

## **SCRUTINY BOARD (REGENERATION)**

**TUESDAY, 17TH JANUARY, 2012**

**PRESENT:** Councillor J Procter in the Chair

Councillors B Atha, D Collins, P Grahame,  
R Grahame, J Harper, T Murray and  
R Pryke

Mr G Hall – Co-opted Members

### **62 Chair's Opening Remarks**

The Chair welcomed everyone to the January meeting of the Scrutiny Board (Regeneration).

### **63 Late Items**

The Chair agreed to accept a late item of business in relation to a report on the process for the registration of land as town and village greens (Agenda Item 9) (Minute 69 refers).

The report was not available at the time of the agenda despatch due to a delay in the report clearance process.

In addition to the above document, a copy of the Consultant's report entitled 'Investment and Modernisation Strategy for Leeds Kirkgate Market – December 2011' prepared by Quarterbridge Project Management Ltd was circulated for the information/comment of the meeting (Agenda Item 7 (a)) (Minute 68 refers). The Consultant's report was not circulated with the agenda as it had not been released as a public document at the time the agenda for today's meeting had been despatched.

It was noted that copies of the above documents had been made available on the Council's website immediately on receipt and prior to today's meeting.

### **64 Declarations of Interest**

The following personal declarations of interest were made:-

- Councillor R Grahame in his capacity as a member of GMBATU trade union and as a Director of East North East Homes ALMO (Agenda Item 8) (Minute 70 refers)
- Councillor B Atha in his capacity as ward member for Kirkstall in supporting residents who wish to register land as a new town or village green under the provisions of Section 15 of the Commons Registration Act 2006. (Agenda Item 9) (Minute 69 refers)

**65 Apologies for Absence and Notification of Substitutes**

Apologies for absence were received on behalf of Councillors P Ewen, G Hussain, M Iqbal, K Mitchell and G Wilkinson.

Notification had been received for Councillor P Grahame to substitute for Councillor K Mitchell and for Councillor R Grahame to substitute for Councillor G Hussain.

**66 Minutes of the Previous Meeting**

**RESOLVED** – That the minutes of the meeting held on 19<sup>th</sup> December 2011 be confirmed as a correct record.

**67 Matters Arising from the Minutes**

a) Review of Strategic Housing Land Availability Assessment (SHLAA) (Minute 58 refers)

Mr G Hall informed the meeting that a copy of the 2011 Leeds Strategic Housing Land Availability Assessment update was now available on the Council's website with parts 1, 2 and 3 of the 2011 report.

At the request of the Chair, the Board's Principal Scrutiny Adviser agreed to e mail the Board with a link to the website on this issue.

**68 Kirkgate Market Issues**

a) Consultation Report on the Future of Kirkgate Market

Referring to Minute 47 of the Scrutiny Board (Regeneration) meeting held on 29<sup>th</sup> November 2011, the Head of Scrutiny and Member Development submitted a report on the availability of the Consultant's report on the future of Kirkgate Market.

The Chair reported that as a consequence of his discussions with the Executive Board Member for Development and the Economy, the Consultant's final report entitled 'Investment and Modernisation Strategy for Leeds Kirkgate Market – December 2011' which had been prepared by Quarterbridge Project Management Ltd had been released as a public document and circulated as supplementary information for discussion at today's meeting. This was in advance of the Executive Board meeting which was to consider this matter on 10<sup>th</sup> February 2012.

The following representatives were in attendance and responded to Members' queries and comments:-

- David Outram, Chief Officer, Public Private Partnership Unit, Resources
- Craig Taylor, Public Private Partnership Unit, Resources
- Cath Follin, Head of City Centre and Markets, City Development
- Sue Burgess, Manager, Leeds Markets, City Development
- Councillor G Harper, Lead Member, Development and the Economy

- Liz Laughton, Chair of National Markets Traders' Federation (NMTF) Leeds (Kirkgate Branch)
- Michele Hocken, National Market Traders' Federation (NMTF) (Kirkgate Branch)
- Simon Jones, Consultant, Leeds Markets (Kirkgate Branch)

The Chair outlined that the purpose of the meeting was now for the Board Members to comment on the Consultant's final report and to make any recommendations or observations prior to it being considered at the Executive Board meeting on 10<sup>th</sup> February 2012. The Chair made it clear to the market traders that the Council had not formulated any position at this stage on any of the Consultant's proposals.

The Chair invited David Outram, Chief Officer, Public Private Partnership Unit, Resources Directorate as Chair of the Project Board to provide the meeting with background information on the Consultant's report with specific reference to the sections relating to the Client brief; Executive summary and action list; size of the future market and the options available.

In summary, the Board made reference to the following issues:-

- clarification as to the terms of reference and brief provided to the Consultant's by the Directorate
- concern that Members thought that the Executive Board had wanted the Consultant to come forward with a range of options for the future management and operation of the market not as a single option based on a Limited Liability Partnership
- support for the Council retaining ownership of Kirkgate market and for it being run as an arms length company along the same lines as the Grand Theatre Board of Management, ALMOs or the Leeds Arena
- concern at the proposal to grant a 99 year lease to the Limited Liability Partnership with the possibility of extending this for a further period
- clarification of the Limited Liability Partnership and the role of Elected Members within this process
- clarification of the scheme and funding criteria

At the request of the Chair, the Board adjourned discussions of this item at 10.40am in order to discuss the item regarding the process for the registration of land as town and village greens.

The Board reconvened discussions of this item at 11.05am and the Chair invited further comments from Board Members.

In summary, the Board made reference to a number of further issues including:-

- clarification of paragraphs e.12 (contingent liabilities) and g.23 (modernisation works) and whether the traders were in agreement with the views of the Consultant
- clarification of the availability of a contingency plan i.e. removal of asbestos etc
- the need to consider all management options
- the potential loss of income to the Council if a Limited Liability Partnership was progressed
- whether or not market traders would have a say on where they were relocated
- the importance of traders having a say in all management issues in view of their continuing investment in the market

The Chair then invited Liz Laughton, Michelle Hocken and Simon Jones to present their initial views on the contents of the Consultant's report.

In their submission, the Board specifically noted the following major concerns and omissions:-

- no impact assessment had taken place
- no social impact study had taken place
- no advice had been sought from NABMA

In addition to the above comments, Simon Jones reported on the outcome of his initial findings in relation to the Consultant's report. He made specific reference to the following issues:-

- tenants reselection process and traders being offered new contracts
- disruption to trade and subsequent relocation of tenants
- concerns expressed about the Consultant's report being released to the press which refers to eviction notices and the upset this had caused in the market  
*(The Chair responded and confirmed that it was in the best interests of the Council and all parties concerned for the report to be released in full and without further delay or censorship to ensure transparency of process)*
- outcome of discussions following a recent meeting between the Consultant and market traders

In concluding, the market traders expressed their grave concerns about the Consultant's report in developing the future vision of Kirkgate Market and requested the Board to recommend to the Executive Board at their meeting on 10<sup>th</sup> February 2012 that this issue be deferred to enable further discussions to be undertaken between interested parties.

The Chair summarised and proposed a number of observations being made to the Executive Board on 10<sup>th</sup> February 2012 and on being put to the Board it was

## **RESOLVED –**

- a) That the contents of the report, together with the receipt of the Consultant's report on the future of Kirkgate Market be received and noted.
- b) That arising from detailed discussions undertaken at the meeting, this Board conveys the following observations to Executive Board prior to consideration of the Director of City Development's report on the Consultant's report at their meeting on 10<sup>th</sup> February 2012:-

(i) The Board considered whether the report of the Consultant's Quarterbridge Project Management Ltd complies with the Executive Board brief and intentions. Members concluded that the Consultant's report does not meet the brief as it does not consider a range of management models, but concentrates only on that of a Limited Liability Partnership which according to the Consultant's report will be supported by potential investors, preserve the Council's tax position and ensure speed of establishment. Members thought that in accordance with the resolution of the Executive Board meeting on 27<sup>th</sup> July 2011 it was looking to consider a range of options for the management of Kirkgate Market.

(ii) Members of the Scrutiny Board (Regeneration) had a number of concerns and issues regarding ownership and operation of Kirkgate Market:-

- The Scrutiny Board does not believe that a lease to a Limited Liability Partnership of 99 years with an option to extend for a further 25 years was in the best interests of the Council. The Members were concerned that the Council could be replicating the mistakes made with that of the Corn Exchange
- The proposals in the Consultant's report had serious implications for traders. The report states that their proposals will require a tenant reselection process. Re-selected tenants would be offered an agreement for lease in return for surrendering their existing agreements and at the same time may be allocated new positions in the market to improve use-zoning and sightlines. A note of a meeting traders had with the Consultants on 21<sup>st</sup> November 2011 to be submitted to the Executive Board
- Referring to paragraphs e.11 and e.12 of the Consultant's report, Scrutiny Board was concerned that the Council should not simply hand over assets to a body which wants to be autonomous from democratic control
- The Consultant's report states that modernisation works referred to in paragraph g.23 were still too early to define, but Members had concerns about the costs of including tensile canopy roofs for the

open market which it was proposed to be relocated on to the 1976 site once it was demolished

- (iii) Members referring to paragraph h.3 consider that there were options (for example an arms length company) available to the Council to increase capital injection without supporting a Limited Liability Partnership and Executive Board should consider further the options available to it in this regard.
- (iv) Paragraph h.4 states that investors will be looking to reduce service charge costs and increase rents. The Scrutiny Board believes this could be achieved without entering a Limited Liability Partnership.
- (v) The consultant's report states that it has taken legal advice from the same law firm which was acting on behalf of adjacent developers. Members want assurances that there was not a serious conflict of interest as a consequence.

(Councillor P Grahame joined the meeting at 10.25am during discussions of the above item)

- b) Provision of additional information regarding Leeds Kirkgate Market  
Referring to Minute 47 of the Scrutiny Board (Regeneration) meeting held on 29<sup>th</sup> November 2011, the Head of Scrutiny and Member Development submitted a report on additional information regarding Kirkgate Market.

The following representatives were in attendance and responded to Members' queries and comments:-

- Cath Follin, Head of City Centre and Markets, City Development
- Sue Burgess, Manager, Leeds Markets, City Development

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

- 69 The Process for the Registration of Land as Town and Village Greens**  
Referring to Minute 60 of the meeting held on 19<sup>th</sup> December 2011, the City Solicitor submitted a report on the process for the registration of land as town and village greens.

The following representatives were in attendance and responded to Board Members' queries and comments:-

- Caroline Allen, Head of Development and Regulatory, Legal Services
- Joel Levine, Legal Officer, Legal Services

Prior to discussing this item, the Board noted that at the next meeting in February there was an intention to bring a further report on the issue looking at specific case studies.

In summary, specific reference was made to the following issues:-

- clarification of the legal fees incurred in relation to three specific applications within the Kirkstall ward and the importance of retaining a clear divide between the Council's role as Commons Registration Authority for town and village greens and the City Development Directorate's role as land owner  
*(The City Solicitor responded and outlined the costs incurred to date)*
- reference was made to the fact that the City Development Directorate was opposing these three applications and clarification was sought as to whether there was any downside in the Directorate withdrawing their objections and allowing the three applications to proceed and for the applicants to present their case to the appropriate plans panel  
*(The City Solicitor responded and stated that this would be addressed in the joint report coming before the Board in February 2012)*
- clarification of the process in relation to objections received from landowners and whether there were any previous examples available

Following discussions, Councillor B Atha requested that the Board invite the Chief Officer and appropriate Executive Board Member for City Development to attend a future meeting to explain why they had rejected this Board's proposal to submit a late response to Defra based on a submission made by the Open Space Society.

Councillor Atha then proposed that the Board consider approving the following recommendations:-

- that the City Development Directorate withdraw its opposition to the three specific applications within the Kirkstall ward to allow the residents to make the case or not to the appropriate Plans Panel
- that it would be unnecessary to engage legal advisers to assist the Plans Panel in considering these three applications when they came before Panel for determination

**RESOLVED –**

- a) That the contents of the report be noted.
- b) That consideration of the above recommendations be deferred pending submission of a joint report on this issue to its February meeting to include the City Development Directorate's specific reasons for its opposition to the three specific applications within the Kirkstall ward to enable the Board to take an informed view.
- c) That the joint report include details of other sites where applications are outstanding for Town and Village Green status.
- d) That the joint report outline alternative methods for protecting and preserving green space.

(Councillor J Harper left the meeting at 10.40am during discussions of the above item)

(Councillor B Atha left the meeting at 10.50am during discussions of the above item)

## **70 Financial Health Monitoring for City Development Directorate**

The Head of Scrutiny and Member Development submitted a report on the financial health monitoring for the City Development Directorate.

Appended to the report were copies of the following documents for the information/comment of the meeting:-

- Report of the Director of Resources – Initial Budget Proposals – Executive Board – 14<sup>th</sup> December 2011
- City Development Directorate: 2011/12 Budget – Period 7 Report
- Report of the Director of Resources – Financial Health Monitoring 2011/12 – Month 8

The following representatives were in attendance and responded to Members' queries and comments:-

- Ed Mylan, Chief Officer, Resources and Strategy, City Development
- Simon Criddle, Head of Finance, City Development

In summary, specific reference was made to the following issues:-

- clarification if additional advertising on litter bins, street furniture etc had been exhausted by the department  
*(The Chief Officer, Resources and Strategy responded and informed the meeting that this issue had not been ruled out during 2012/13)*
- clarification as to whether the implications of the Localism Bill had been taken into consideration
- the need to focus on the continuation of ongoing areas of work around Neighbourhood planning, the Community Infrastructure Levy, the decline in income from planning applications and car parks
- the number of major schemes being implemented by the Directorate and whether they would be completed on time
- clarification of the other budget pressures in relation to the Olympics, Joint Service Centre costs, reduction in Arts Grants and fees and income in Highways with particular reference to bus lane cameras

### **RESOLVED –**

- a) That the contents of the report and appendices be noted.
- b) That this Board notes the projected financial position of the City Development's Directorate after eight months of the financial year 2011/12 and the initial budget proposals for 2012/13, together with the budget details of Environment and Neighbourhoods which were relevant to this Board's responsibilities.
- c) That the Board's Principal Scrutiny Adviser be requested to follow up the two separate issues raised by Councillor R Grahame in relation to the number of externally provided residential and fostering placements



in Children's Services and on the required savings in council tax benefits of £5.6m arising from Welfare Reform.

(Councillor P Grahame left the meeting at 12.45pm during discussions of the above item)

**71 Work Schedule**

The Head of Scrutiny and Member Development submitted a report providing Members with a copy of the Board's current draft work schedule. The Executive Board minutes of 4<sup>th</sup> January 2012, together with the Forward Plan of Key Decisions for the period 1<sup>st</sup> January 2012 to 30<sup>th</sup> April 2012 were also attached to the report.

**RESOLVED-**

- a) That the contents of the report and appendices be noted.
- b) That the Executive Board minutes of 4<sup>th</sup> January 2012, together with the Forward Plan of Key Decisions for the period 1<sup>st</sup> January 2012 to 30<sup>th</sup> April 2012 be noted.
- c) That the Board's Principal Scrutiny Adviser be requested to revise the work schedule to incorporate the recommendations made at today's Board meeting.

**72 Date and Time of Next Meeting**

Tuesday 28<sup>th</sup> February 2012 at 10.00am in the Civic Hall, Leeds (Pre-meeting for Board Members at 9.30am)

(The meeting concluded at 12.50pm)