provision.

There are 71.1% of young people in learning which, although below the national average, is above similar authorities. There is also some good practice in making available a range of vocational pathways such as apprenticeships, and there are generally good collaborative relationships with colleges.

### **The council's management of its services for children and young people, including its capacity to improve them further**

The council has clear ambitions for making life for children and young people in Leeds vibrant and challenging, which are responsive to their needs and enable them to aim high. This has been matched with a significant increased investment in children's services for the current year. The council has adopted a commissioning model for the operation of the children's services directorate that puts children at the centre of its planning and to deliver outcomes for children through both internally and externally provided services.

Efficient mechanisms have been developed, enabling a shared understanding of local needs amongst partner organisations and resulting in improvements in the five outcome areas. The needs of individual children, young people and their families are effectively identified and recorded, and lead to appropriate allocations of resources. Although there are still some areas for improvement in most of the outcomes, there is strong evidence that the council is both aware of and actively addressing them.

The council has robust approaches to workforce planning and development through its comprehensive recruitment and retention strategy, including induction programmes for staff in both Education Leeds and Social Services, and training and development to support the many examples of integrated working.

The council recognises the challenge of the Every Child Matters agenda and new approaches are underway to improve partnership working within the council, for example, with traditional child focused services, and other key services such as housing and transport, and with external partners. The bold approaches are already being reflected in a team approach across departments and in the positive outcomes of many recent projects.



The council has successfully demonstrated its capacity to make improvement and provides good education and social care support for children and families.

## Key strengths and areas for improvement

Key strengths	Key areas for improvement
<p><i>Being healthy:</i></p> <ul style="list-style-type: none"> <li>joint commissioning arrangements</li> <li>community based health services through schools and children’s centres</li> <li>prompt referrals for young offenders manifesting acute and non-acute mental health difficulties</li> <li>schools enabling learners to be healthy.</li> </ul>	<p><i>Being healthy:</i></p> <ul style="list-style-type: none"> <li>reduce the incidence of teenage pregnancy</li> <li>improve the access of young offenders to substance misuse assessment and intervention services.</li> </ul>
<p><i>Staying safe:</i></p> <ul style="list-style-type: none"> <li>robust and well embedded case file audit system</li> <li>social worker allocation to children on the register and looked after children</li> <li>effective child protection registration system reflected in reviews, duration on the register and repeat referral rates</li> <li>stable placements for most looked after children</li> <li>good transition planning for children with disabilities</li> <li>schools ensuring learners stay safe.</li> </ul>	<p><i>Staying safe:</i></p> <ul style="list-style-type: none"> <li>improve the timeliness of reviews for looked after children</li> <li>improve the completion of core assessment within prescribed timescales</li> <li>all residential care provision fully meeting the national minimum standards.</li> </ul>
<p><i>Enjoying and achieving:</i></p> <ul style="list-style-type: none"> <li>early years provision</li> <li>number of schools causing concern</li> <li>range of innovative ideas to tackle weaknesses in attendance.</li> </ul>	<p><i>Enjoying and achieving:</i></p> <ul style="list-style-type: none"> <li>attainment at Key Stage 3 and Key Stage 4</li> <li>reduce the levels of unauthorised absence.</li> </ul>
<p><i>Making a positive contribution:</i></p> <ul style="list-style-type: none"> <li>innovative ways of engaging young people to encourage them to participate and contribute to planning processes</li> <li>minimise the risk of looked after young people offending</li> <li>year-on-year increases in the proportion of young people reached through publicly funded youth services.</li> </ul>	<p><i>Making a positive contribution:</i></p> <ul style="list-style-type: none"> <li>the engagement of looked after children in their reviews.</li> </ul>

<p><i>Achieving economic well-being:</i></p> <ul style="list-style-type: none"> <li>• childcare regeneration services that enabled parents to receive training and employment</li> <li>• support offered to care leavers</li> <li>• opportunities in school to prepare for future well-being</li> <li>• development of a robust 14 to 19 strategy.</li> </ul>	<p><i>Achieving economic well-being:</i></p> <ul style="list-style-type: none"> <li>• improve attainment levels for 14 to 19 year-olds.</li> </ul>
<p><i>Management of children's services:</i></p> <ul style="list-style-type: none"> <li>• clarity of vision and innovative approach to council structure</li> <li>• needs analysis to improve services</li> <li>• approaches to workforce planning and development.</li> </ul>	<p><i>Management of children's services:</i></p> <ul style="list-style-type: none"> <li>• <i>none</i></li> </ul>

**Aspects for focus in a future joint area review or the next APA**

- Effectiveness of the directorate structure to deliver the agenda of Every Child Matters.
- Effectiveness of the contraception and sexual health services for young people.
- Effectiveness of measures to raise attainment at Key Stages 3 and 4.
- Success of the programme to reduce unauthorised absence.
- Actions taken on the outcomes of the 14 to 19 strategy reviews.

We confirm that the children's services grade will provide the score for the children and young people service block in the comprehensive performance assessment (CPA) and will be published to the Audit Commission. The social care judgement is for CSCI information only.

Yours sincerely



**FLO HADLEY**

Divisional Manager  
Office for Standards in Education



**JONATHAN PHILLIPS**

Director – Quality, Performance and Methods  
Commission for Social Care Inspection



Originator: Ben Middleton

Tel: 77817

**Appendix Not for Publication:**

**Report of the Director of Learning and Leisure and Director of Development**

**Executive Board**

**Date: 15 November 2006**

**Subject: Site 1 Quarry Hill – Proposed sale of site and Capital Grant to Northern Ballet Theatre Company and Phoenix Dance Theatre for the construction of Dance HQ**

**Electoral Wards Affected:**

CITY & HUNSLET

**Specific Implications For:**

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In  
(Details contained in the report)

**EXECUTIVE SUMMARY**

1. Northern Ballet Theatre Company and Phoenix Dance Company wish to construct a new dance/theatre headquarter facility on Site 1, Quarry Hill, Leeds. Discussions have been ongoing for a number of years to achieve this facility as part of a combined commercial development on this site.
2. However, the cost of a stand alone facility is financially unviable. The development could be cross subsidized by combining it with a commercial development. The developer Rushbond plc have proposed a detached commercial building on the same site, the land value being used to cross subsidize the shortfall in funding.
3. The purpose of this report is to seek Executive Board approval to the revised Heads of Terms in principle and for the disposal of the site to Rushbond, the Council making a capital grant to the Northern Ballet Theatre Company (NBTC) and the Phoenix Dance Company Theatre (PDC) for the construction of their dance headquarters on Site 1, Quarry Hill. In addition, the Boards of both companies have requested the City Council to use its prudential borrowing powers in order to assist them in funding the scheme, the cost of which would be met by reducing the grants that the Council currently makes to the two organizations. The report sets out arrangements by which the City Council can assist in this way and seeks the approval of the Executive Board to the proposals.

## **1.0 BACKGROUND INFORMATION**

1.1 On 4 April 2001 the Executive Board approved in principle:-

- (i) The disposal of Site 1 Quarry Hill (as shown on the attached plan) to K W Linfoot plc on a long lease to facilitate the construction of dance headquarters for NBTC and PDC.
- (ii) The payment to NBTC/PDC of a grant equivalent to the capital receipt obtained from the disposal of Site 1 Quarry Hill.

1.2 The report also set out the basis of the project as follows:-

- i) Disposal of site 1 Quarry Hill (approximately 0.4 hectares) at open market value for the construction of a speculative private mixed use development to include dance headquarters including rehearsal studios, administrative facilities, training rooms and a small auditorium for NBTC and PDC.
- ii) The costs of the dance headquarters to be met through capital grants from both the Arts Council for England (ACE) and the Council (equivalent to the net land value), plus sponsorship to be raised by NBTC/PDC to meet the gap funding.
- iii) The speculative development would include residential apartments, offices and restaurant/café bar space surrounding the dance headquarters.

1.3 The principle behind the proposal was that Site 1 Quarry Hill would be disposed of to a developer who as part of a residential/restaurant development would construct dance headquarters for NBTC and PDC. The cost of the dance facilities would be met through a combination of match funding from the Arts Council for England, the Council and sponsorship raised by both NBTC and PDC.

1.4 The building would serve as the headquarters for NBTC and PDC. It was to provide rehearsal, administrative, educational, technical, physiotherapy and fitness facilities for both companies. NBTC's main rehearsal space could be converted into a studio theatre for the use of either company.

1.5 Both companies have studios where lighting and sound facilities could be rigged and sets (partially) erected. This would allow sound/lighting designers and technicians the opportunity to experiment and practice prior to first night productions. These facilities would also assist artists to understand and identify more fully with work in rehearsal, as studio conditions will be closer to those experienced in performance. This would have enhanced artistic standards and benefit the companies.

1.6 Viewing windows in all studios will allow the general public, students, artists and workshop participants to observe rehearsals and/or classes taking place.

1.7 The report confirmed that the Council would have powers to make a grant for the scheme pursuant to Section 145 of the Local Government Act 1972. Section 145 empowers the Council to do or arrange for the doing of, or contribute towards the expenses of the doing of, anything necessary or expedient for the provision of "facilities for dancing" or "premises suitable for ... the holding of dances" or for the "development and improvement of the knowledge, understanding and practice of the arts" and for any purposes incidental to these purposes.

- 1.8 The report also confirmed that the grant derived from the capital receipt arising from the disposal of the site, would be made for the purposes of a regeneration project as set out in Regulation 85 of the Local Authorities (Capital Finance) Regulations 1997, and would be part of the Council's overall contribution to the regeneration of Quarry Hill in conjunction with other schemes such as the proposed BBC Headquarters and the College of Music (both of which have now been constructed and are in operational use).
- 1.9 The transaction with K W Linfoot did not proceed as the scheme proved financially unviable. Following the withdrawal of KWL a further report was considered on 18 December 2002 by the Executive Board. Approval was given to the following:-
1. The appointment of Bryant Homes Ltd as the preferred developer for Site 1 Quarry Hill after negotiations with K W Linfoot plc failed jeopardising the future of the project.
  2. The fully funded injection into the capital programme of a sum equivalent to the net value of Site 1 Quarry Hill to partially grant fund NBTC and PDC to construct dance headquarters at Site 1 Quarry Hill.
  3. The incurring of expenditure of an amount equivalent to the net value of Site 1 Quarry Hill for the Capital Grant to NBTC/PDC to construct the dance headquarters.
- 1.10 Detailed terms were then negotiated by Development Department Officers and on 6 February 2003 the Acting Director of Leeds Development Agency approved:-
- i) The Heads of Terms for the disposal of Site 1 Quarry Hill to Bryant Homes Ltd.
  - ii) The change in purchaser's name from Bryant Homes Ltd to Taylor Woodrow Developments Ltd (Bryant Homes Limited having been taken over by Taylor Woodrow Developments Limited).
- 1.11 The Executive Board at their meeting on 12 March 2003 approved the main heads of terms for the payment of a grant equivalent to the net value of the site to NBTC/PDC.
- 1.12 The Arts Council of England (ACE) also approved the payment of a capital grant of £2.56m to NBTC/PDC as a further contribution to the scheme.
- 1.13 Following their selection as the preferred developer Taylor Woodrow Developments (TWD) Ltd withdrew their interest in 2005 and did not wish to progress the developments. This was due to an internal restructuring at TWD and escalating construction costs.
- 1.14 Further to TWD's withdrawal, The Director of Development's approval was given on 21 February 2006 to invite offers and schemes for the development of the new Dance Facility from Caddick Developments Ltd and Rushbond plc. Rushbond, who had been invited by NBTC to work up proposals with NBTC and PDC, and Caddick Developments Limited, who are the preferred developer on the adjacent Council owned land at Quarry Hill.
- 1.15 A proposal was subsequently received from Rushbond. As highlighted earlier, other developers have been approached in the past and subsequently 'walked away' from the project. Caddick Developments Ltd decided not to submit a proposal.

- 1.16 From the financial appraisals it is clear that the cost of the Dance Facility as a stand alone building is prohibitive and financially unviable and needs to be supported by cross subsidy from the value realised by commercial development as proposed previously.
- 1.17 Rushbond's proposals are to construct two detached self-contained buildings, one being the dance facility for NBTC/PDC extending to a gross internal floor area of 4,200 m<sup>2</sup> (45,000 sq ft) over 4 levels, the other building to comprise the 'commercial building' which is not to exceed an envelope density of 14,400 m<sup>2</sup> (155,000 sq ft), the land value from the commercial part of the development (site A) will partially cross subsidize the construction costs of the dance theatres. The financial terms provisionally agreed will be reported in a confidential appendix to this report under the Access to Information Procedure Rule 10.4 (9) as the information contained therein is commercially sensitive and its release could jeopardize the current transaction under consideration.
- 1.18 Rushbond have undertaken a detailed appraisal of the proposal which has included a series of workshop meetings with NBTC and PDC and their joint project manager to ensure that the scheme design and specification was to the standard required to satisfy the Arts Council for England (ACE).
- 1.19 Further discussions have taken place with Rushbond Plc as to the structure of the legal agreements between the parties and the structure is outlined in the proposal of this report.
- 1.20 Detailed design has been agreed and the specification frozen. Costs have been estimated, but there is still a shortfall between potential funding. Therefore as part of the funding package for the dance facility the boards of both the NBTC and the PDC have resolved to request the Council to utilize its "Prudential Borrowing" powers to bridge the identified funding gap. The proposal is that the Council will borrow the money required and make additional capital grants to the two organizations, £750,000 to the NBTC and £200,000 to the PDC. The annual borrowing cost of making these capital grants would be met by the Council reducing its grants to the two organizations over a period of 25 years. The reduction in grant would be designed to recover principle and interest over the 25 years. Interest would be charged at the base rate applicable at the time the grants are provided, which is more or less equivalent to the marginal rate of interest which the Council borrows at. Once determined the rate of interest would be fixed for the full 25 years of the agreement. Currently the Council provides an annual grant of £257,040 to the NBTC, and these proposed arrangements would require a reduction in the Council's grant to the NBTC of around £53,000 in a full year (at current interest rates). The reduction in the Council's grant to the PDC, which is currently £83,640, would be around £14,000 in a full year (at current interest rates). By these arrangements the Council can be assured that the cost of the proposed capital grants to both organizations will be funded over the period of the arrangement, and in such a way as to ensure that there is no cost to the Council Tax payer.

## **2.0 MAIN ISSUES**

- 2.1 Rushbond proposes the construction of 2 detached buildings on the site, which will require a planning application to be submitted for approval. It is proposed that the Council will grant an Agreement for Lease for site A for the construction of the Commercial Building to Rushbond and will simultaneously grant NBTC/PDC an Agreement for Lease for site B. The lease for site A will actually be taken by a wholly owned subsidiary of Rushbond, but guaranteed by the parent company. The premiums payable by Rushbond and NBTC/PDC will then be used to fund the capital grants which the Council will make to NBTC/PDC..



- 2.2 The subject site is shown on the attached plan and extends to approximately 0.37 hectares (0.9 acres), it is known as site 1, Quarry Hill.
- 2.3 Rushbond will construct the Dance Facility under a separate building agreement between Rushbond and the two dance Companies, the construction of the 'shell' and the 'fit out' will be to the agreed specification of both dance companies. Upon Practical Completion of that building, the Council will grant NBTC/PDC a 250 year Ground Lease of site B for a premium at a 'peppercorn' rent. Only then will Rushbond be granted a 250 year Ground Lease of site A for a premium at a 'peppercorn' rent, on which to construct the Commercial Building subject to the appropriate planning consents.
- 2.4 There will also be a Grant Agreement between the Council and NBTC/PDC for funding the construction of the dance facility as well as a legal charge between the Council, ACE and NBTC/PDC securing repayment of the grant and the prudential borrowing in case of default by NBTC/PDC.
- 2.5 The main Heads of Terms of the various agreements are as follows:-

A) **Agreements for Leases.**

- 1) Rushbond will be under an obligation to construct the dance facility development in accordance with a scheme and specification approved by the Council as landlord and by NBTC and PDC.
- 2) Rushbond will pay the premium for site A detailed in the confidential appendix plus VAT.
- 3) NBTC/PDC will pay the premium for site B detailed in the confidential appendix plus VAT.
- 4) Rushbond will pay the Council's legal and surveyor's costs as detailed in the appendix.
- 5) An overage agreement will be included in the Agreement for Lease. In the event that a higher value planning use is implemented by the developer, then the Council will receive a share of the enhanced land value. The share is identified in the confidential appendix.
- 6) The Agreement for Lease is NOT conditional upon an acceptable tender for the construction of the dance facility. The risk of any cost increase/overruns will be borne by the developer exclusively.
- 7) The Agreement for Lease for the Dance Facility site will be conditional upon the receipt of a satisfactory planning consent. Rushbond has held several workshops with the Council's Planning and Highways Officers and the Civic Architect and have incorporated their comments into the scheme design.
- 8) There will be a specific obligation placed upon Rushbond to construct and fit out the dance facility by a specific date. Should this date not be achieved then Rushbond will be liable for liquidated damages, the level of which yet to be agreed to NBTC/PDC for any undue delays that arise.
- 9) The Agreement for Lease to Rushbond is conditional upon the following,

ground investigation survey, detailed planning consent for the dance theatre building, detailed planning consent for the commercial building and the Agreement for Lease with NBTC/PDC

**B) Lease to Rushbond plc**

- 1) On practical completion of the dance facility building, Rushbond will be granted a 250 year leasehold interest of site A at a peppercorn rent, following payment of a premium.
- 2) Rushbond will be permitted to use the 'Commercial Building' for the following uses under the Town & Country Planning (Use Classes) Order 1987 (as amended) – A3 Restaurant and Café, A4 Drinking Establishment, B1 offices, C1 hotel, C2 Student Accommodation, C3 Residential, and D1 Educational use, each being subject to the appropriate planning consent being granted. In the event of alternative uses being implemented which generate a higher value than the Council will receive a share of the increased land value.
- 3) The 'commercial' building is not to exceed 14,400 m<sup>2</sup> (155,000 sq ft) excluding basement car parking. In the event of Rushbond achieving a planning permission for a building in excess of this limit then any increase in value would result in the Council receiving a share of the increase in land value. The share of uplift is identified in the confidential appendix.

**C) Lease to NBTC/PDC**

- 1) On the Council entering into the Agreement for Lease with NBTC/PDC, Rushbond will simultaneously enter into a separate Building Agreement with NBTC/PDC and the Council will enter into an Agreement for Lease with Rushbond. Upon practical completion of the dance theatre facility, NBTC/PDC will be granted a lease for 250 years at a peppercorn rent, following payment of a premium.

There will be a restrictive covenant in the NBTC/PDC lease restricting the use of the Dance Theatre building to Dance Theatre auditoria and ancillary headquarter offices.

- 2) The Agreement for Lease to Rushbond will include obligations to build the Dance Facilities to the approved specification and within an approved timescale.
- 3) There will be obligations on NBTC and PDC to pay Rushbond for the final agreed fixed cost of the dance building, subject to Rushbond constructing the building in accordance with the approved specifications. This will be a fixed price contract, if the total project costs exceed the anticipated costs, these will be borne by Rushbond.
- 4) A costs/grants table is set out in the confidential appendix identifying all the individual grants and costs for the scheme.
- 5) There will be an appropriate dispute mechanism for NBTC and PDC to ensure that the dance building is completed to their satisfaction together with that of the Council and the Arts Council.

#### D) **Grant Agreement**

There will be a separate agreement between the Council, Arts Council and NBTC/PDT for the payment of Grant Aid. As mentioned above, the premiums realized from disposing of sites A and B to Rushbond and NBTC/PDC will be used as a contribution toward the cost of construction of the dance building. It has been agreed that the Council will grant the receipt for site B prior to the commencement of construction of the dance theatre building and receipt for site A will be granted upon practical completion of the dance theatre building.

#### E) **User Rights Agreement**

The Council will enter into an agreement with both NBTC and PDC entitling the Council and its nominees to use the dance facility. The terms to be agreed by Learning and Leisure Department.

### **3.0 IMPLICATIONS FOR COUNCIL POLICY**

- 3.1 The Council will make grants to NBTC and PDC equivalent to the premiums received for sites A and B as set out in the confidential appendix to this report.
- 3.2 In addition to the above premium NBTC/PDC will receive a grant payment from ACE of £3.56 million. This is made up of a grant of £2.56 million approved in 2003 and a further £1 million approved in September 2006.
- 3.3 NBTC/PDC will receive a grant of £500,000 from Yorkshire Forward (YF), currently held by the Council. Yorkshire Forward has identified the sum of £500,000 as a contribution to this scheme. This sum was included in their grant allocation for 2005. In order not to lose the 2005 allocation, the £500,000 contribution was transferred to the City Museum project, also supported by YF, replacing Leeds City Council funding, and thereby saving Council resources in 2005/06. However, City Council funding is now required to reimburse this project to the value of £500,000 albeit in the year 2007/08.
- 3.4 An injection into the Capital Programme will be required in the sum of £500,000 in respect of the Yorkshire Forward grant which was transferred to the City Museum project.
- 3.5 The Council has agreed to support NBTC and PDC in undertaking prudential borrowing of £950,000 in total to meet a shortfall currently identified in the overall funding package. The borrowing costs associated with £750,000 of this borrowing will be funded by reducing the annual grant to the NBTC, with the annual borrowing cost of the balance, being met by a reduction in the grant to the PDC. It should be appreciated that this arrangement whereby an element of the Council's current grants is used to fund borrowing costs does limit the Council's future discretion as to its annual grants to the two organizations, in so far as the element of the grants relating the funding of the annual borrowing will need to be maintained over the 25 years of the arrangement.
- 3.6 NBTC/PDC will also be raising additional sponsorship monies of £500,000 to contribute to the construction costs of the dance facility.

### **4.0 OPTIONS APPRAISAL**

- 4.1 The options associated with the proposed framework are considered below.

The various options to the Council are as follows:-

- i) To do nothing.

This is not recommended as the Council has an ongoing liability for the site and is committed to promoting the Arts in the Cultural Quarter.

- ii) To sell the site on the open market for a commercial/residential development to achieve a higher value.

Although the Council could decide to sell the site to raise a capital receipt to support the Capital Programme, this is not recommended as the Council is seeking to support NBTC/PDC in this location alongside other cultural facilities including West Yorkshire Playhouse and the College of Music.

- iii) To relocate the Theatre Building to another location in the city.

This is not recommended, ACE's grant funding is dependant upon a high level of design quality. Consequently, the building providing the cross subsidy has to generate a sufficient value to help fund the gap. Although other locations have been considered none have been of a sufficient quality to support the 'Commercial Building'. The recommended option is to build at Quarry Hill.

- iv) Leeds City Council could provide a greater level of funding so that a cross-subsidy was not required.

This is not considered appropriate as it would call on other money supporting the Capital Programme.

- v) Developing stand alone dance facilities on Site 1 has been considered, but the cost of developing such facilities without support from surrounding private development would be prohibitive.

4.2 It is recommended that option ii to dispose of site 1 Quarry Hill to facilitate the development of a new dance facility for NBTC and PDC is the appropriate option to pursue.

## **5.0 RISK ASSESSMENT**

5.1 The risks associated with the proposed transaction are considered below:-

5.2 Arts Council for England fails to make their grant contribution.

The Board of ACE in January 2003 have approved the making of a grant of £2.56 million, the Board of ACE have approved the additional £1 million at their Board meeting in September 2006. These grants are conditional on NBTC/PDC entering into the appropriate legal agreements, securing collateral Warranties and the designs being signed off by the Artistic Directors. The designs have been signed off by the Artistic Directors and the other 2 conditions will be met when the legal documents are completed.

### 5.3 **NBTC/PDC Fail to Secure the Gap Funding of £500,000 from Dance Sponsorship Monies**

Both NBTC and PDC are seeking sponsorship for the proposed scheme and are confident that the funds will be raised prior to Practical Completion of this dance facility. Rushbond have confirmed that they are prepared to commit to the contract subject, financially, to only this element of the funding not being secured. NBTC have another property asset which could be offered as security should Rushbond require it which would 'bridge' this gap in the short term.

### 5.4 **NBTC/PDC are not able to accommodate the reduction in the Council's annual grant funding**

Whilst the arrangement proposed whereby the Council's annual grants to the two organizations are reduced, ensures that the cost of the Council's capital grants can be funded over the 25 years of the agreement, there is a risk that either or both of organizations are not able to manage on a reduced grant from the Council. It is also possible that other factors may emerge over time that may impact upon the financial viability of the two bodies. Whilst it is clearly not possible to forecast the financial stability of any organization over a period as long as 25 years, discussions have been held with both organizations as to their financial position and their plans over the medium term. NBTC's latest accounts show them running at a surplus, and with reasonably healthy free reserves, representing 6% of turnover. Their medium term financial forecast which covers the period to 2011 includes reasonable assumptions as to inflation and increases in other costs as well as increases in funding. It provides for the reduction in the grant from the Council of £53,000 in a full year, which would be required should the proposed funding arrangement be agreed. The reduction in grant represents around 1% of the company's current income base. Reflecting the new facilities that the development will provide, the plan does provide for some growth in the company's income base due to increased number of performances and additional studio lettings. The company's medium term plan does show a reduction in free reserves over the planning period to around 2.3% of turnover by end 2010/11, but this mostly occurs in the plan's final year and relates to assumptions around the number of performances. The company is confident that their assumptions are achievable. PDC is a smaller company. The company has exited from an Arts Council recovery programme, and their current three year business plan covers the period to the 31 March 2007. . Their accounts for 2005/06 show a deficit of £85,917 on their unrestricted and designated funds, with free reserves of £113,454 at the end of the year. They are on course in the current year to reduce their in year deficit to around £32,000. The company state that improving the financial position is a key priority for their board, and a new business plan will be developed in the autumn in conjunction with their new artistic director. The reduction in grant to the company would be around £14,000 and represents approximately 2.0% of current turnover. The company state that with expanded facilities there will be opportunities for additional income generation to offset the reduction in the Council's grant

Whilst not directly related to the "prudential borrowing" arrangements, it should be noted that the Council together with the ACE will have a first charge on the building which does provide some additional security as to the use of public funding in this way.

### 5.5 **Potential Lack of Sufficient Electricity Supply for Quarry Hill**

Other developers around Quarry Hill are experiencing difficulties in securing electricity supply. Rushbond have commissioned Furnace Green M & E consultants to undertake a study in conjunction with Yorkshire Electricity to ensure that there is sufficient

electricity supply in this part of the city to supply the entire development. Yorkshire Electricity has confirmed that there is sufficient capacity in the immediate area to supply the required amount of electricity for both buildings.

#### 5.6 **Negotiations Fail with the Preferred Developer**

If Rushbond fails to acquire the site or negotiations between NBTC/PDT, Rushbond and the Council fail, offers could be sought from developers on the open market in which case, increasing constraints due to the delay in the programme may adversely affect the viability of the project. In addition, the number of developers capable of delivering this scheme is limited due to the complexity and value of the scheme which suggests that another developer may be difficult to appoint (both Taylor Woodrow and KW Linfoot have tried in the past and failed). The scheme may fail to proceed and the Council would seek to dispose of the site on the open market to achieve best consideration.

#### 5.7 **Scheme Costs**

The project costs are estimates only. If the total project costs exceed the anticipated cost, these will be borne by Rushbond. Neither Dance Company nor the Council will be liable for any further increase.

#### 5.8 **NBTC/PDC Board Approvals**

Both dance companies have received their Board approvals on 28 September 2006 to proceed with the proposal as outlined in this report.

### 6.0 **LEGAL AND RESOURCE IMPLICATIONS**

- 6.1 The Head of Property Services confirms that in his opinion the terms offered for sites A and B to the Council, represent the best consideration that can be reasonably obtained under Section 123 of the Local Government Act 1972 (or under the Housing Act 1985). In accordance with Council's procedure an independent valuation has been sought. The instruction to the independent valuer was to assess the offer from Rushbond, in respect of their proposals for site A and to advise whether it represents market value. In addition, the valuer will also provide an Open Market Valuation of sites A and B, in order to assess the offer from NBTC/PDC. The valuation will be reported at the meeting.
- 6.2 The site is vested in Neighbourhoods and Housing Department. Consent for a disposal of both sites A and B is required under section 32 of the Housing Act 1985. A disposal of Housing land at Open Market Value has a deemed consent under E3 point 1 of the General Housing Consents Regulations 2005.
- 6.3 The Local Authorities (Capital Finance and Accounting (England) Regulations 2003 provide that 50% of the capital receipts from the sale of housing land should be paid to the Secretary of State, but that receipts can be treated as reduced by amounts determined by the Authority (including contributions to regeneration projects).. Legal and Democratic Services have been consulted and are of the opinion that the receipts for Sites A and B can be treated as being reduced to nil for the purposes of the regulations.
- 6.4 The European Commission's State Aid Rules provide that Local Authorities when disposing of land must ensure that State Aid has not taken place, as in this instance, where the disposal of land is on a "one to one" basis, and that there is no element of

competition in the disposal process. Failure to comply with the rules means that the aid is unlawful and could result in the decision to dispose being challenged or the benefit being recovered with interest from the recipient of the benefit. However, the Commission have also issued specific guidance on the sale of land and buildings by public authorities which indicates that the Commission will assume no State Aid is involved where the Council would, as in the case of the proposed leases to Rushbond and NBTC/PDC, be imposing the same conditions and restrictions on any tenant taking a lease of the premises. In addition, the head of Property Services is of the opinion that the terms offered represent the best consideration that can reasonably be obtained.

- 6.5 As referred to above, section 145 of the Local Government Act 1972 empowers the Council to do or arrange for the doing of or contribute towards the expenses of the doing of anything necessary or expedient for the provision of facilities for dancing or premises suitable for the holding of dances or for the development and improvement of the knowledge understanding and practice of the arts. This is the power that the Council will be utilizing to provide NBTC and PDC with grants to facilitate the construction of the dance facility.
- 6.6 As regards the provision of grants to NBTC and PDC the European Commission's State aid rules provide that aid to provide culture is not State aid where it does not affect trading conditions and competition within the European Community to an extent that is contrary to the common interest. It will need to be established that this is the case before the grants are made.
- 6.7 The Local government Act 2003 allows the Council to take out borrowing provided that it takes prudence and sustainability requirements into account when making decisions on borrowing. The additional borrowing proposed in this report can be accommodated within the Council's approved prudential borrowing limits, and can be funded in the way described in paragraph 3.5.

## **7.0 CONSULTATIONS**

- 7.1 NBTC has consulted the Arts Council for England and the NBTC and PDC Boards have considered the scheme at their September 2006 Board meetings and both have resolved to progress with the scheme as proposed in this report.
- 7.2 Executive Members for Learning and Leisure, Development and Strategic Planning have been consulted and briefed regarding the scheme during 2006 and are supportive of the project.
- 7.3 Ward Members were consulted prior to this meeting and no objections were received.

## **8.0 CORPORATE PLAN**

- 8.1 In terms of Leeds City Council's core values the project contributes towards the creation of equality of opportunity by providing both ballet and contemporary dance lessons for local people and also encouraging the involvement of communities in dance through outreach programmes.
- 8.2 Under Leeds Economic Development strategy the project contributes to the development of Leeds cultural attractions, industries and infrastructure, and it also raises Leeds profile nationally and internationally. In addition it contributes to the physical regeneration and promotion of the inner area, to build community and investor confidence.

- 8.3 The Department for Culture Media and Sport states the Government's priority themes for culture to be the promotion of access for the many, not the few, the pursuit of excellence and innovation, the nurturing of educational opportunity and the fostering of creative industries. These themes underpin the Leeds Cultural Strategy. This project will contribute towards these key themes in partnership with the Council both providing a showcase cultural development and meeting local cultural needs through outreach projects.
- 8.4 The Arts and Heritage Strategy identifies the Council's support for NBTC and PDT, and encourages participation in and enjoyment of dance reflecting the cultural diversity of the City, further enhancing Leeds' national and international reputation as a centre of dance excellence, ensuring the highest standard of dance training in classical and contemporary dance, promoting creative developments in dance and encouraging young artists and young people to be artists.
- 8.5 The Director of Learning and Leisure is supportive of the proposed scheme on the basis that ACE confirms that the proposed dance facilities justify the level of investment proposed. If the scheme changes as a result of the tendering process the Director of Learning and Leisure and ACE will both be consulted to ensure that the facilities continue to justify the level of investment by the Council.
- 8.6 NBTC and PDT are two of Leeds' cultural flagships. Both companies are exponents of both cultural excellence and diversity. They hold distinguished reputations for modern dance, helping to make Leeds a national and international dance centre. Their joint move to new city centre premises is an exciting development and undoubtedly will help to raise the profile of all the cultural Organizations in the city. It brings them into closer contact with Leeds' other excellent centrally based flagships on Quarry Hill; West Yorkshire Playhouse, Yorkshire Dance and the Leeds College of Music. The further clustering of artistic talent is likely to inspire new partnerships and creative innovation. The Cultural Strategy and its Arts and Heritage daughter strategy make explicit references to support for the new headquarters for both companies at Quarry Hill.

## **9.0 EQUALITY**

- 9.1 A full access report has been produced by Access Consultants and the design for the dance headquarters has incorporated all of the consultants' recommendations. The building has been designed to create maximum access for disabled people whether they have sensory or ambulatory impairments.
- 9.2 NBTC and PDT describe themselves as committed to broadening the audience for dance, increasing the cultural diversity of their publics' and encouraging participation through inclusive practices.

## **10.0 CONCLUSION**

- 10.1 The conclusion is that this proposal is the only viable option to pursue if Leeds City Council wish to promote a new dance facility and headquarter functions in the city centre.

## **11.0 RECOMMENDATIONS**

- 11.1 The Executive Board is requested to:-

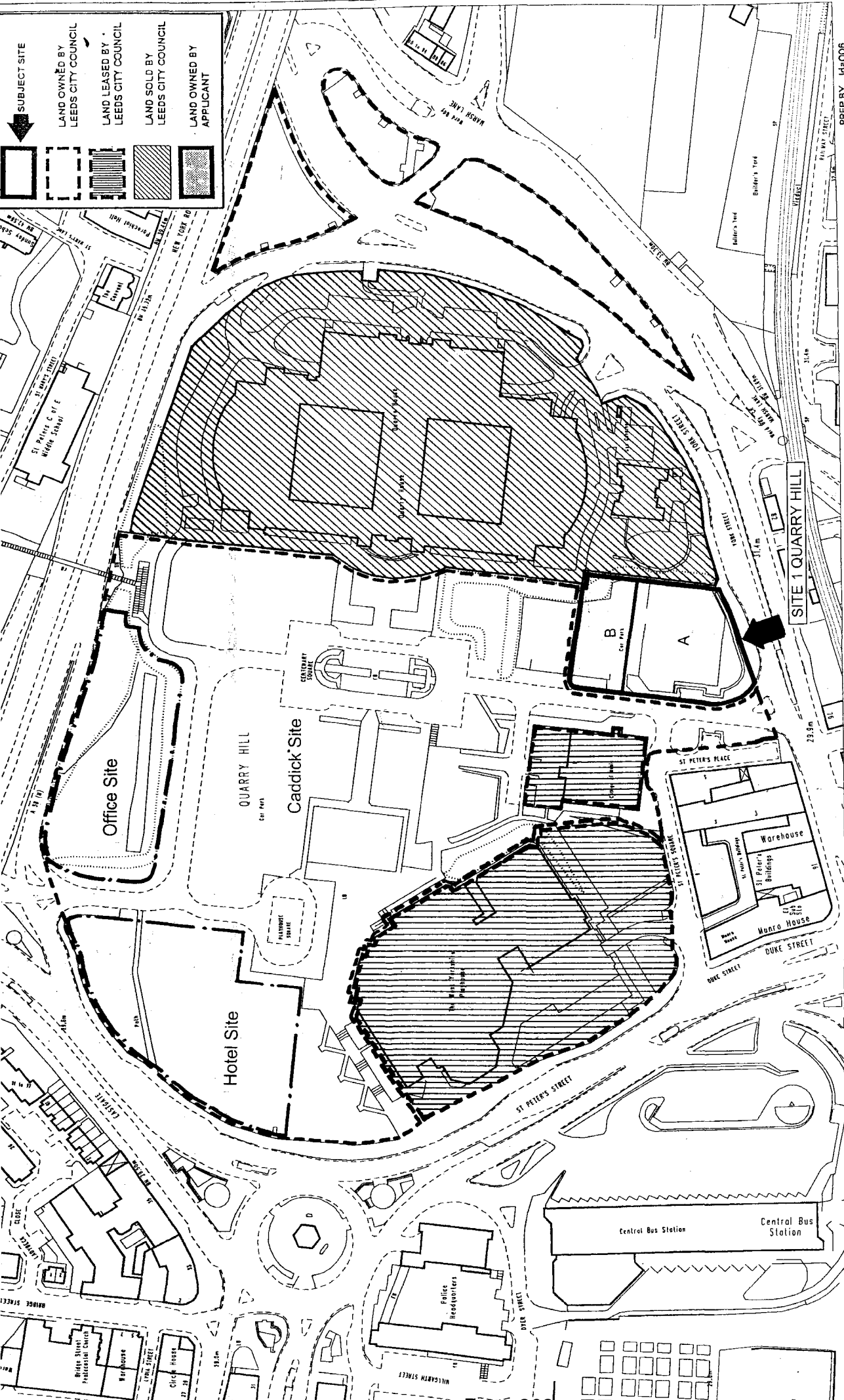
- (i) Approve the disposal of part of site 1 (site A), Quarry Hill to Rushbond plc on the



terms reported to facilitate the construction of the new dance headquarters for NBTC/PDC, with any further decisions relating to the terms of the transaction being delegated to the Directors of Development and Learning and Leisure under the Council's scheme of delegation.

- (ii) Approve the disposal of part of site 1 (site B), Quarry Hill to NBTC/PDC on the terms reported in the confidential appendix, with any further decisions relating to the terms of the transaction being delegated to the Directors of Development and Learning and Leisure under the Council's scheme of delegation.
- (iii) Approve a fully funded injection into the Capital Programme of a sum equivalent to the premiums as reported in the confidential appendix, representing the net site values of sites A and B Quarry Hill towards the construction of the dance headquarters to grant fund NBTC and PDC for the construction of dance headquarters on Site B.
- (iv) Approve the incurring of expenditure up to the premiums representing the net site values of sites A and B Quarry Hill for the capital grants to NBTC/PDC to construct the dance headquarters.
- (v) The approval of a capital grants of £750,000 to Northern Ballet Theatre Company and £200,000 to the Phoenix Dance Company to fund the gap to construct the dance headquarters. The borrowing cost of these grants to be funded by reductions in the annual grants that the Council currently makes to the two organizations in accordance with the arrangements set out in the report.
- (v) Approve an injection into the Capital Programme of £500,000, this being the Yorkshire Forward grant monies the Council transferred to the City Museum project in 2005/06.

**SUBJECT SITE**  
 LAND OWNED BY LEEDS CITY COUNCIL  
 LAND LEASED BY LEEDS CITY COUNCIL  
 LAND SOLD BY LEEDS CITY COUNCIL  
 LAND OWNED BY APPLICANT



PREP BY: Idr006  
 DATE: 19/10/2000



OS No 3033NE  
 Scale Not to Scale

NEG No 7365/

**QUARRY HILL DISPOSAL**



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