



EXECUTIVE BOARD

Meeting to be held in Civic Hall, Leeds on
Wednesday, 5th September, 2012 at 1.00 pm

Councillors

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

MEMBERSHIP

S Golton

CONFIDENTIAL AND EXEMPT ITEMS

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

9.0 Confidential information – requirement to exclude public access

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

9.2 Confidential information means

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

10.0 Exempt information – discretion to exclude public access

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

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

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

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

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

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

A G E N D A

Item No K=Key Decision	Ward	Item Not Open		Page No
1			<p>APPEALS AGAINST REFUSAL OF INSPECTION OF DOCUMENTS</p> <p>To consider any appeals in accordance with Procedure Rule 25 of the Access to Information Procedure Rules (in the event of an Appeal the press and public will be excluded)</p> <p>(*In accordance with Procedure Rule 25, written notice of an appeal must be received by the Head of Governance Services at least 24 hours before the meeting)</p>	
2			<p>EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC</p> <p>1 To highlight reports or appendices which officers have identified as containing exempt information, and where officers consider that the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons outlined in the report.</p> <p>2 To consider whether or not to accept the officers recommendation in respect of the above information.</p> <p>3 If so, to formally pass the following resolution:-</p> <p>RESOLVED – That the press and public be excluded from the meeting during consideration of those parts of the agenda designated as exempt information on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information.</p>	

Item No K=Key Decision	Ward	Item Not Open		Page No
3			<p>LATE ITEMS</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>DECLARATION OF DISCLOSABLE PECUNIARY AND OTHER INTERESTS</p> <p>To disclose or draw attention to any disclosable pecuniary interests for the purposes of Section 31 of the Localism Act 2011 and paragraphs 13-18 of the Members' Code of Conduct. Also to declare any other significant interests which the Member wishes to declare in the public interest, in accordance with paragraphs 19-20 of the Members' Code of Conduct.</p>	
5			<p>MINUTES</p> <p>To confirm as a correct record the minutes of the meeting held on 18th July 2012</p> <p><u>CHILDREN'S SERVICES</u></p>	1 - 18
6 K			<p>TRANSFER OF COUNCIL OWNED LAND AND BUILDINGS TO TRUST SCHOOLS</p> <p>To consider the report of the Director of Children's Services seeking approval for the mechanism to negotiate the detailed terms of the disposal of land and buildings to schools converting, or which have converted, to Trust status in accordance with the Education and Inspections Act 2006 and The Schools Organisation (Prescribed Alterations to Maintained Schools)(England) Regulations 2007.</p>	19 - 28

Item No K=Key Decision	Ward	Item Not Open		Page No
7 K	Gipton and Harehills		<p>BANKSIDE PRIMARY SCHOOL CAPITAL PROJECT</p> <p>To consider the report of the Director of Children's Services advising of the overspend on the Bankside Primary School capital scheme, seeking authority to spend £1,593,000, outlining the key issues that the project encountered and providing assurances on the improvements which have been made to prevent re-occurrence of the issues which led to the overspend on, and delay of the project.</p>	29 - 38
8			<p><u>LEISURE AND SKILLS</u></p> <p>INSPIRING A GENERATION: A SPORTING LEGACY FOR LEEDS</p> <p>To consider the joint report of the Director of City Development and the Director of Children's Services outlining proposals which will enable Leeds to build on the success of the London 2012 Olympic Games, and in particular the success of local and regional participants. The report outlines a strategy up to 2016 and beyond, which aims to leave a continuing legacy of the Games for the people of Leeds.</p>	39 - 56
9 K			<p><u>RESOURCES AND CORPORATE FUNCTIONS</u></p> <p>FINANCIAL HEALTH MONITORING 2012/13 - MONTH 4 REPORT</p> <p>To consider the report of the Director of Resources setting out the Council's projected financial health position for 2012/13 after four months of the financial year.</p>	57 - 80

Item No K=Key Decision	Ward	Item Not Open		Page No
10		10.4(3) (Appendix 3 only)	<p>CONSULTATION ON LOCALISED COUNCIL TAX SUPPORT SCHEME</p> <p>To consider the report of the Director of Resources on the outcome of the consultation undertaken with the West Yorkshire Police Authority and West Yorkshire Fire and Rescue Service on a local Council Tax Support scheme and seeking approval to include an additional scheme option alongside the original proposal approved for consultation by Executive Board in June 2012.</p> <p>Appendix 3 to this report is designated as exempt under Access to Information Procedure Rule 10.4(3).</p>	81 - 96
11			<p>HIGH COST LEGAL MONEY LENDING IN LEEDS</p> <p>To consider the report of the Director of City Development providing details of the current issues within the city regarding high cost legal money lending and advising on the services being offered by the Council and its partners to assist in overcoming such matters. The report also outlines possible future initiatives which are currently being investigated.</p> <p><u>ENVIRONMENT</u></p>	97 - 114
12	Headingley		<p>RESPONSE TO THE DEPUTATION TO COUNCIL FROM SPARROW PARK ACTION GROUP ON 11TH JULY 2012</p> <p>To consider the report of the Director of Environment and Neighbourhoods providing a response to the deputation made by Sparrow Park Action Group to full Council on 11 July 2012 on issues regarding the future ownership, restoration and management of the green space in Headingley which is known locally as "Sparrow Park".</p>	115 - 126

Item No K=Key Decision	Ward	Item Not Open		Page No
13			<p>A REVIEW OF CITY CENTRE CAR PARKING IN LEEDS</p> <p>To consider the report of the Director of Resources providing a summary review of city centre car parking in Leeds, highlighting issues which will inform future car parking policy.</p>	127 - 136
14 K	City and Hunslet		<p><u>DEVELOPMENT AND THE ECONOMY</u></p> <p>GREEN SPACE PROPOSALS FOR THE SOVEREIGN STREET SITE</p> <p>To consider the report of the Director of City Development advising of the progress made in respect of the development of the Sovereign Street green space proposal and seeking agreement of the next steps, including the broad concepts for the scheme; indicative budget parameter and submission of the planning application. The report also includes a summary of the consultation outcomes about the green space proposal and the programme and timetable for its development.</p>	137 - 150
15 K			<p>COMMUNITY ASSET TRANSFER</p> <p>To consider the report of the Director of City Development summarising the results of the consultation exercise undertaken in respect of the Community Asset Transfer Policy and presenting a final Community Asset Transfer Policy for approval. Executive Board previously considered the draft Community Asset Transfer policy on 7th March 2012.</p>	151 - 178

Item No K=Key Decision	Ward	Item Not Open		Page No
16 K			<p data-bbox="676 286 1326 353">STIMULATING GROWTH IN AFFORDABLE HOUSING</p> <p data-bbox="676 398 1398 685">To consider the joint report of the Directors of City Development and Environment & Neighbourhoods which sets out a proposed approach to housing investment, combining a range of funding sources and investment models. It also demonstrates the extent to which investment in new housing supply through these models could generate a return to the Council.</p> <p data-bbox="676 757 1257 831"><u>NEIGHBOURHOODS, PLANNING AND SUPPORT SERVICES</u></p>	179 - 192
17 K			<p data-bbox="676 898 1326 931">GYPSY AND TRAVELLERS SITE OPTIONS</p> <p data-bbox="676 972 1402 1261">To consider the report of the Director of Environment and Neighbourhoods which sets out the findings of officers involved in the assessment of Council owned sites for potential use as Gypsy and Traveller accommodation provision, and which also proposes an alternative solution involving the expansion of the current provision at Cottingley Springs.</p>	193 - 208

EXECUTIVE BOARD

WEDNESDAY, 18TH JULY, 2012

PRESENT: Councillor K Wakefield in the Chair

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

33 Exempt Information - Possible Exclusion of the Press and Public

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

- (a) Appendix A to the report referred to in Minute No. 40 under the terms of Access to Information Procedure Rule 10.4(3) and on the grounds that the appendix contains commercially sensitive information on the Council's approach to procurement issues (including project affordability position) and commercially sensitive information in relation to the Preferred Bidder. As such, the benefit of keeping the information exempt is considered greater than that of allowing public access to the information.
- (b) Appendix 1 to the report referred to in Minute No. 42 under the terms of Access to Information Procedure Rule 10.4(3) and on the grounds that the appendix contains the detailed prices submitted by the contractor for the goods supplied. It is, therefore, considered that the public interest in maintaining the content of appendix 1 as exempt outweighs the public interest in disclosing the information contained in Appendix 1, as disclosure would prejudice the commercial interests of the contractor and the prices submitted relates to the financial/business affairs of a particular company.
- (c) Appendix 1 to the report referred to in Minute No. 45 under the terms of Access to Information Procedure Rule 10.4(3) and on the grounds that the appendix contains information which if disclosed to the public would, or would be likely to prejudice the commercial interests of the Council and/or proposed partner. It is therefore deemed in the public interest not to disclose such information.
- (d) Appendix A to the report referred to in Minute No. 53 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 this confidential appendix outweighs the public interest in disclosing the information, by reason of the fact that it contains information and

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financial details which, if disclosed, would adversely affect the business of the Council and may also adversely affect the business affairs of the other parties concerned.

- (e) Appendices B to F to the report referred to in Minute No. 54 under the terms of Access to Information Procedure Rule 10.4(3) and on the grounds that the appendices contain information relating to the financial or business affairs of third parties and of the Council, and the release of such information would be likely to prejudice the interests of all parties concerned. Whilst there maybe a public interest in disclosure, in all the circumstances of the matter, maintaining the exemption is considered to outweigh the public interest in disclosing this information at this time.
- (f) The Appendix to the report referred to in Minute No. 57 under the terms of Access to Information Procedure Rule 10.4(3) and on the grounds that this is information relating to the financial or business affairs of Caddick and the Council, and that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosure.
- (g) Appendix A, together with Plans A and B to the report referred to in Minute No. 60 under the terms of Access to Information Procedure Rule 10.4(3) and on the grounds that they contain information relating to the financial or business affairs of any particular person (including the authority holding that information). The public interest in maintaining the exemption in relation to this documentation outweighs the public interest in disclosing the information by reason of the fact that they contain information and financial details which, if disclosed, would adversely affect the business of the Council and may also adversely affect the business affairs of the other parties concerned.

34 Late Items

There were no late items as such, however, it was noted that exempt Appendix A to agenda item 9, entitled, 'Little London, Beeston Hill and Holbeck: Housing PFI Updated Affordability Position' had been circulated to Executive Board Members for their consideration, following the publication of the agenda (Minute No. 40 refers).

35 Declaration of Disclosable Pecuniary and Other Interests

There were no declarations of interest made at this point in the meeting, however, declarations of interest were made later in the meeting (Minute No. 54 refers).

36 Minutes

RESOLVED – That the minutes of the meeting held on 20th June 2012, be approved as a correct record.

NEIGHBOURHOODS, PLANNING AND SUPPORT SERVICES

37 Gambling Act 2005 Statement of Licensing Policy

The Head of Licensing and Registration submitted a report on the triennial review of the Gambling Act 2005 Statement of Licensing Policy, with the recommendation that the matter be referred to Scrutiny Board (Resources and Council Services) for consideration, in accordance with the Council's Budget and Policy Framework.

RESOLVED –

- (a) That the current Gambling Act 2005 Statement of Licensing Policy 2010-2012 be noted.
- (b) That the contents of the submitted report, together with the letter appended to the report, be noted.
- (c) That the policy be referred to Scrutiny Board (Resources and Council Services) for its consideration.

(The matters referred to within this minute were not eligible for Call In, as the development of a Policy under the Gambling Act 2005 was a matter for full Council and follows the Council's Budgetary and Policy Framework process)

38 Scrutiny Inquiry into Affordable Housing by Private Developers

The Director of City Development together with the Director of Environment and Neighbourhoods submitted a joint report providing a response to the nine recommendations of the former Scrutiny Board (Regeneration), following its inquiry into Affordable Housing by Private Developers.

Councillor J Procter attended the meeting as Chair of the Scrutiny Board (Regeneration) which had undertaken the inquiry.

RESOLVED – That consideration of the responses to the Scrutiny Board's recommendations, as set out within section 3 of the submitted report, be deferred, in order to enable all relevant parties to discuss such matters further, with an updated report being submitted to the September 2012 meeting of Executive Board for consideration.

39 Derelict and Nuisance Site Programme

The Director of City Development submitted a report presenting the emerging derelict and nuisance site programme, whilst also providing an overview of the early work which had been undertaken in this field.

A Member raised concerns in respect of the related consultation exercise which had been undertaken with Members and the extent to which the programme had been considered by Area Committees. In response, such concerns were acknowledged and it was noted that local Ward Members would be consulted directly on the programme. Additionally, it was noted that if Ward Members wished to suggest further sites for inclusion within the

programme, then such suggestions would be welcomed and considered in line with the programme's processes.

RESOLVED –

- (a) That the progress made on the project to deal with derelict and nuisance sites be noted.
- (b) That the first tranche of properties to be tackled be agreed, and that a further report be submitted to the Board in June 2013 covering the progress made during 2012/13.

40 Little London, Beeston Hill & Holbeck: Housing PFI Updated Affordability Position

Further to Minute No. 217, 7th March 2012, the Director of City Development submitted a report confirming the outcomes being sought for the Little London, Beeston Hill and Holbeck Private Finance Initiative Project and providing updated details of the financial position, in advance of the Financial Close.

Appendix A to the submitted report, which was designated as exempt under Access to Information Procedure Rule 10.4(3) was circulated to Board Members for their consideration, following the publication of the agenda papers.

Responding to an enquiry, the Board received assurances in respect of the processes which had been followed regarding public procurement regulations.

The Chief Executive advised that dialogue continued with central Government with the aim of ensuring that wherever possible, the pace of progress for such initiatives was maximised.

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

RESOLVED – That (without affecting the authority to proceed to financial close of the project and approvals in relation there to resolved at previous meetings of this Board [and in particular Executive Board resolution 184 (g) – (j) inclusive made on 9 March 2011]):-

- (a) The progress made, and the intention to let the contract by the end of July 2012, or as soon as possible after that, to allow a start on site by November 2012, with mobilisation and preliminaries prior to this date, be noted.
- (b) The process in place to achieve financial close be noted, and in particular, the action taken by the Director of Environment and Neighbourhoods to seek revised section 27 Housing Act 1985 consents in support of the project be noted and endorsed.

- (c) The key decision to re-profile the Council's affordability contribution to the project, as set out within exempt Appendix A to the submitted report be approved, and the Director of Environment and Neighbourhoods be authorised to approve the final profiling of the contributions.
- (d) The updated financial implications and affordability parameters, as set out within exempt Appendix A to the submitted report, be approved.

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

(The matters referred to within this minute were not eligible for Call In, as it was considered that any delay to such matters would seriously prejudice the Council's or the public's interests)

CHILDREN'S SERVICES

41 Design and Cost Report : Hugh Gaitskell Primary School: Additional Accommodation

The Director of Children's Services submitted a report seeking approval to provide additional accommodation at Hugh Gaitskell Primary School for September 2012, whilst also seeking the necessary authority to incur the associated expenditure.

Responding to a concern raised, officers provided assurances in respect of the budgetary implications arising from the proposed provision of additional accommodation within schools and also undertook to submit a report to the September 2012 Executive Board meeting responding to a previous request specifically regarding Bankside Primary School.

RESOLVED –

- (a) That approval be given to proceed with works to provide additional accommodation at Hugh Gaitskell Primary School, at an estimated total cost of £514,690.
- (b) That approval be given to incur expenditure of £514,690 from capital scheme number 15822\HUG\000.

42 Basic Need programme - Permission to consult on School Place Expansions for 2014

The Director of Children's Services submitted a report which sought permission to consult upon proposals relating four primary school expansions, scheduled to take effect from September 2014, which would form part of the Council's Basic Need programme.

Having reported a concern which had been received from a school governor regarding faith education, the Executive Member for Children's Services

assured the Board that such matters would be addressed as part of the associated consultation exercise.

Following consideration of Appendix 1 to the submitted report, designated as exempt under Access to Information Procedure Rule 10.4(3), which was considered in private at the conclusion of the meeting, it was

RESOLVED –

- (a) That the development of the Little London community hub project be noted.
- (b) That approval be given to the following consultation exercises being undertaken:-
- to expand Little London Primary School from a capacity of 210 pupils to 630 pupils with an increase in the admission number from 30 to 90 with effect from September 2014;
 - to expand Tranmere Park Primary School from a capacity of 315 pupils to 420 pupils with an increase in the admission number from 45 to 60 with effect from September 2014;
 - to expand Rufford Park Primary School from a capacity of 210 pupils to 315 pupils with an increase in the admission number from 30 to 45 with effect from September 2014;
 - to expand Sharp Lane Primary School from a capacity of 420 pupils to 630 pupils with an increase in the admission number from 60 to 90 with effect from September 2014.

LEISURE AND SKILLS

43 Establishment of the Leeds Apprenticeship Training Agency (ATA)

The Director of City Development submitted a report which sought approval for Leeds City Council to establish the Leeds Apprenticeship Training Agency (ATA) in partnership with Leeds City College, which would operate as a jointly owned and separate company limited by guarantee.

The Board emphasised the crucial role which Small and Medium Enterprises (SMEs) would play in the delivery of this initiative and received an update on the work currently ongoing to engage with such enterprises. In addition, Members were provided with assurances that the initiative would be a key component of Leeds becoming a NEET (Not in Education, Employment or Training) free city, and that it would also help to equip young people with the necessary skills they required for employment.

In conclusion, the Chair emphasised the ambitious nature of this initiative and thanked the Board for the cross-party support it had received.

RESOLVED –

- (a) That Leeds City Council's involvement in the establishment of the Leeds Apprenticeship Training Agency be approved.

- (b) That approval of the detailed terms of the Articles of Association and the Member Agreement be delegated to the Director of City Development.
- (c) That the Director of City Development, or his nominated representative, be appointed as a Director of the Leeds Apprenticeships Training Agency.
- (d) That the Board's endorsement be given to the new company being registered with Companies House.

ADULT SOCIAL CARE

44 Update on the Award of the Contracts for Neighbourhood Network Services for the East of Leeds and on Wider Neighbourhood Network Developments

Further to Minute No. 5, 22nd June 2011, the Director of Adult Social Services submitted a report which provided details of the approval given by the Director to award the contracts for the Neighbourhood Network Service provision for the East of Leeds. In addition, the report detailed background information to the current service provision and the decision to procure the services detailed within the submitted report, whilst also outlining the procurement process and the outcomes from the evaluation stage, taking account of the recommendations and lessons learned from the 2009 citywide Neighbourhood Networks procurement exercise and the Independent Review in 2010.

The Board welcomed the outcomes arising from the procurement process, whilst the Chair thanked the Director of Adult Social Services and her team for all of the work which they had undertaken on this matter.

RESOLVED –

- (a) That the award of the contracts for the Neighbourhood Network Services for the East of Leeds to the following organisations be noted:
 - Burmantofts area – Burmantofts Senior Action
 - South Seacroft area - South Seacroft Friends and Neighbours Scheme
 - Richmond Hill - Richmond Hill Elderly Action Limited
 - Swarcliffe area - Swarcliffe Good Neighbours Scheme
 - Crossgates - Crossgates & District Good Neighbours.
- (b) That the procurement process undertaken, and the implementation of lessons learned from the 2010 Independent Review, be noted.
- (c) That the continued importance and potential of the Neighbourhood Network Services in delivering the priorities associated with the Adult Social Care 'Better Lives for People in Leeds' programme, be noted.

45 Shared Service Partnership with Calderdale Metropolitan Borough Council to meet Adult Social Care Technology Requirements

The Director of Adult Social Services submitted a report outlining the options available for replacing the current Electronic Social Care Record (ESCR) and ESCR financial systems, whilst also detailing the case for adopting a shared service partnership arrangement with another local authority. In addition, the report outlined the supporting technology components, including Electronic Document Record Management and Reporting, to be implemented alongside the case management solution. The report also sought approval to enter into a partnership agreement with Calderdale Council, release the related funding and incur the necessary expenditure.

The report noted that a number of options for the replacement of the existing ESCR and ESCR financial systems had been investigated. The options considered related to:

- Upgrading the existing system;
- The use of health systems;
- The procurement of a third party system; and
- A potential 'shared service' arrangement with another local authority, where Leeds adopted their case management recording system.

Responding to specific concerns raised as to whether the Adult Social Care Client Information System used by Calderdale Council would be fit for Leeds' purpose, it was requested that related matters were referred to the Corporate Governance and Audit Committee, so that the acquisition of the system could be monitored.

Following a Member's enquiry regarding the costs associated with this scheme, together with the equivalent system used by Children's Services, the Member in question was provided with further details, with officers undertaking to provide more detailed information, should this be required.

Having noted the comments which had been made, it was agreed that further to the related matters being referred to the Corporate Governance and Audit Committee, Executive Board receive an update report every 6 months in order to monitor the progress of the initiative.

Following consideration of Appendix 1 to the submitted report, designated as exempt under Access to Information Procedure Rule 10.4(3), which was considered in private at the conclusion of the meeting, it was

RESOLVED –

- (a) That approval be given to enter into a partnership agreement with Calderdale Metropolitan Borough Council for the purchase of an initial 20% share of their Adult Social Care Client Information System (CIS), with options to increase this share as described in section 3.2 of the submitted report.
- (b) That the necessary expenditure be authorised, as defined within exempt Appendix 1 to the submitted report, to undertake the following:-

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- purchase a share in the system and implementation support from Calderdale Metropolitan Borough Council;
 - implement the Case management, integrated financial and contract management modules of Calderdale's CIS in partnership with Calderdale Metropolitan Borough Council to meet Leeds requirements;
 - implement and integrate Leeds City Council's corporate Electronic Document and Records Management System (EDRMS) in parallel with the Case Management System;
 - build and develop a reporting and Business Intelligence (BI) solution utilising existing corporate reporting and Business Intelligence technology.
- (c) That the matters raised in relation to the Adult Social Care Client Information System be referred to the Corporate Governance and Audit Committee, so that the acquisition of the system can be monitored.
- (d) That Executive Board receive a report every 6 months which provides an update in respect of the project's progress.

46 Consultation on the Charges for Non-Residential Adult Social Care Services

The Director of Adult Social Services submitted a report setting out proposals for a consultation process on proposed changes to charges for non-residential Adult Social Care services following approval for a further charging review by Executive Board on 27th July 2011 (Minute No. 36 referred). In addition, the report outlined the reasons for the proposals and the likely implications for customers and income levels. The report also detailed the way in which the public consultation on the impact of these proposals would be conducted.

Members highlighted the need to ensure that the proposed consultation exercise was handled as sensitively as possible.

RESOLVED -

- (a) That the public consultation on the proposed new charges that are set out within section 4.8 of the submitted report, be approved.
- (b) That the impact of the proposed changes on commissioned services, as outlined within sections 4.17 and 4.18 of the submitted report, be noted.
- (c) That the impact of the proposed changes on other Council services, as set out within sections 4.19 and 4.20 of the submitted report, be noted.
- (d) That the public consultation on the proposed changes to the financial assessment methodology that are set out within sections 4.21 and 4.22 of the submitted report, be approved.

- (e) That a further report be brought to Executive Board later this financial year, with final charging proposals following a more detailed analysis of the impact and the outcome of the consultation.

47 Leeds Safeguarding Adults Partnership Annual Report 2011/2012

The Director of Adult Social Services submitted a report introducing the fifth annual report of the Leeds Safeguarding Adults Partnership Board and providing an update on the work of the Leeds Safeguarding Adults Partnership.

Professor Paul Kingston, Independent Chair of the Adult Safeguarding Partnership Board, provided an introduction to the key points raised within the annual report, together with a summary of the work undertaken by the Partnership.

Responding to an enquiry, the Board was provided with details regarding the level and source of safeguarding referrals in Leeds. Having noted the significant increase in the number of safeguarding referrals which had been reported over the past year, Members discussed the reasons for such a rise and the accompanying capacity issues.

The Board highlighted the importance for Elected Members to be aware of the safeguarding process and welcomed the fact that a further Members' seminar on such matters was proposed for later in the year. In addition, it was requested that Executive Board members were provided with a further, more detailed breakdown of data relating to the source and levels of safeguarding referrals, which included a distinction between those referrals made in respect of public and private service provision and also NHS provision.

In conclusion, Members welcomed the annual report and the detailed discussion which had taken place, and it was agreed that the submitted report and associated documentation be referred to Scrutiny Board (Health and Wellbeing and Adult Social Care) for further consideration.

RESOLVED –

- (a) That the contents of the 2011/12 Leeds Safeguarding Adults Partnership Annual Report, as appended to the submitted report be noted, and that the work programme of the Adult Safeguarding Partnership Board for 2012/13 be endorsed.
- (b) That the submitted report and associated documentation be referred to Scrutiny Board (Health and Wellbeing and Adult Social Care) for further consideration.

RESOURCES AND CORPORATE FUNCTIONS

48 Treasury Management Annual Outturn Report 2011/12

The Director of Resources submitted a report providing a final update on the Council's Treasury Management Strategy and operations for 2011/2012.

The Chair thanked all of the officers who had been involved in the Council achieving its current Treasury Management position.

RESOLVED – That the treasury management outturn position for the year 2011/2012, be noted.

49 Annual Risk Management Report

The Director of Resources submitted a report providing assurances upon the strength of the Council's risk management arrangements, whilst presenting an overview of the authority's strategic risks.

The Executive Member for Development and the Economy provided the Board with an update in respect of the current position regarding city flooding. Having considered this matter, Members emphasised the need for all parties to continue to lobby central Government with regard to accessing the funding streams required to establish the level of flood defences necessary to protect the city, given the substantial economic and commercial impact that flooding to Leeds city centre would have upon the whole of the city region.

RESOLVED – That the contents of the annual risk management report be received, and the related assurances provided within the submitted report be noted.

50 Financial Health Monitoring 2012/2013 - First Quarter Report

The Director of Resources submitted a report presenting the Council's projected financial health position for 2012/2013 after three months of the financial year, in respect of the revenue budget and the Housing Revenue Account.

Responding to a Member's concerns, the Board discussed the projected overspend within refuse collection and any potential impact that this may have upon the roll out of further service provision in this area.

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

51 Capital Programme Update for 2012 - 2015

The Director of Resources submitted a report providing an update upon the financial position for 2012/13 as at June 2012, including an update on capital resources, a summary of schemes upgraded from 'Amber' to 'Green' status since February and a summary of progress which had been made on some major schemes. In addition, the report also included ALMO capital investment proposals and sought specific approvals in order to allow some schemes to progress.

RESOLVED –

- (a) That the latest position on the general fund and Housing Revenue Account capital programmes, be noted.

- (b) That the transfer of schemes from the Amber to the Green programmes, as set out within section 3.3 of the submitted report, be noted.
- (c) That the following allocations from the Economic Initiatives provision in the capital programme be approved:-
 - § £885,000 for the Eastgate development
 - § £250,000 for Brunswick Terrace
 - § £500,000 for Town and District Regeneration Scheme
 - § £3,345,000 to support the delivery of superfast broadband in the region
- (d) That the injection into the capital programme of £10,173,000, funded by government grant to enable the provision of additional primary school places, be approved.
- (e) That the economic impact of the Council's capital programme, as detailed within section 5 and Appendix D of the submitted report be noted.

52 Council Business Plan Refresh 2012-2013

The Assistant Chief Executive (Customer Access and Performance) submitted a report outlining a number of proposed amendments and updates to the Council Business Plan, which would ensure that the Plan remained up to date, continued to reflect the Council's main challenges and included targets which were both challenging, but also realistic.

Responding to a Member's enquiry, the Board received reassurance in respect of the proposed target for 2012/2013 regarding the maintenance of non main roads.

RESOLVED – That the changes to the Council Business Plan for 2012-2013, as detailed within the submitted report, be approved.

53 Phase 1 Changing the Workplace: City Centre Office Accommodation

Further to Minute No. 137, 2nd November 2011, the Director of Resources, the Assistant Chief Executive (Customer Access and Performance) and the Director of City Development submitted a joint report detailing the progress which had been made to date in relation to the Changing the Workplace programme, whilst also highlighting the benefits being delivered as a result. Specifically, the report sought agreement to roll out new ways of working within the city centre, which would lead to a reduction in the number of the Council's city centre office properties.

Members highlighted the importance of the scheme and the need to ensure that the progress of it was monitored in terms of costs, savings and value for

money. The Chair acknowledged the comments made and emphasised the vital role that face to face contact played in the delivery of Council services.

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

RESOLVED – That the proposals outlined within the submitted report, regarding city centre office accommodation, together with the specific recommendations contained within section 6.0 of the exempt appendix to the submitted report (which included the submission of an annual report to Executive Board providing an update position of spend on the programme against outcomes delivered), be approved.

54 Loan with Yorkshire County Cricket Club - Variation of Agreement and Granting of Consents

Further to Minute No. 184, 14th January 2009, the Director of Resources submitted a report providing information on a request received by the Council from Yorkshire County Cricket Club regarding a loan provided by the Council to the Club in 2005. The Club's request related to amending the current schedule of repayments for the loan and extending the repayment period. In addition, the report noted that the Club was also seeking the Council's consent to amend its term loan with its bank and to enter into a financial liability.

On behalf of the Board, the Chair thanked all officers who had been involved in the negotiation process with the Club in respect of this matter.

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

RESOLVED –

- (a) That the variation to the Council's loan agreement with Yorkshire County Cricket Club be agreed, as outlined within the submitted report.
- (b) That the necessary consents be granted to facilitate Yorkshire County Cricket Club entering into a variation in respect to their loan agreement with their bank and also to enable the Club to accept the loan from its Chairman.

(Councillor Yeadon declared an Other Significant Interest in respect of this matter, as a member of Yorkshire Disabled Cricket Club. The Director of City Development declared an interest in respect of this matter, as the Council's nominated Director on the Board of Yorkshire County Cricket Club)

55 Commission on the Future of Local Government - Progress Update

Further to Minute No. 232, 11th April 2012, the Assistant Chief Executive (Customer Access and Performance) submitted a report providing an update on the outcome of the work undertaken by the Commission on the Future of

Local Government which explored the concept of Civic Enterprise as a means to respond to the changes and challenges which faced local government.

RESOLVED –

- (a) That the findings of the Commission, in particular the five Propositions, along with the Commitments and Calls to Action, be noted.
- (b) That the work which is underway to enable Leeds to become an enterprising council be supported.

DEVELOPMENT AND THE ECONOMY

56 Design and Cost Report for Broadband Projects

The Director of City Development submitted a report regarding the various broadband initiatives which were underway in the city, whilst also seeking approval and commitment to a Leeds City Council contribution to the delivery of such projects.

RESOLVED –

- (a) That the Broadband Delivery UK (BDUK) Local Broadband Plan process be ratified and supported.
- (b) That the capital funding contribution to the BDUK and super connected cities project, as outlined within section 4.4.1 of the submitted report be approved.

57 Quarry Hill, Leeds, LS2

Further to Minute No. 7, 11th June 2008, the Director of City Development submitted a report advising of the revised terms upon which the Council's site at Quarry Hill in the city centre could be sold to Caddick Developments Limited.

Responding to an enquiry, Members received clarification in respect of proposals for the development regarding public car parking provision.

Following consideration of Appendix 1 to the submitted report, designated as exempt under Access to Information Procedure Rule 10.4(3), which was considered in private at the conclusion of the meeting, it was

RESOLVED - That the terms, as detailed within the exempt appendix to the submitted report, be approved.

58 Community Asset Transfer of Holbeck Youth Centre to Health for All (Leeds) Ltd

The Director of City Development submitted a report on the proposed Community Asset Transfer of Holbeck Youth Centre to Health for All (Leeds) Ltd. by way of a 25 year peppercorn, full repairing and insuring lease.

RESOLVED – That the Community Asset Transfer of Holbeck Youth Centre to Health for All, by way of a 25 year peppercorn lease with full repairing and insuring liabilities, be approved.

59 Community Asset Transfer of the former Bramley Lawn Day Centre to Bramley Elderly Action

The Director of City Development submitted a report regarding the proposed Community Asset Transfer of Bramley Lawn Day Centre to Bramley Elderly Action by way of a 25 year peppercorn full repairing and insuring lease.

RESOLVED – That the Community Asset Transfer of Bramley Lawn Day Centre to Bramley Elderly Action, by way of a 25 year peppercorn lease with full repairing and insuring liabilities, be approved.

60 Land Proposals for Eastgate

Further to Minute No. 214, 7th March 2012, the Director of City Development submitted a report which sought to obtain the necessary authority for further land acquisition which related to the delivery of the Eastgate redevelopment scheme. In addition, the report also detailed the current position regarding the delivery of the John Lewis Partnership store as part of the development and which sought the necessary approvals to enable the delivery of a car park on the land presently held by the West Yorkshire Police Authority.

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

RESOLVED –

- (a) That approval be given to the capital injection of funds and the authority to spend (identified in the exempt appendix to the submitted report) into the capital programme for the Council to acquire the West Yorkshire Police landholdings, as shown on exempt plan A, and that approval also be given to allocating the sum identified within the exempt appendix for the demolition of the Millgarth building, which will be dealt with as a Design & Cost report to a future Executive Board.
- (b) That subject to the agreement of final terms, approval be given to the Council releasing to Hammerson part of the acquired site necessary to allow for the construction of the John Lewis building (as identified upon exempt plan A to the submitted report).
- (c) That the principle that the Council enters into an agreement, subject to the agreement of final terms, with either or both John Lewis and Hammerson, in respect to the delivery and/or operation of the car park, be approved.
- (d) That the principle that should the Council be unable to agree acceptable Heads of Terms with Hammerson to deliver the car park, approval be given to the Council delivering a car park, the details of

which would be subject to a further Design & Cost report to Executive Board.

- (e) That the necessary authority be provided to the Director of City Development, with the concurrence of the Executive Member for Development and the Economy and the Director of Resources, for the completion of all necessary Heads of Terms and legal documentation, for the various property transactions (as set out within the submitted report and exempt appendix A), so that such matters can be dealt with under the appropriate scheme of delegation.

(The matters referred to within this minute were not eligible for Call In as it was considered that any delay in such matters would seriously prejudice the Council's or the public interest. A delay in completing the Heads of Terms and legal documentation as soon as practically possible may have an impact upon the critical path of approvals which were being sought both from Hammerson and John Lewis Boards)

ENVIRONMENT

61 Leeds Climate Change Strategy 2012-2015 (Light Touch Review)

The Director of Environment and Neighbourhoods submitted a report seeking the endorsement of, and approval to publish the updated Leeds Climate Change Strategy 2012-2015. In addition, the report also outlined the support available from the European Local Energy Assistance (ELENA) mechanism and sought formal approval to join the EU Covenant of Mayors, as a first step towards submitting an ELENA bid.

RESOLVED –

- (a) That the Leeds Climate Change Strategy 2012-2015 be approved and that it be published via the Leeds Initiative channels, together with a short non-technical summary.
- (b) That the Council's role in delivering the priority actions contained within the strategy be supported and championed.
- (c) That the development of an expression of interest and full business case to ELENA to refine and commercialise a series of strategic low carbon energy infrastructure and energy efficiency projects, in order to deliver the objectives of the Leeds Climate Change Strategy 2012-2015, be supported.
- (d) That approval be given to Leeds becoming a signatory to the EU Covenant of Mayors and to the submission of the Leeds Climate Change Strategy 2012-2015, as Leeds' Sustainable Energy Action Plan, in order to support an ELENA bid.

62 Funding Application to Department for Communities and Local Government for Weekly Food Waste Collections and Associated Infrastructure

Further to Minute No. 144, 14th December 2011, the Director of Environment and Neighbourhoods submitted a report regarding the submission of a final bid for funding from the Weekly Collection Support Fund (WCSF) managed by the Department for Communities and Local Government (DCLG).

Responding to concerns raised, the Board was assured that the proposed bid was realistic and that the proposals outlined within the submitted report would not lead to a two-tier system across the city. In addition, assurances were also provided in respect of a Member's specific concerns regarding the future delivery of food waste collections in Leeds.

RESOLVED –

- (a) That the contents of the submitted report be noted, and that the submission of a final bid to the WCSF by August 17th 2012, to fund the roll-out of weekly food waste collections to 80% of residents in the City be approved.
- (b) That the continued provision of these weekly food waste collections for at least two years beyond the end of the DCLG funding period (i.e. 2015/16 and 2016/17) as required by DCLG, be agreed.
- (c) That additional funding of approximately £4,000,000 per annum to deliver this service during the financial years 2015/16 to 2016/17 be approved, but it be noted that the savings in disposal costs (compared to landfill) derived from the development of the Residual Waste Treatment PFI facility would significantly offset these costs. Savings of an estimated £2,500,000 per annum from the fortnightly collection of residual waste and recycling that would accompany weekly food waste collections would also mitigate the costs of food waste collections post 2014/15 (as section 4.4 of the submitted report details).
- (d) That authority be delegated to the Director of Environment and Neighbourhoods to amend the bid to address feedback from DCLG, provided that the proposals remain within the level of funding, as agreed at resolution (c) above.
- (e) That if the bid is successful, approval be given to a fully funded injection into the Capital Programme of the capital costs included within the final approved bid (currently calculated at £8,150,000), and that Authority to Spend up to this amount also be approved.
- (f) That officers' intentions to seek further Member approvals regarding the specific weekly food waste collection service roll-out plans be noted, including the proposed geographical areas for inclusion within Phase 1, or, in the event that the DCLG bid is unsuccessful, for the pilot phase of fortnightly residual waste and recycling collections agreed by Executive Board in December 2011.

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

63 RE:FIT Phase 2

Further to Minute No. 157, 5th January 2011, the Director of City Development and the Director of Resources submitted a joint report which sought the support of Executive Board to participate in phase 2 of the RE:FIT programme. In addition, the report also sought agreement to the scope of the procurement.

RESOLVED –

- (a) That the project proposals for RE:FIT phase 2, including the associated portfolio of buildings, be approved.
- (b) That the injection of £1,500,000 into the capital programme, to be fully funded by unsupported borrowing, be approved.
- (c) That the expenditure of up to £1,500,000 on this project be approved.
- (d) That authority be delegated to the Director of City Development in order to approve any changes to the portfolio of buildings falling under the RE:FIT phase 2 proposals, in terms of additions or removals.
- (e) That authority be delegated to the Director of City Development in order to approve the award of the contract.

DATE OF PUBLICATION: 20TH JULY 2012

LAST DATE FOR CALL IN OF ELIGIBLE DECISIONS: 27TH JULY 2012 (5.00 P.M.)

(Scrutiny Support will notify Directors of any items called in by 12.00 p.m. on 30th July 2012)

Draft minutes to be approved at the meeting to be held on Wednesday, 5th September, 2012

Report of: Director of Children's Services

Report to: Executive Board

Date : 5th September 2012

Subject: Transfer of Council owned land and buildings to trust schools

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

Summary of main issues

- 1.1 In order to improve the standards of attainment and services for pupils, students and their families in the local community, Government policy is aimed at encouraging all schools to adopt a more independent status from Local Education Authorities (LEA) as either Trust, Academy or Specialist schools.
- 1.2 The Education and Inspections Act 2006 ("the Act") and The Schools Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2007 ("the Regulations") provide new flexibility for schools to work together under a shared Trust in partnership with external organisations (such as Universities, Business Foundations and Community Groups).
- 1.3 Under the Act and the Regulations all assets – being land and buildings – held or used for the purposes of the school by a local authority - will automatically transfer for nil consideration to the trustees of schools converting to trust status ("trust schools") on the date the school becomes a trust school ("the Implementation Date"). The requirements of the Act override a local authority's duty under section 123 of the Local Government Act 1972 to secure best consideration for the disposal of and interest in the land.
- 1.4 Under the Act and Regulations, the trustees do not have to pay for the land and the Local Authority cannot demand any consideration for the land and buildings.

- 1.5 In line with the Department for Education (“the DfE”) guidelines and following the necessary consultations, the schools listed in the attached Schedule have established Trusts and all the assets - being land and buildings - held or used by the schools for the purposes of the schools were automatically transferred for nil consideration to the trust schools. .
- 1.6 Similarly other schools within Leeds are known to be considering setting up their own Trusts, each of which would result in land and buildings used for school purposes automatically vesting for nil consideration in the Trust once the Trust is established. A local authority has no power to impose any terms or conditions on the transfer of land and buildings. The implications for such transfers of land and buildings are set out in this Report.

2 Recommendations

Executive Board is requested to:

- 2.1 Note the contents of this report
- 2.2 Authorise the Director of City Development or such other officer authorised by him to negotiate the detailed terms of the transfer of the freehold land and buildings to trust schools at less than best consideration.

1 Purpose of this report

- 1.1 In light of the statutory powers enabling the creation of school trusts - to which land and buildings must be automatically transferred for nil consideration on the creation of a Trust - approval is sought from the Executive Board to authorise the Director of City Development or such other officer authorised by him to negotiate the detailed terms of the disposal of land and buildings to schools converting or which have converted to trust status in accordance with the Act and the Regulations.

2 Background

- 2.1 Provisions contained within the Act and the Regulations have added to the opportunities for diversity in school structures and governance, particularly in relation to the establishment of foundation schools with a charitable foundation, commonly referred to as trust schools.
- 2.2 The governing bodies of the schools set out in the Schedule following a period of consultation have changed category to trust schools. Similarly other schools within Leeds are known to be considering setting up their own Trusts, each of which would result in land and buildings used for school purposes automatically vesting for nil consideration in the Trust once it is established.
- 2.3 A trust school remains a local authority maintained school that is funded on the same basis as other local authority maintained schools, and funding will be delegated to the governing body, not the Trust. There will be no additional funding from the local authority for a trust school, and there is no expectation that the Trust will provide the school with additional funding. Trusts are not required or expected to make any financial contribution to the schools they support. They could, however, bring in additional resources in terms of professional expertise, knowledge and vocational opportunities
- 2.4 Any deficit that occurs is the responsibility of the governing body but as with any maintained school in deficit a local authority will have licensed the deficit and agreed a recovery plan.
- 2.5 The governing body will set the school's own admission arrangements, but they will have to act in accordance with the School Admissions Code and will not be allowed to introduce selection by ability. Trust schools will be expected to play their full part in taking "hard to place" pupils, having fair admissions and working with other schools. School staff of a trust school including teachers and caretakers will be employed directly by the governing body.
- 2.6 The governing body of each trust school will manage its own land and buildings. The Trust will hold the land and buildings of the school on trust for the duration of the Trust.. The implications of this are covered in more detail below.
- 2.7 The schools are supported by the Trust through the appointment of governors to the schools' governing bodies. The governing body of a trust school, and not the Trust itself, will remain responsible for all aspects of the conduct of the school. The Trust and the governing body remain separate entities.

2.8 The following extracts of the transfer guidelines have been reproduced below for information:

2.9 (For your information the “transferor” is the local authority; the “transferee is the Trust” and “implementation date” is the date a Trust is established)

“11. When a school’s proposals to change category have been approved, all land held and used by the transferor immediately before the implementation date for the purposes of the school and agreed to be transferred will, on the implementation date, transfer to and vest in the transferee to be held for the purposes of the new school. Normally this will include the school’s buildings, hard and soft play areas, all-weather sports areas, games courts, playing fields, habitat areas, roads, paths and car parks. There is a presumption that all land held by the school immediately before it publishes proposals to change category will transfer: it is exceptions to this that will be agreed between transferor and transferee, or failing agreement, determined by the Adjudicator”

“32. The overarching assumption is that except where there is good cause, all the land being used by a school before it proposes to change category should transfer to its governing body or to the trustees of its foundation when its change of category is implemented.”

NB – The key point here is that all land held before a school “proposes” or “publishes proposals” to change category – the Council may not or more likely will probably not be aware of any schools proposals to change category until it is too late for the Council to declare any land surplus should it wish to do so

“41. An authority may wish to retain ownership of land surplus to the school’s needs where it has a strong strategic need for part of the site, for instance to locate another school or for the delivery of another educational or children’s service which can be suitably sited next to the school and for which it does not have an alternative site.

42. An authority cannot seek to retain a surplus part of a site purely on the grounds of potential value on disposal, unless there is evidence of a planned use of the disposal value for the strategic delivery of its educational or children’s services which it cannot otherwise reasonably meet.”

2.10 The following extracts of the same document provide guidance in the event the Trust decides to dispose of non-playing field assets at some point in the future:

“8. The governing body, foundation body or trustees of a foundation, voluntary or foundation special school shall notify the local authority in writing of their intention to dispose of publicly funded non-playing field land which has been acquired or enhanced in value by public funding. This includes disposal by trustees of publicly funded land following discontinuance of a school.

In the event that the local authority objects to the disposal, the proposed use of the proceeds or wishes to claim a share of the proceeds in as much as they result from public funding, it should inform the school and both parties should discuss

the matter with the aim of reaching agreement... [where] it is not possible for the school and the authority to agree an amount of the proceeds of disposal that should be paid to the authority, either party may refer the matter to the Adjudicator”

- 2.11 The decision as to whether a school wishes to establish a Trust lies with the school’s governing body and the parents. . A local authority cannot challenge the decision of a school which wants to establish a Trust.
- 2.12 In the cases of PFI schools wishing to establish a Trust the following applies:
 - 2.12.1 the freehold of the land and buildings still passes to the trustees of the trust school. The maintenance of a PFI trust school continues to be the responsibility of the PFI contractor for the term of the PFI contract (usually 25 years); When the PFI contract no longer subsists - responsibility for maintenance then reverts back to the trust school. The local authority’s responsibility for payments to the contractor remains. Although the local authority remains responsible for payment of the unitary charge under the project agreement, it can recover such amounts or contributions from the governing body via the governors’ agreement
 - 2.12.2 In respect of PFI trust schools, during the subsistence of the Project Agreement SPV is responsible for insurance (except the contents of the school which the Council insures) and once the Project Agreement expires the Council then insures.
- 2.13 In default of agreement between the Council and the trustees of the trust school as to the extent of the land to be transferred and the terms of the transfer document the matter would be referred a Schools Adjudicator.
- 2.14 A trust school will be responsible for internal and external repair and maintenance of the school.
- 2.15 The assets will no longer form part of the Council’s asset portfolio.
- 2.16 A trust school can dispose of the land and buildings and the following will apply:
 - 2.16.1 The local authority can object to proposals if they feel that they are not in the interests of the school in the long term or would disadvantage the wider community. The local authority will also be able to object to re-investment proposals and to claim a share of the proceeds attributable to public investment in the land;
 - 2.16.2 Trust schools will be able to benefit directly from the disposal of land but all proceeds must be used for capital investment in educational assets in either the school itself or the maintained sector including schools outside the local authority area according to the Trust’s Memorandum and Articles and the trust school itself will not be able to profit from any such disposal;
 - 2.16.3 A trust school must inform the local authority of their plans to dispose of any non-playing field land;

- 2.16.4 Where local agreement cannot be reached on any of the above issues they are referred to the Schools Adjudicator for determination in accordance with the Regulations and Guidance;
- 2.17 Given the above and the number of schools that are now proposing to or have already converted to trust status it is requested that the Executive Board delegates approval to the Director of City Development or such other officer authorised by him to negotiate the detailed terms of the transfer of the freehold land and buildings to trust schools at less-than-best consideration on the following basis and in line with guidance from the DfE):
- 2.17.1 that the land being disposed of is required by the Trust and is held by the Trust for the purposes of the school in accordance with the Act and the Regulations;
- 2.17.2 that the trust school will obtain the freehold of the school site for nil consideration;
- 2.17.3 that the school will continue to be insured by the Council and recharge the cost of premiums.

3 Main Issues

- 3.1 Because there are many circumstances for sound reasons where dual use or non-use for school and other purposes have developed of both school properties and non school properties, clarity is required in understanding what assets are required to be transferred. The land or property to be transferred is defined above as 'all land *held and used* by the transferor immediately before the implementation date *for the purposes of the school*'. Taking 'land' to mean all land and buildings, this means that not only must the land have been acquired, appropriated or leased for education purposes, but also that it must have been in use by the relevant school when the governing body proposed to change category. Therefore land declared surplus before this date and land held for non-education purposes should be excluded from a transfer. However existing use arrangements in school or non-school land / property are expected to be honoured where there is dual use and should be formalised by a lease, licence or other contractual agreement.
- 3.2 Where land or buildings are not used or is underused, its capital value becomes very important and following transfer to a Trust, the Council's ability to recover all or part of it to support even educational priorities through the capital programme is very limited or non-existent. Except in the very specific circumstances mentioned above, the proceeds from disposal of surplus land which has been transferred will be restricted to the remaining school assets of the Trust. .

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 All consultations regarding the proposed Trust are undertaken by the governing body of the proposed trust school and it is for the governing body to decide upon a level of consultation which is deemed appropriate under the circumstances.

- 4.1.2 The governing body should inform the Council when it proposes to establish a Trust in order to commence the transfer process. When the Council is made aware it will inform the following:
- (a) the appropriate Ward Members for the area in which the trust school is situated:
 - (b) the Director of Children's Services and:
 - (c) the Executive Member for Children's Services
- 4.1.3 It is also proposed that a report be submitted by the Director of Children's Services to the Executive Board every six months identifying those schools where the Council has disposed of land as set out in this Report.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 From an Asset Management perspective the proposal has no specific implications for equality, diversity, cohesion and integration.
- 4.2.2 As the trust programme progress any equality issues which may arise will be addressed by Children's Services or the individual foundation trust concerned.

4.3 Council Policies and City Priorities

- 4.3.1 The conversion of a school to trust status will impact on the "Narrowing the Gap" and "Going up a League" agendas. Trust schools in Leeds have the potential to contribute to the targets to meet key priorities within the Children and young People's Plan and the work on the Local area Agreement.

4.4 Resources and Value for Money

- 4.4.1 Disposals at nil consideration are consistent with the Council's contribution to the delivery of the foundation trust scheme which is consistent with the educational policies and objectives of the Council.
- 4.4.2 Trust schools, as other mainstream schools, are dependent on funding from the local authority. Schools converting to trust status continue to form part of the educational provision across the city. One of the key changes when schools become trusts is the change in governance arrangements.
- 4.4.3 Trusts will have the ability to dispose of surplus assets on the condition that the funds are retained and reinvested in educational assets by the Trust. A Trust can have schools from across England and invest money raised by selling a school building in the Leeds area in a school within another city. Where the local authority objects to any disposal the matter may have to be referred to the Schools Adjudicator for resolution.
- 4.4.4 The Council will continue to insure the premises on behalf of a Trust and recharge the cost of premiums.

4.4.5 Trust status will enable the local authority to make savings from national non-domestic business rates paid for school premises. This is a ringfenced saving within the Dedicated Schools grant funding arrangements. As such this saving will be reallocated to schools through the formula funding arrangements.

4.4.6 A local authority cannot force a Trust to sell any surplus land or buildings to raise money

4.5 Legal Implications, Access to Information and Call In

4.5.1 Section 123 of the Local Government Act 1972 provides that, except with the consent of the Secretary of State, the Council shall not dispose of land, other than by way of a lease for seven years or less, for a consideration less than the best that can reasonably be obtained. Whilst that provision is overridden by the provisions of the Act it remains the case that disposals to schools converting to trust status will be disposals at less-than-best consideration for the purposes of the Council's policy on such disposals and will require Executive Board approval.

4.6 Risk Management

4.6.1 Whilst there is a risk that a trust school may fail at some point in the future, trust schools are supported by the local authority which cannot cease to fund them. If a trust school ceases to operate, the land and buildings will transfer to the governing body.

4.6.2 If a trust school is discontinued Schedule 22 to the School Standards and Framework Act 1998 empowers the Secretary of State to determine what happens to publicly funded land. In most cases, the land is returned to the local authority (or the proceeds from disposal), but there may be occasions where the Secretary of State might wish to direct its use by a particular school, including an Academy.

4.6.3 The ongoing financial arrangements and allocations between the local authority and a trust school will not change. The trust schools will continue to receive devolved formula capital administered by the local authority, and would be eligible for future phases of capital investment.

4.6.4 There is a concern that development of trust schools may make it more difficult for the Council as LEA to plan and implement the most effective education service from the available capital resources due to fragmentation of control of the assets.

4.6.5 If trust schools are able to generate more funding, the leverage of additional capital to address high levels of backlog maintenance would be welcome, but it is too early to say whether this is possible.

4.6.6 Where a trust school is part of a PFI contract the Council will endeavour to obtain an indemnity from the Trust in the transfer document in respect of the matters contained in the Project Agreement – but the Trust is not obliged to agree to this in line with the DfE guidelines. There is a risk therefore that if the Trust puts the Council in default of the Project Agreement the Trust will not be legally obliged to reimburse the Council for any compensation events etc.

5 Conclusions

- 5.1 The proposals set out in this report should be supported to enable the Council to meet its obligations under the Act

6 Recommendations

Executive Board is requested to:

- 6.1 Note the contents of this report
- 6.2 Authorise the Director of City Development or such other officer authorised by him to negotiate the detailed terms of the transfer of the freehold land and buildings to trust schools at less than best consideration

7 Background documents¹

- 7.1 There are no background documents to this report.

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

Trusts - Schools already converted

Name of School	Date of Conversion
East Garforth PS	2007
Micklefield C of E PS	2007
Ninelands PS	2007
St Benedict's Cath PS	2007
Strawberry Fields PS	2007
Boston Spa School	01/01/2010
Wetherby High School	01/02/2010
Allerton Bywater PS	01/04/2010
Brigshaw High School and Language College	01/04/2010
Kippax Ash Tree PS	01/04/2010
Kippax Greenfield PS	01/04/2010
Kippax North J and IS	01/04/2010
Swillington PS	01/04/2010
Austhorpe PS	01/07/2010
Colton PS	01/07/2010
Corpus Christi Cath PS	01/07/2010
Corpus Christi Catholic College	01/07/2010
Meadowfield PS	01/07/2010
Temple Moor High School Science College	01/07/2010
Templenewsam Halton PS	01/07/2010
Whitkirk PS	01/07/2010
Pudsey Grangefield School	01/03/2011
Cockburn College of Arts	01/07/2011
Hugh Gaitskell PS	01/07/2011
Middleton PS	01/07/2011
Westwood PS	01/07/2011
Bruntcliffe High School	01/03/2012
Priesthorpe Specialist Science College	01/07/2012



Report author: Sarah Sinclair /
Christine Addison
Tel: 50216 / 74233

Report of The Director of Children’s Services

Report to Executive Board

Date: 05 September 2012

Subject: Bankside Primary School Capital Project

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

Summary of main issues

1. In 2007 the then Education Leeds commenced a work programme to rebuild Bankside Primary School in Harehills as a new build 3FE primary school. The driver for the project was to provide permanent accommodation following an expansion of the school, which would also address suitability issues, replace temporary accommodation and make better use of a very tight site to provide better play space.

2. Education Leeds commissioned the Council’s Strategic Design Alliance (SDA) to deliver the project in two phases; Phase 1 being the construction of the new school and associated external works and drainage and Phase 2 the demolition of the existing school and completion of the remaining external works. The project was scheduled to start on site in March 2009 and be completed for July 2010, with work starting on site in July 2009 and completion achieved in September 2011.

3. The Design and Cost Report for the project that was submitted to Executive Board on 01 April 2009 gave authority to incur capital expenditure in the sum of £9,100,000 in respect of construction and fees. A commercial settlement of the final account was agreed in May 2012 which has resulted in a projected outturn of £10,693,495 (+£1,593,495). The final accounts are due in September 2012 following the conclusion of the defects period.

4. Following a review across directorates a number of key issues have been identified that led to the delays and extent of overspend with the project. These can be summarised as follows:
 - Governance. Insufficient clarity with regard to the membership, constitution and remit of the Project Board and the role of the Project Manager. This led to the Project Board getting involved in the detail of the project, rather than managing by

exception and providing the high level challenge required for a project of this nature;

- Although ADS had previously delivered a design winning primary school in Beeston (Bewerley), by the time of this project, weak senior management of the design team in ADS and lack of appropriate capability in ADS resulted in commitments being made to the project, both in terms of design capability and timescales that were unachievable. In this context, the design team switch from Jacobs to ADS part way through led to a lack of clarity and ownership of errors. ADS' weaknesses on this project was a driver for the establishment of the Joint Venture partnership with Norfolk Property Solutions (Leeds);
 - Insufficient independent check and challenge by the Project Board at the end of the important stages. For example, the lack of a clearly documented brief for ADS, progressing to detailed design and tender without a design freeze and robust cost plan, a reduction in the time allowed for design and production information and a reduction to the construction period;
 - Timescales were always tight and the further reductions to the programme approved put undue pressure on the design team. The outcome of this was that ADS could not cope with producing the information required at the appropriate stages of the project and costs were either based on poor information or not based on the correct level of information at the right time. This made cost control very challenging, delays and inevitably extensions of time and claims from the contractor.
 - Increasingly poor relationships between Education Leeds and ADS;
 - Poor change control processes, including reporting arrangements for approving changes and overspends.
4. Extensive reviews have taken place within directorates to determine the key issues that the project encountered. This included input from Internal Audit in July 2010 and the Public Private Partnerships Unit in the latter stages of the project. This learning has been incorporated into revised processes in Children's Services and other directorates to ensure the issues that led to overspend and delay do not happen again. This builds upon the positive changes that have already been put in place for the current Primaries Basic Needs projects and Eastmoor Secure Unit project and the lessons learnt from the successfully delivered Building Schools for the Future programme.
5. Key issues from lessons learned review are;
- a) The need to strengthen the client capacity and capability in Children's Services - partially achieved;
 - b) The need to increase ADS capacity and capability – being progressed via the joint venture with Norfolk Property Solutions;
 - c) For design and cost reports not to go to Executive Board until design freeze and costs understood – in place;

- d) Costing to be realistic with appropriate contingency to reflect any site constraints, rather than being budget capped – in place;
- e) Timescales to be realistic to achieve the delivery of the project rather than being led purely by school year deadlines which can often be unachievable – in place.

Recommendations

- 6. Executive Board is recommended to:
 - a. Note the content of the report which provides details of the issues that contributed to the overspend of £1.593m.
 - b. To give authority to spend £1.593m.

1 Purpose of this report

1.1 The purpose of the report is to:

- Advise Executive Board of the overspend on the capital scheme;
- Request Authority to Spend of £1.593m;
- Outline the key issues that the project encountered;
- Provide assurance to Executive Board on improvements made to prevent re-occurrence of issues that led to the overspend and delay do not happen again.

2. Background information

- 1.1 In 2007 Education Leeds commenced a work programme to rebuild Bankside Primary School in Harehills as a new build 3FE primary school, located on a very tight and difficult site.
- 1.2 The driver for the project was to provide permanent accommodation following an expansion of the school, which would also address suitability issues, replace temporary accommodation and make better use of a very tight site to provide better play space. The design incorporated 'transformational features' such as community parenting facilities, break out spaces, play decks and sustainability renewables such as a ground source heat pump and solar panels.
- 1.3 The Design and Cost Report that was submitted to Executive Board on 01 April 2009 gave authority to incur capital expenditure in the sum of £9,018,900.00 in respect of construction and fees.
- 1.4 The design and procurement of this scheme was commissioned through the Strategic Design Alliance (SDA), (the alliance between LCC's in-house Architectural Design Service (ADS) and the private sector partner Jacobs). Whilst there was involvement by Jacob's during the early stages of the scheme, the project has predominately been delivered by ADS.
- 1.5 Kier Northern were appointed on a traditional JCT lump sum form of contract under a two stage tender process to benefit the scheme from the contractor's early involvement.
- 1.6 The project was delivered in two phases; Phase 1 being the construction of the new school and associated external works and drainage and Phase 2 the demolition of the existing school and completion of the remaining external works. Half of the school was decanted into the former Fir Tree School during Phase 1, whilst the other half remained in the existing school.
- 1.7 Phase 1 was scheduled to start on site in March 2009 but did not in fact commence until July 2009. The contractor, however, confirmed that he would undertake to complete Phase 1 by the original completion date of July 2010 thereby reducing the original construction period from 16 months to 12 months. Phase 1 was delivered in May 2011 and Phase 2 completed in September 2011.

- 1.8 During 2010/11 the Audit and Risk Division's Project Assurance Unit reviewed the progress of the scheme and conducted a number of project assurance health checks.
- 1.9 In July 2010, an Internal Audit Report was produced by the Audit and Risk Division.
- 1.10 In November 2010, the Public Private Partnerships Unit (PPPU) was commissioned to:
- Determine the likelihood of the project being delivered to the then forecasted programme and budget;
 - Provide recommendations to ensure that the scheme was either delivered by the currently forecast programme and budget or ensure that any further delays and/or cost over-runs are mitigated as far as possible;
 - Present the options available to address the issues identified and implement the recommendations.
- 2.11 The findings of the project assurance health checks, Internal Audit Report and Public Private Partnerships Unit commission are summarised below in Main Issues.

2 Main issues

2.1 The key issues that the project encountered can be summarised as follows:-

2.1.1 Governance arrangements could have been strengthened:

- There was insufficient clarity with regard to the membership, constitution and remit of the Project Board. The Project Board would have benefited from either an independent chair and / or independent members from other directorates. This would also have ensured that the Project Board managed by exception rather than getting involved in the detail of the project.
- The role of the project manager was not fully understood and therefore this role was not fully delivered or recognised. Consequently, the project did not benefit from such a role. The appointment of an independent project manager would have benefitted the project.
- There was a lack of clarity with regard to the ADS' project team structure and the Design and Management team and therefore it was not able to interface properly with the Client and the Contractor. This was partly due to the transfer of design responsibility within the SDA during the early stages of the scheme, a high turnover of ADS' design team and changes in the ADS management team. However, there should have been adequate management systems in place in ADS to deal with these issues.

2.1.2 Roles and responsibilities were unclear throughout the project team. A roles and responsibilities matrix would have helped to ensure that all of the project team members were aware of their and others respective roles and responsibilities and that any gaps were filled. Unfortunately, this lack of clarity contributed to a number of the other issues such as lack of ownership and relationship issues, and which

lead to behaviours and attitudes which were generally reactive, rather than proactive.

- 2.1.3 At the time Education Leeds and the Council both followed different formal project management methodologies. Although the Delivering Successful Change (DSC) methodology had been implemented in the Council, at the time, Education Leeds had not yet implemented. However, throughout the project, Audit and Risk conducted project assurance health checks. The project would have benefitted from adhering to the DSC methodology.
- 2.1.4 There was insufficient check and challenge by the Project Board at the end of the important stages. This is particularly illustrated by the Project Board approval to progress to detailed design and tender without a design freeze and robust cost plan (at the end of RIBA Work Stage D). Furthermore, the lack of check and challenge also led to a reduction in the following design and production information stages (RIBA Work Stages E to G), which in turn led to design and tender and cost information not being to the appropriate level of detail for tendering (Design freeze was not until after construction had commenced and therefore tenders were sought without the benefit of a robust cost plan). In addition, the contractor agreed to a reduction of the original construction period from 16 months to 12 months. With the level of design information already being behind programme this put undue pressure on the design team during construction, with the outcome being that ADS could not cope with producing the information required by the contractor and costs were either based on poor information or not based on the correct level of information at the right time. This made cost control very challenging, delays and inevitably extensions of time and claims from the contractor. Again this decision should have been challenged and all its implications understood. All parties should have recognised the inherent risks in accepting a compressed programme. A more independent Project Board could have better challenged the decisions being made on programme.
- 2.1.5 The lack of a clearly documented brief for ADS from Education Leeds has, together with the other issues detailed in this report, led to a substantial number of client design changes and variations post contract. This was exacerbated by the lack of a design freeze, as there was a significant amount of outstanding design information, Education Leeds were not clear that their expectations were being met, leading to design / scope changes. A detailed design brief at the end of the feasibility stage (RIBA Work Stage B) and design freeze at the end of RIBA Work Stage D is key to the success of a project.
- 2.1.6 Change control could have been better managed by both ADS and Education Leeds. The reporting arrangements for approving changes and overspends were not clearly set out and therefore contract procedure rules and financial procedure rules were not fully adhered to. A change control process should be agreed at the start of the project, which should reflect contract procedure rules and financial procedure rules.
- 2.1.7 The necessary skills and capacity were not always available within the ADS team and this resulted in the design information not being co-ordinated, to the required quality or in a timely manner. There were also resourcing issues with ADS, despite additional fees being provided to support this purpose on four occasions. This was partly due to the transfer of design responsibility within the SDA during the early stages of the scheme, a high turnover of ADS' design team and changes

in the ADS management team. However, there should have been adequate management systems in place in ADS to deal with these issues.

- 2.1.8 Relationships, particularly between ADS and the Education Leeds were less than ideal from the outset of the project and this had an adverse impact on the project, particularly with regards communications between the three main parties, Education Leeds, ADS and Kier Northern. This prevented a cohesive approach to ensure the scheme was successfully and also manifested itself in SDA resource difficulties, as staff did not wish to work on the scheme. There was also evidence to suggest that relationship issues also existed within the ADS team. Strong relationships are key to delivering successful projects and this issue should have been addressed early on in the project.
- 2.1.9 There were concerns regarding the appropriateness and accuracy of design information, drawing version control, tender and contractual information and minutes of meetings. ADS should have had adequate management systems in place to deal with these issues.
- 2.2 This learning has been incorporated into revised processes in Children's Services and other directorates to ensure the issues that led to overspend and delay do not happen again. This will build upon the positive changes that have already been put in place for the current Primaries Basic Needs projects and Eastmoor Secure Unit project and the lessons learnt from the successfully delivered Building Schools for the Future programme. It should also build on the changes brought about by the transfer of Education Leeds to Children's Services, the formation of the joint venture with NPS Leeds and the commissioning of project management services from Public Private Partnerships Unit.
- 2.3 Key issues from lessons learned review are;
- a) The need to strengthen the client capacity and capability in Children's Services - partially achieved;
 - b) The need to increase ADS capacity and capability – being progressed via the joint venture with Norfolk Property Solutions;
 - c) For design and cost reports not to go to Executive Board until design freeze and costs understood – in place;
 - d) Costing to be realistic with appropriate contingency to reflect any site constraints, rather than being budget capped – in place;
 - e) Timescales to be realistic to achieve the delivery of the project rather than being led purely by school year deadlines which can often be unachievable – in place.

3 Corporate Considerations

3.1 Consultation and Engagement

- 3.1.1 Members were consulted fully in respect of the planned expansion of the school.

3.2 Equality and Diversity / Cohesion and Integration

3.2.1 The EDCI assessment was carried out in 2008 as part of the proposal to expand the school.

3.3 Council policies and City Priorities

3.3.1 The project contributes to raising standards and increasing educational attainment through the modernisation of school buildings. There is also improvement to facilities for play and sport promoting the healthy schools agenda and Child Friendly City. The provision of a community parenting facility contributes to working with communities and harmonious communities. Children have been consulted on the school design (through the DQI consultation framework) promoting 'developing the voice and influence of children'.

3.4 Resources and value for money

3.4.1 The Design and Cost Report for the project that was submitted to Executive Board on 01 April 2009 gave authority to incur capital expenditure in the sum of £9,100,000 in respect of construction and fees. A commercial settlement of the final account was agreed in May 2012 which has resulted in a projected outturn of £10,693,495.

3.4.2 The analysis below details the overspend of £1,593,495 after commercial settlement of the final account:

Construction Overspend (Commercial Settlement)	1,648,334
Additional Fees	150,911
Savings against decant elements of the project	-205,750
TOTAL OVERSPEND	£1,593,495

3.4.3 The above figures do not take into account any cost implications that may arise from the ongoing discussions around the ventilation strategy.

3.4.4 The overspend has been funded from £1,200,000 of contingencies set aside against Primary Capital Programme (PCP) Schemes, for which Bankside was a Pathfinder Project, and £393,495 of general Children's Services programme contingencies.

3.4.5 On 09 May 2012, Internal Audit reviewed the commercial settlement offered by Kier Northern and achieved an agreed reduction and commercial settlement of the final account. However, this was not a full review/ audit of the final account. At this point it was evident that this had only been partially substantiated by the QS and Internal Audit advised that another commercial settlement be offered where further substantiation could not be agreed. However, the QS confirmed that the costs incurred in delivering the project could be substantiated and in his opinion the account represented value for money for the work completed.

3.5 Legal Implications, Access to Information and Call In

- 3.5.1 This report does not contain confidential or exempt information and the decision is eligible for call in.

3.6 Risk Management

- 3.6.1 Risk management has been applied throughout the scheme. Whilst the defects period for phase two of the project concludes in September, with commercial settlement there are no known risks outstanding at this time, other than concluding discussions around the ventilation strategy.

4 Conclusions

- 4.1 Following extensive reviews within directorates it has been possible to outline a number of key issues that the project encountered resulting from the Internal Audit Report produced by the Audit and Risk Division in July 2010 and the involvement of the Public Private Partnerships Unit in the latter stages of the project. These have been summarised in this report.
- 4.2 This learning has been incorporated into revised processes in Children's Services and other directorates to ensure the issues that led to overspend and delay do not happen again. This will build upon the positive changes that have already been put in place for the current Primaries Basic Needs projects and Eastmoor Secure Unit. It should also build on the changes brought about by the transfer of Education Leeds to Children's Services, the formation of the joint venture with NPS Leeds and the commissioning of project management services from Public Private Partnerships Unit.
- 4.3 A commercial settlement has been agreed with Kier.

5 Recommendations

- 5.1 Executive Board is recommended to:
- a) Note the content of the report which provides details of the issues that contributed to the overspend of £1.593m.
 - b) To give authority to spend £1.593m.

6 Background documents¹

- 6.1 Report to SIB 24 February 2012
- 6.2 Audit Report

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

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Report of : Director of City Development and Director of Children’s Services

Report to: Executive Board

Date: 5th September 2012

Subject: Inspiring a generation: a sporting legacy for Leeds

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

Summary of main issues

1. Leeds based Olympians have enjoyed unprecedented success at 2012. The London games have captured the imagination of so many people and have, so far, delivered on their promise to “inspire a generation”.
2. But, delivering a lasting legacy is difficult. One of the most challenging aspects for any host city is to deliver a sustainable legacy, yet London 2012 was built on promises about a lasting legacy, not just for London but also nationally in terms of inspiring everyone, especially young people, to take part in sport.
3. Leeds has a proud tradition in sport and the collective efforts of all the key partners have helped create an environment where there are opportunities to take part and excel in their chosen sport. In fact, Leeds currently has one of the highest rates of participation of any local authority in the country, but there are challenges. Rates of sport participation differ hugely in the city and mirror health inequalities and more needs to be done to encourage those people from poorer backgrounds to take part and stay engaged in sport. Furthermore central government investment in school sport has decreased and the pressures on public finances are set to continue.
4. Work is underway to put the building blocks in place to ensure Leeds can capitalise on the momentum created by London 2012.

Recommendations

Executive Board is requested to note the content of the report and the following proposals:

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

1 Purpose of this report

- 1.1 For Leeds to build on the success of the London 2012 Olympic Games, and in particular the success of local and regional participants.
- 1.2 For Leeds to outline a strategy up to 2016 and beyond to leave a continuing legacy of the Games for the people of Leeds.

2 Background information

- 2.1 The London 2012 Olympics produced one of the greatest sporting spectacles the world has ever seen and illustrated the huge power of sport in bringing a nation together. The performance of Team GB was unprecedented, easily surpassing the British Olympic Associations initial medal target, achieving a haul greater than Beijing in 2008 and leaving the nation awestruck.
- 2.2 Yet for Yorkshire the success story was even greater winning 7 gold medals in total with Leeds based athletes picking up gold (2), silver (1) and bronze (1) medals.
 - Lizzie Armitstead collected the first Team GB medal; a silver in the road cycling,
 - Tri athlete Alistair Brownlee won a memorable gold in Hyde Park, followed closely by his brother Jonathan winning the bronze medal.
 - Nicola Adams became the first ever women's Olympic boxing champion.
- 2.3 The power of the Olympics was seen by 200,000 people watching the Torch relay days in the city, and the sight of Millennium Square being filled with people who wanted to welcome home our Leeds Olympians, along with the numbers who want their photograph taken alongside the gold post boxes now installed. Millennium Square has also been a focal point for those watching the Opening and Closing Ceremonies and for cheering spectators watching Team GB's successful games participants.
- 2.4 Leeds saw its biggest ever number of athletes and officials go to London 2012 Olympics and Paralympics with 29 people (23 athletes and 6 officials either from or based in Leeds), this was 3 times more than Athens in 2004. This forward momentum is best illustrated by our divers where the GB dive team included no less than 5 Leeds based divers out of the team of 12. Appendix 1 outlines the Leeds based team and their respective performances at London 2012.
- 2.5 Yet success does not come easily. It takes hard work, incredible dedication and a support system that enables the very best to succeed. Athletes at all levels need access to good quality facilities but as importantly also need the support of dedicated and well-trained volunteers and coaches. Volunteers and coaches are the lifeblood of sport at community and elite level.

- 2.6 The opportunity is there for Leeds to capture the momentum created by London 2012 as athletes start looking forward to Rio 2016 encompassing on the way the Rugby League and Union World Cups, and participation in the Glasgow Commonwealth Games. The city needs to use the power of sport to help shape communities and change people's lives for the good. For Leeds to be the "best city" and a "Child friendly city" then sport needs to be at the heart of that ambition, providing opportunities from grass roots sport to elite performers. A place where we celebrate our sporting tradition and achievements but also recognise the value of sport in making us healthier, increasing educational attainment, and engaging young people positively.
- 2.7 In addition to the above high profile future events, Welcome to Yorkshire are leading on an official bid to bring "le grand depart" of the 2014 Tour de France cycle race to this region, with two days of racing taking place in Yorkshire. Cycling events in the UK have never been as popular, and this year saw the first ever British winner of the Tour de France, Bradley Wiggins, with his fellow Brit, Chris Froome finishing second, and the same two won gold and bronze respectively in the Olympic time trial, whilst Lizzie Armitstead won silver in the Olympic women's road race, and the current road race men's world champion, Mark Cavendish, is from the Isle of Man. The 3 week long Tour de France, is one of the world sporting highlights of any calendar year. An announcement on the bid is likely to be made this October, and if successful a further report will be presented to Executive Board.
- 2.8 London 2012 set out to "Inspire a Generation" through sport and it has made a tremendous start, but Leeds now needs to harness this enthusiasm and through sport help make the city great. One of the most challenging aspects for any host city is to put in place a lasting legacy for the Games and London hopes to be the first city to deliver a lasting legacy programme. Further announcements may follow about legacy planning with Lord Coe already assigned the role of Legacy ambassador.
- 2.9 This report outlines the past and current sporting landscape in the city and looks forward by making some proposals that will provide a blue print for sport in the city for the future.

3 Main issues

- 3.1 Beyond the incredible achievements of our Leeds Olympians, Leeds is a successful sporting city with much to celebrate and be proud of. This is illustrated below;
- In the latest sport participation figures from Sport England's active people survey Leeds ranks 13th of all Local Authority areas.
 - 2 Universities with excellent sporting traditions.
 - 4 well supported professional sports clubs, including Leeds Rhinos, Leeds United, Leeds Carnegie and Yorkshire County Cricket Club
 - Leeds has a relatively high number of sports facilities compared to other cities. There has also been significant investment in state of the art sports facilities over the past 10 years across the city (e.g. John Charles Centre for sport, University of Leeds, Leeds Metropolitan University) that has also helped secure Leeds as a host city for the Chinese and Dutch Olympic teams and the Canadian Wheelchair Rugby Team.

- Over 900 sports clubs in the city with 124 now having achieved “Club Mark” a kite mark that represents high standards in the delivery of sporting opportunity. Colleagues in the Resources directorate are now investigating options for increasing rate relief to sports clubs in Leeds.
- Leeds has high levels of volunteering. Sport is the number one choice for all volunteering. 52% of adults who volunteer do so in sport. Colleagues in Adult Social Care are working on a programme to focus on the potential to volunteer of older people, disabled people, people with learning difficulties, mental health service users and other vulnerable adults, with the concept of “giving” associated with positive health and wellbeing, reduced mortality rates and providing a huge amount of social value, whilst also recognising that volunteering can also be a route into employment and community integration.

The principle of volunteering, linked to Games Makers, gives us an opportunity to replicate the London 2012 successes and build on our current network of volunteering at our own future events in the city.

- Leeds is recognised as having very strong tradition in disability sport having supported its development over many years. Leeds has 6 nationally recognised London 2012 Inspired Mark projects; more than any other local authority area.
- Aside from the talent of an athlete, a number of key factors contribute to enabling elite sports people to achieve- support from an individual’s family network; appropriate facilities; highly skilled coaches; funding; sports science and nutrition expertise to name a few. Leeds is fortunate to have a number of partners who are able to support the development of elite sports people such as National Governing Bodies of Sport, The Council, University of Leeds and Leeds Metropolitan University, community clubs, coaches and of course, individual athletes. It is crucial that partners are able to work together to enable the best use of resources; a particular issue is the financial challenges each of these organisations are currently experiencing.

3.2 However, despite this success there remain some significant challenges in securing a sustainable sporting legacy in the city. Furthermore, there remain large imbalances in the pattern of sport participation in the city with many more deprived communities significantly less engaged in regular participation than that of the more affluent areas. Some further key facts to consider:

- Public sector bodies are facing unprecedented levels of cuts to their budgets and many local authorities have front loaded budget reductions onto Leisure functions including sport services (source: Chief Leisure Officers survey 2012). The City Councils Sport and Active Lifestyles Service reduced its net operating budget by £2million between 2010/11 and 2011/12, yet marginally increased visits to leisure centres. Innovative approaches have been embraced to reduce costs yet improve outcomes for Leeds based sports people. This is well illustrated by the recent transfer of the City Performance Gymnastics programme where a new social enterprise has been created to run both performance and recreational gymnastics and who have developed a brand new Gymnastics centre in East Leeds, open to all, and also the transfer of Bramley Baths via a Community Asset Transfer from January 2013.

- Leeds has been very successful in securing funding for new leisure facilities. In addition to developments at John Charles Centre for Sport, Leeds has seen new leisure centres open at Armley and Morley, as well as seeing a new Pool and gym being developed at the University of Leeds, “The Edge”. Furthermore developments continue with a new state of the art integrated leisure and adult social care facility due to open in 2013 at Holt Park as well as significant improvements being made at Middleton Leisure centre. Despite this significant investment in the city leisure centres (through the vision for leisure centre programme approved at Executive Board in 2008), more still needs to be done with the remaining older buildings that are showing their age and requiring significant levels of capital investment to meet modern day customer expectations. Opportunities for investment continue to be explored.
- Health inequalities across the city are increasing, the health cost of inactivity in Leeds is estimated to be £10.1 million each year.
- Despite the investment in school games there has been a significant reduction in the level of funding for school sport by central Government, with a further risk that current funding for teacher release posts may also be withdrawn next year. (The Government has said it will review its position)
- Sport helps improve educational attainment. Numeracy scores can be 8% higher than those who are non-participants.
- The City has a strong local sport partnership called “Sport Leeds”. This partnership helps focus the collective efforts of all the partners and shape the strategic direction of sport in the city. The existing strategy “Taking the Lead” expires this year and consultation has already begun to set out priorities for the years ahead.

3.3 Funding of Sport. It is important to briefly understand the funding of sport in order to help shape future thinking. Local Authorities collectively invest significant amounts of funding into sport, especially relating to the provision of swimming pools, leisure centres and playing pitches at a net 2012/13 cost to Leeds of £6.2m. Sport is a non-statutory function and has had to rely on cost cutting and income generation as a means to balance increasingly difficult financial targets. The Sport and Active Lifestyles service is at somewhat of a cross roads as fees and charges are near private sector levels. As with many local authority sport services the role of their leisure centres and pools is a challenging one with the risk of rising fees challenging the very purpose of the service should it alienate those people who need the service most. The service is therefore exploring ways that access can be widened to those that need it the most.

The free swimming initiative that was introduced in April 2009 (and then withdrawn by Government in July 2010) proved to be most successful in areas of high deprivation; with Leeds seeing junior swimming more than doubling at Fearnville (+123%), Middleton (+124%) and the Aquatics centre (+114%), compared to rises of 36% at Aireborough and 34% at Wetherby.

- 3.4 The other main funder of sport is Sport England. Despite pressures on public finances Sport England have secured considerable funding from the national lottery for community sport. **Sport England has produced its new strategy “A Sporting Habit for Life: 2012-2017”**. £1bn worth of funding will be invested into Sport over the next 5 years. Each National Governing Body (eg Badminton England/Amateur Swimming Association) has to put forward a “whole sport plan” that will outline their proposals for increasing sport participation across England. Each sport’s whole sport plan will be assessed and funding allocated (from a pot of £0.5bn) towards the end of 2012. Sport England have moved to a system of payment by results and therefore NGBs are seeking to find the best ways of increasing participation at community level. The NGB funding covers revenue and capital allocations. There are other funding pots covering capital schemes and other initiatives such as street sport, health pilots, access to school facilities, and doorstep clubs, the details of which are being developed. The whole sport plans will deliver the following;
- A growth in participation in 14-25 year olds
 - A growth in participation in adults
 - An excellent sporting experience for existing participants
 - High quality talent identification, creating strong pathways into elite programmes of UK Sport
 - A growth in participation of those that have disabilities and those with talent.
- 3.5 Of interest to Leeds is that the Head of Service in the Sport and Active Lifestyles service has been directly engaged with Sport England at a national level in the development and implementation of the NGB whole sport planning process. This has now culminated in the possibility of Leeds being used to pilot new ways of working in terms of delivering NGB participation programmes on the ground, with most of the big sports wanting to work in the city (and other core cities). It is early days yet but discussions have been positive and Sport England have been very supportive of Leeds overall approach to the development of sport in the city.
- 3.6 **A New sport strategy for Leeds.** The new Sport Leeds strategy is now taking shape and is designed specifically to build on the momentum generated by London 2012 Olympic and Paralympic Games. A consultation exercise has recently been undertaken with key stakeholders to help shape the production of a first draft strategy. The draft aims are summarised below;
- Having excellent city leadership and partnerships that allows grass roots sport and active lifestyles to flourish leading to increased participation;
 - Great Place to Achieve your Best in Sport;
 - To embed the power of Sport and Active Lifestyles as a means to deliver key city outcomes such as tackling health inequalities and improving education etc;
 - Widening access to ensure the most underrepresented groups can increase access to sporting opportunity;

- Develop a sustainable infrastructure for Sport and Active Lifestyles through:
 - a) Great places to play;
 - b) Great people to coach motivate, support and volunteer;
 - c) Having excellent market intelligence/insight with which to do the right things, do them well and let the right people know about it.
- Be smarter in terms of connecting the right opportunity with the right people, using market insight and social media.

3.7 The draft strategy recognises the huge steps forward Sport has taken over the last 6 years. Whilst the City Council has a strategic lead role, sport and “being active” is delivered by a huge range of stakeholders across the city ranging from Universities and schools, to community groups, but as highlighted in the recently published “Commission on the future of Local Government”, it is the role of Councillors to be civic entrepreneurs in providing civic leadership to enable and support the work of others and this can happen through our lead role in promoting sport in the city.

As an outcome, the Council will take the lead in organising a Leeds Sporting Summit and invite sports groups, third sector and business from across the city.

3.8 The draft Strategy has proposed that Leeds be “ The most Active big city in the UK”. The strategy is designed to support a number of key city outcomes such as:

- A Child Friendly city, choosing healthier lifestyles, addressing childhood obesity, having great sporting opportunity for young people to take part and excel;
- Best City for health and well being, focusing on everyone having active and healthier lifestyles. Showing that taking part in activity offers excellent value for money in terms of public health interventions;
- Best City for Business. By investing in sport it makes Leeds an attractive place to live and work;
- Best City for communities. Sport positively engages people, helping to reduce crime and support community cohesion.

3.9 The feedback from the consultation session was encouraging and some key issues emerged.

- The overall direction of travel was supported;
- There needed to be a greater alignment to health and well being, getting the inactive active;
- There was the need for a big idea to create step change, capture peoples imagination and help address the participation inequalities;
- A need to build on some excellent relationships with national governing bodies of sport who want to work directly in Leeds and who have funding to support sports development programmes at grass roots and excellence levels;

- School sport requires sustained investment (from Government) and the fragmentation of schools away from Local Authority control is making it harder to coordinate effort and links with community clubs.

3.10 **Future Proposals.** Clearly much is already happening however, there remain major challenges as well as opportunities to drive improvements in the sporting landscape in the city. Models of best practice are being considered including discussions with Birmingham City Council whose “Be Active” Programme has received many plaudits. Their scheme is funded directly with funding from their PCT and supports free access to sports and fitness sessions in leisure centres, parks and community settings. It has transformed the profile of customers accessing services and now has 350000 active members from a population of 1.1m. The scheme has been proven to provide health benefits of over £21 for every £1 invested. Whilst Birmingham enjoy a greater spend per head of public health funding compared to Leeds it is still considered worthwhile exploring what might be possible from a Leeds perspective.

3.11 The following proposals are suggested as a way forward;

In the Short Term

- Continue to develop the new city sport and active lifestyles strategy and support the aspiration of Leeds being the most Active City in England.
- That further investigations are made in relation to the implementation of a similar scheme to the Birmingham Be active scheme, with funding from the PCT, and in consultation with the Director of Public Health.
- That the emerging Health and Wellbeing strategy makes explicit reference to the value of being active, with the principal strategy being “the poorest improve their health the fastest”.
- Consult with the Leeds public on how best to celebrate the achievements of our Olympians and Paralympians, and then establish an Olympic legacy fund of £100,000 annually, with details to follow.
- To continue to support the development of disability sport and voluntary sector sport provision.
- Develop proposals for sustainable school sport, building on the school games but also focussing on school to community club links.
- Promote and recognise young people’s sporting excellence and effort by including sports awards in the Child Friendly Leeds Awards in Summer 2013.
- A Leeds Sporting Summit as described in paragraph 3.7
- Via the Leeds healthy schools team build on Olympic legacy by building proposals into the new ‘2012 School Health Check’ and ‘Healthy Schools Plus’, award programmes, aiming to improve levels of physical activity, healthy eating and emotional health of our children and young people.

- Continue to recognise sporting achievement, by continued support for the city sports awards and encouraging our high achievers to be ambassadors for sport in Leeds.
- It is also vital to enable those not immediately drawn to sport to enjoy the opportunities it offers. A great example of this is Spirit Alive. Created in Leeds for whole school engagement in the Olympics it has proved a huge success. With additional funding for £60,000 from Children's Services this year almost all schools took it up. It enables the young people to take the responsibility for running their own Olympics or Paralympics developing business and sporting skills as well as creativity. From opening to closing ceremonies children with a wide range of skills and interests can be fully engaged. It is recommended that support to this continues especially as the 2013 Rugby League World Cup approaches, the potential of the Tour de France in 2014 and Rugby Union World Cup in 2015 providing real events for them to build events around Corporate Considerations.
- Continue to work with Sport England to develop new ways of working and a possible "place pilot" developing Leeds based programmes with key National Governing Bodies.
- Engagement - Attracting people to get involved and try their hand at a range of sport is vital to them finding one that fits their skills, abilities and interests. The city must continue to provide a wide range of pathways, particularly for young people, not just to the mainstream sports but to the wide range that make up the Olympics and Paralympics. Events such as Breeze on Tour, Backyard Breeze are great examples of this. Sport makes an important contribution to worklessness agenda engaging those who struggle to find work often helping them to refocus and reconnect with a better quality of life. Many of the stories coming out of the Olympics reinforce this vital role and the strategy will build on current relations in this area.
- For the Sport Leeds partnership to make its pledge to support Child Friendly Leeds by organising events across the city to bring together schools and sports clubs. These opportunities can be used to inform the review of school sports partnership

In the Medium Term

- Work with Leeds Community Health Trust and Clinical Commissioning Groups to help make improvements to the existing city wide exercise/physical activity referral processes.
- For the Sport and Active Lifestyles service to continue to develop excellent partnerships with adult social care and linking into active ageing programmes.
- Maximise the opportunities provided by the profile of the Olympics/Paralympics, the Child Friendly Leeds initiative and the manifesto of the Young Mayor to engage partners in business, voluntary and public sector to promote sport for young people.
- To explore ways of increasing access to school sports facilities for community sport.

- Sporting infrastructure - Sports Leeds have led the way in encouraging effective management of clubs and organisations to support a wide range of sports and this work needs to continue. In preparation for the Rugby League World Cup in 2013 the city has committed to develop its grassroots rugby and this work needs replicating across many sports. We need businesses to buddy with local clubs giving not only some financial support but help in developing business skills. The cultural network website is working with clubs to better market their activity but again more needs to be done here.
- A strong and successful commitment to sport in schools - led by the work of Leeds School Sport Partnerships, supported by better links between schools and local sports clubs and significant investment in sports facilities in schools through Building Schools for the Future and other investment by the Council

In the Long Term

- Premises - Quality facilities are the bedrock of building a strong sporting offer. The city has made great strides in this and needs to maintain this momentum, seeking opportunities for replacing and remodelling the older buildings and seeking new partnerships in provision.
- That future sporting events (eg 2 Rugby world cups and the 2014 Glasgow Commonwealth Games) are used to engage and inspire young people through schools and community setting, both through sport and wrap around cultural initiatives such as “Spirit Alive”.

In addition to those future sports events in paragraph 2.6, Leeds has now also progressed an application to be a host for the 2016 Rugby Union Junior World Cup.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The new city sport strategy is in the process of being consulted upon. Other proposals would be subject to further discussion and consultation with stakeholders and Executive Board members.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 This report was screened on 14th August 2012, concluding that the proposed strategy (way forward) is specifically designed to help reduce health inequalities, one of the Council's (and Sport's) key aims. It highlights the fact that although Leeds is probably the most active big city in the UK, there are still large pockets of unhealthy inactivity in the less-advantaged communities in the city. This strategy is trying to target these areas, building on recent positive improvements.
- 4.2.2 As Equality and Diversity / Cohesion and Integration considerations are integral to this report, the screening concluded that a separate impact assessment is not required at this point. As specific proposals are developed there may be a need for further consultation, screening and specific impact assessments, as appropriate.

4.3 Council policies and City Priorities

- 4.3.1 The overarching vision for 2030 is that Leeds will be the best city in the UK. This means all Leeds' communities will be successful, including those who are currently less active and suffer poorer healthy life expectancy.
- 4.3.2 City Development has as a priority to "Develop the city's cultural events and facilities including changes to sports centres and libraries", and a key performance measure is "To maintain visits to sports centres". This report directly addresses these priorities.

4.4 Resources and value for money

- 4.4.1 The controllable revenue budget for Sport & Active Lifestyles is now £6.2 million a year; net expenditure having been reduced by £2 million in 2011/12. Careful management and timing meant that visits to council leisure centres actually increased slightly in 2011/12 compared to 2010/11, as customers switched to newly opened facilities at Armley and Morley and adapted positively to reduced hours at Garforth, Bramley and Middleton.
- 4.4.2 Average net cost per visit to council leisure centres fell from £1.34 in 2010/11 to £1.07 in 2011/12. Leeds has the third lowest cost of sport per head of population of the 8 core cities of England (CIPFA\Resources Directorate July 2012), with the best / highest level of adult participation (Sport England 22nd June 2012).
- 4.4.3 One of the savings in 2011/12 was to consolidate East Leeds and Fearnville into the better positioned site, closing East Leeds. However, the Fearnville site remains in urgent need of replacement or refurbishment (as in the 2008 Vision for Leisure Centres) and is the service's highest priority for capital funding. Usage there has increased (and at John Smeaton) since East Leeds closed, but Fearnville still has capacity at certain times in the pool, sports hall and small gym. The direct subsidy per visit at Fearnville was £1.44 in 2011/12, the 8th highest out of 20 sites. It would be an ideal site for pilot schemes to widen access to sport, particularly as there are other council regeneration initiatives in the area.
- 4.4.4 The resources available nationally via Sport England were referred to in paragraph 3.4 earlier, and we now need to work with the National Governing Bodies of sport such as, athletics, cycling, gymnastics, swimming, football and rugby and focus on joint programmes of development and participation in order to attract our fair proportion of these resources.

4.5 Legal Implications, Access to Information and Call In

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

4.6 Risk Management

- 4.6.1 Probably the biggest risk around a strategy of this sort is to commit a lot of capital or revenue resources into facilities (such as swimming pools or gyms) or programmes which focus on activities which then suffer a sharp decline in popularity, or which other providers provide better or more cheaply (e.g. five-a-side and budget gyms).
- 4.6.2 To mitigate this risk the service is connecting to the latest research into trends by sport governing bodies and Sport England.

5 Conclusions

- 5.1 The City has much to be proud of. Its sporting reputation has been significantly enhanced by the fabulous achievements of its athletes throughout the Olympic Games and we look forward to similar achievements in the Paralympics.
- 5.2 There remain however major challenges in ensuring that a genuine sporting legacy from London 2012. The foundations are in place for further success but it will require continued investment from all the key stakeholders including the City Council. The power of sport has been centre stage for 2 glorious summer weeks and the city must embrace its potential in helping to meet its goals.

6 Recommendations

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

7 Background documents¹

- 7.1 Sport England Strategy 2012-2017
- 7.2 EIA Screening Form

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

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LONDON 2012 OLYMPIC AND PARALYMPIC GAMES - THE LEEDS ROLE OF HONOUR**IN THE POOL****1. Sarah Barrow - 10m Synchronised platform**

Sarah continued her good form with impressive performances at the recent diving championships in Sheffield, putting in Olympic medal standard scores on the synchronised dive with partner Tonia Couch.

Dates to watch: 31st July

RESULTS = 5TH PLACE

2. Alicia Blagg - 3m Synchro

Just 16, Alicia heads to London already having gained experience of international competition finishing 4th and 8th at the 2010 Delhi Commonwealth Games. Alicia won gold at the recent British championship and finished fifth at the Europeans

Dates to watch: 29th July

RESULT = 7TH PLACE

3. Claire Cashmore - Disability swimming (various disciplines)

Claire is bronze medal holder from Beijing 2008 and 2 gold and 2 silver from the 2009 World Championships in Rio. Claire holds the world record for 100 IM (short course) as well as the team world record for the 4 x100 medley relay (long and short course).

Dates to watch: 30th August

4. Rebecca Gallantree - 3m Synchro and 3m individual springboard

Rebecca, 27, already has Olympic experience, competing in Beijing 2008. Rebecca looks to improve on her fantastic top 10 performances at the European Championships this May

Dates to watch: 29th July and 3rd-5th August

RESULT = 7TH PLACE IN SYNCHRO, 18TH IN INDIVIDUAL WITH A SCORE OF 267.10

5. Jack Laugher - 3m Springboard

Aged 17 Jack's performance at the Sheffield championships saw him take the British champion crown. He heads into the Games having made a successful transition to senior competition over the last 12 months and recently improved upon his personal best

Dates to watch: 6th and 7th August

RESULTS = FINISHED 27TH AND DID NOT MAKE FINALS

6. Adam Scholefield - Water polo team

The Leeds lad has successfully made it to the Team GB squad as one of Britain's top centre forwards and is currently in Dublin at a holding camp. Adam plays for a Hungarian club side and is used to international competition.

Dates to watch: rounds start 29th July, gold medal match 12th August

RESULT = DID NOT PROGRESS BEYOND GROUP STAGE

7. Ed Scott - Water polo team

Ed is valued for his goalkeeping role and helped the team achieve a best ever fourth place at the 2009 European B Nations trophy event.

Dates to watch: rounds start 29th July, gold medal match 12th August

RESULT = DID NOT PROGRESS BEYOND GROUP STAGE

8. Hannah Starling - 3m Springboard

Hannah makes her Olympic debut having impressed at her debuts at both the World and European Championships. Hannah won Bronze at the recent British championships and is constantly improving her performance as we gear up for London 2012

Dates to watch: 3rd – 5th August

RESULTS = NARROWLY MISSED OUT ON A PLACE IN THE FINAL BY 0.75 POINTS, FINISHING IN AN AGONISING 13TH PLACE (FIRST 12 INTO FINAL)- SCORE 313.95

ON THE ATHLETICS TRACK

9. Hannah Cockroft - Wheelchair sprinter.

As the world record holder over four distances Hannah has been training well for this summer. Hannah is originally from Halifax and trains in Leeds. She is currently in London for the Paralympic Team GB launch.

Dates to watch: 31st August

10. Johanna Jackson - 20km Racewalk

The reigning commonwealth champion in the 20km racewalk Jo has her sights firmly on a top 8 place this summer. Jo trains at Leeds Metropolitan University and has Olympic experience from Beijing 2008

Dates to watch: 11th August

11. David Webb - Marathon

Dave trains and lives in Leeds where he works as a chartered accountant. He was selected to represent Team GB as one of three men in the marathon after an impressive finish at the South Korea World Championships. Dave did not compete in April's London marathon in order to focus on the Olympics

Dates to watch: 12th August

RESULTS = WITHDREW AHEAD OF RACE WITH A STRESS FRACTURE

12. Laura Weightman - 1500 metres

Competing at her first Olympics, Geordie born Laura trains at Leeds Met and is under the expert guidance of Steve Cram. Laura secured her qualification and became national champion at the recent Aviva trials, after being nurtured through the 'On camp with Kelly' scheme set up by former Olympic gold medallist Dame Kelly Holmes

Dates to watch: heats 6th and 8th August, medal events 10th August

RESULTS = QUALIFIED FOR THE FINAL WHICH IS ON FRIDAY

ON THE ROADS

13. Lizzie Armitstead - Road and track cycling

The Otley born racer is a cycling success story within Team GB. A silver medal winner from the Commonwealth Games 2010 Lizzie will head into the London games with confidence.

Dates to watch: 29th July (road race) and 1st August (individual time trials)

RESULT = SILVER MEDAL IN ROADRACE, 10TH PLACE IN TIME TRIAL

14. Alistair Brownlee - Triathlon

World Champion in both 2009 and 2011 and ranked world number 1 Alistair has worked hard to come back from a recent injury scare to be ready to take on the best in Hyde Park this summer.

Dates to watch: 7th August

RESULTS = GOLD MEDAL

15. Jonny Brownlee - Triathlon

competing alongside his brother, Jonny has had a fantastic lead in to the Games coming first in both the Madrid and San Diego World Triathlon series this May. We will watch eagerly as the brothers battle it out for position

Dates to watch: 7th August

RESULTS = BRONZE MEDAL

16. David Stone MBE – Disability cycling

David is already a double gold medal winner from Beijing 2008 and will be keen to defend his titles on home soil this summer. He is in great form heading into the Games, having finished 4th in the road race and 2nd in the time trial at last year's World Championships.

Dates to watch: 5th and 7th September

IN THE RING

17. Nicola Adams - 51kg Flyweight boxing

Nicola comes into her Olympic debut in fantastic form and has already made history as the sport itself makes its debut in London. Having won silver in the recent World Championships in China Nicola's sights are set firmly on medal positions

Dates to watch: rounds 5th and 6th and 8th August, medal fights 9th August

RESULTS = GOLD MEDAL

OTHER EVENTS

18. Gareth Evans - 69kg Weightlifting

Gareth is making his Olympic debut, after coming third in the Commonwealth Championships in South Africa. He began lifting aged 12 in Scotland and has gone on to perform consistently well, training at the Leeds Met High Performance Centre

Dates to watch: 31st July

RESULTS = CAME 8TH IN GROUP B, WITH BEST LIFT OF 158Kg, giving a total of 288Kgs

19. Debbie Flood - Women's quadruple scull rowing

After gaining silver medals in both Athens 2004 and Beijing 2008 Debbie is aiming to go one better this year. Debbie is originally from Guiseley and now trains in Berkshire where she will complete her Olympic preparations

Dates to watch: heats 28th and 30th July, medal events 1st August

RESULT = 6th PLACE

20. Ali Jawad-56kg - Paralympic powerlifting

Former World and European junior champion, this is Ali's second Paralympics. He used to compete in Judo as well but now concentrates solely on lifting

Dates to watch: 31st August

21. Jack Oliver - 77kg Weightlifting

Jack achieved a personal best at last year's World Weightlifting Championships in Paris and is in fine form heading into the Games. Jack trains at the Leeds Met High Performance Centre

Dates to watch: 1st August

RESULTS = 4TH IN GROUP B (non-medal contending group) lifting 140 in the snatch, 170 in the C&J, giving a total of 310kg

22. Natasha Perdue - 69kg Weightlifting

Natasha makes her Olympic debut this summer following in the footsteps of her late father Terry. Natasha is originally from Swansea but now lives and trains in Leeds and, until very recently, worked here at the Council.

Dates to watch: 1st August

RESULTS = 12TH IN GROUP A FINAL, LIFTING 92 IN THE SNATCH AND 113 IN THE CLEAN AND JERK, GIVING A TOTAL OF 205

23. Micah Richards - Football

The Manchester City superstar, originally from Leeds, is topping off a fantastic season as Premier League champion by being selected as one of the three over 25 players by Stuart Pearce to represent Team GB

Dates to watch: group stages 26th July – 7th August, medal events 11th August

RESULT = LOST ON PENALTIES TO SOUTH KOREA IN QUARTER FINALS

Report of the Director of Resources

Report to Executive Board

Date: 5th September 2012

Subject: Financial Health Monitoring 2012/13 – Month 4 report

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

Summary of main issues

1. The purpose of this report is to inform members of the financial health of the authority after four months of the financial year in respect of the revenue budget and the housing revenue account.
2. Action is taking place across all areas of the Council to ensure that the budget is delivered and it is clear that significant savings are being delivered in line with the budget, but nevertheless at this stage of the financial year an overall overspend of £2.0m is projected compared to £1.1m reported at the end of the first quarter. Detailed directorate reports are included at Appendix 1.
4. Members are asked to note the projected financial position of the authority after four months of the financial year together with the impact on reserves should directorate spending not be maintained within approved estimates.
5. After four months the HRA is projecting a surplus of £0.6m.

Recommendations

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

1. Purpose of this report

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

2. Background information

- 2.1 Members will recall that the net budget for the general fund was set at £563.1m, supported by the use of £6.9m of general fund reserves and the level of general fund reserves at 31st March 2013 was estimated to be £17.1m.
- 2.2. Following the closure of the 2011/12 accounts, an underspend of £1.5m was achieved and the year end reserves position was £25.5m. This figure could change if there are any significant events which occur prior to the sign off of the 2011/12 accounts by external audit. Any variations will be reported to the Corporate Governance and Audit Committee as part of the approval of the final accounts and reported back to this Board as part of the half year financial health report.

3. Main Issues

- 3.1 After four months of the financial year an overspend of £2.0m is projected, as detailed in Table 1 below.

Table 1

Directorate	Director	(Under) / Over Spend for the current period					Previous Month (Under) / Overspend
		Staffing £000	Other spend	Total Expenditure £000	Income £000	Total Under /Overspend £000	
Adult Social Care	Sandie Keene	116	1,525	1,641	(1,631)	10	49
Children's Services	Nigel Richardson	(1,101)	3,805	2,704	(2,542)	162	(41)
City Development	Martin Farrington	273	1,280	1,553	(321)	1,232	664
Environment & Neighbourhoods	Neil Evans	(215)	714	498	125	624	402
Resources	Alan Gay	832	6,108	6,940	(6,992)	(52)	(3)
Legal Services	Catherine Witham	(34)	55	21	(21)	0	(0)
Customer Access and Performance	James Rogers	31	(30)	1	(1)	0	0
Total		(99)	13,457	13,358	(11,382)	1,976	1,071

- 3.2 Full details of directorate variations and proposed actions to help achieve a balanced budget are attached at Appendix 1.
- 3.3 There are continuing pressures in City Development and Environment and Neighbourhoods. The increase in City Development costs from the first quarter mainly relates to energy and a projected shortfall in advertising income. In addition,

although external residential placements within Children's Services are forecast to underspend, this is partly offset by an increase in the cost of the in house fostering service.

- 3.4 Given the early stage of the financial year, it should be noted that the delivery in full of all budgeted savings and income targets does still carry a degree of risk. Work will continue within all directorates to help ensure that a balanced budget is achieved at the year end.

3.6 Other Issues

- 3.6.1 The DfE has determined to amend its proposals regarding the Local Authority Central Spend Equivalent Grant (LACSEG) for 2011/12 and 2012/13 following an earlier consultation. Following consultation around the 2012/13 calculation, the DfE has changed the methodology and also backdated it to 2011/12. For Leeds £737.7k will be refunded as an unringfenced grant, and depending on the actual Academy conversions between now and 31st March 2013 Leeds could receive a similar (potentially larger) rebate for 2012/13, based on current known conversions. If any of them slip the refund will increase, if there are additional academies it will of course decrease. It is proposed at this stage to transfer these rebates into reserves.

4. Corporate Considerations

4.1 Consultation and Engagement

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

4.2 Equality and Diversity / Cohesion and Integration

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

4.3 Council Policies and City Priorities

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

4.4 Resources and Value for Money

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

4.5 Legal Implications, Access to Information and Call In

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

4.6 Risk Management

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

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

Corporate Rating

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

4.6.2 The register shows that at the end of month 4 there are still no very high risks, five high risks and no increasing risks, as follows:-

Risk	Key Budget Impacted	P	I	Rating
Procurement savings for residential & nursing placements may not be fully achieved	Adult Social Care Commissioning	5	3	High
The increase in the fostering budget (£7.3m) may not be sufficient to meet demand. In addition, slippage on the budgeted action plan around recruiting additional in-house carers and reducing the use of externally provided IFA placements may not be achieved.	Childrens Safeguarding & Targeted	3	3	High
Capital receipts available to pay credit arrangements	Cross Cutting - All	2	5	High
Efficiencies and savings to delivered to repay the Reserve funding from 2011/12 (£1,589k)	E and N Strategy & Commissioning – S People	2	4	High
Section 278: Risk that due to economic climate, receipts may not pick up.	Cross Cutting - All	2	4	High

5. Recommendations

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

6 Background documents¹

- 6.1 Revenue Budget and Council Tax 2012/13 – report to Executive Board 10th February 2012
- 6.2 Budget report 2012/13 to Council 22nd February 2012
- 6.3 Financial risk register 2012/13

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

Directorate Adult Social Care

Traffic Light	Service	Chief Officer	(Under) / Over Spend for the current period											Previous Month	
			Staffing £000	Premises £000	Supplies & Services £000	Transport £000	Internal Charges £000	Payments to External Bodies £000	Transfer Payments £000	Capital £000	Appro- priations £000	Total Expenditure £000	Income £000	Total Under /Overspend £000	(Under) / Overspend £000
G	Access & Inclusion	Chief Officer Access and Inclusion	(508)	22	18	315	22	816	(755)	0	0	(69)	(870)	(939)	(412)
R	Strategic Commissioning	Deputy Director Strategic Commissioning	68	0	0	0	21	489	0	0	0	578	(72)	506	438
G	Resources	Chief Officer Resources & Strategy	(102)	(5)	0	(1)	(3)	0	0	0	0	(111)	(174)	(285)	(78)
R	Learning Disabilities Service	Chief Officer Learning Disabilities	657	45	(176)	16	752	100	(151)	0	0	1,243	(515)	728	101
G	Total		116	62	(158)	330	792	1,405	(906)	0	0	1,641	(1,631)	10	49

ADULT SOCIAL CARE DIRECTORATE: 2012/13 BUDGET – PERIOD 4 REPORT

1.0 Introduction

This report sets out the financial position for the Adult Social Care directorate for Period 4.

2.0 Overall Summary

The Adult Social Care Directorate is projecting a balanced position overall at Period 4. However, the delivery in full of all budgeted savings carries some risk and cannot yet be confirmed. Updated information will be provided in later reports as the position becomes clearer. The directorate continues to seek contingency savings so that the impact of any shortfall can be mitigated.

3.0 Explanation of the Projection

The main variations are explained below:

- **Community Care Packages – (£0.2m)**
Work has progressed well on the review of residential and nursing placement fees. Although there will be some shortfall in the budgeted reduction in fees, placement numbers approved in 2012/13 have been in line with the budget. The budgeted growth in the number of people choosing to receive a cash payment to organise their services is not yet evident in the expenditure trends, but this is offset by higher than budgeted numbers of people using independent sector home care.
- **Transport – £0.8m**
The Passenger Transport Service is projecting some increased costs for Adult Social Care. There has been an initial review of the client data supporting the projections and a significant proportion require further investigation. This further review is ongoing with Passenger Transport. The achievement of some budgeted savings has not yet been confirmed and this is also under review to identify any further actions that need to be taken.
- **Income – (£1.0m)**
This mainly reflects the ongoing trend of higher income collection through the impact of the centralised billing team that became operational in 2011/12 and lower than budgeted voids in older people's residential homes.

Directorate Children's Services

Traffic Light	Service	Chief Officer	(Under) / Over Spend for the current period										Total Under /Overspend £000	Previous Month (Under) / Overspend £000	
			Staffing £000	Premises £000	Supplies & Services £000	Transport £000	Internal Charges £000	Payments to External Bodies £000	Transfer Payments £000	Capital £000	Appropriations £000	Total Expenditure £000			Income £000
R	Partnership Dev & Business Support	Chief Officer of Partnership Development & Business Support	(87)	0	173	(2)	12	(20)	0	0	0	76	(10)	66	(107)
G	Learning, Skills & Universal Services	Deputy Director of Learning, Skills & Universal Services	(1,298)	76	122	(9)	214	631	0	0	0	(265)	103	(163)	0
R	Safeguarding, Targeted & Specialist Services	Deputy Director of Safeguarding, Targeted & Specialist Services	668	60	39	9	40	2,059	57	0	0	2,933	(2,362)	571	515
G	Strategy, Commissioning & Performance	Chief Officer of Strategy, Commissioning & Performance	(383)	0	315	(1)	30	0	0	0	0	(39)	(273)	(312)	(449)
R	Total		(1,101)	137	650	(3)	295	2,670	57	0	0	2,704	(2,542)	162	(41)

CHILDREN'S SERVICES: 2012/13 BUDGET – PERIOD 4 REPORT

1. Overall Budget Position

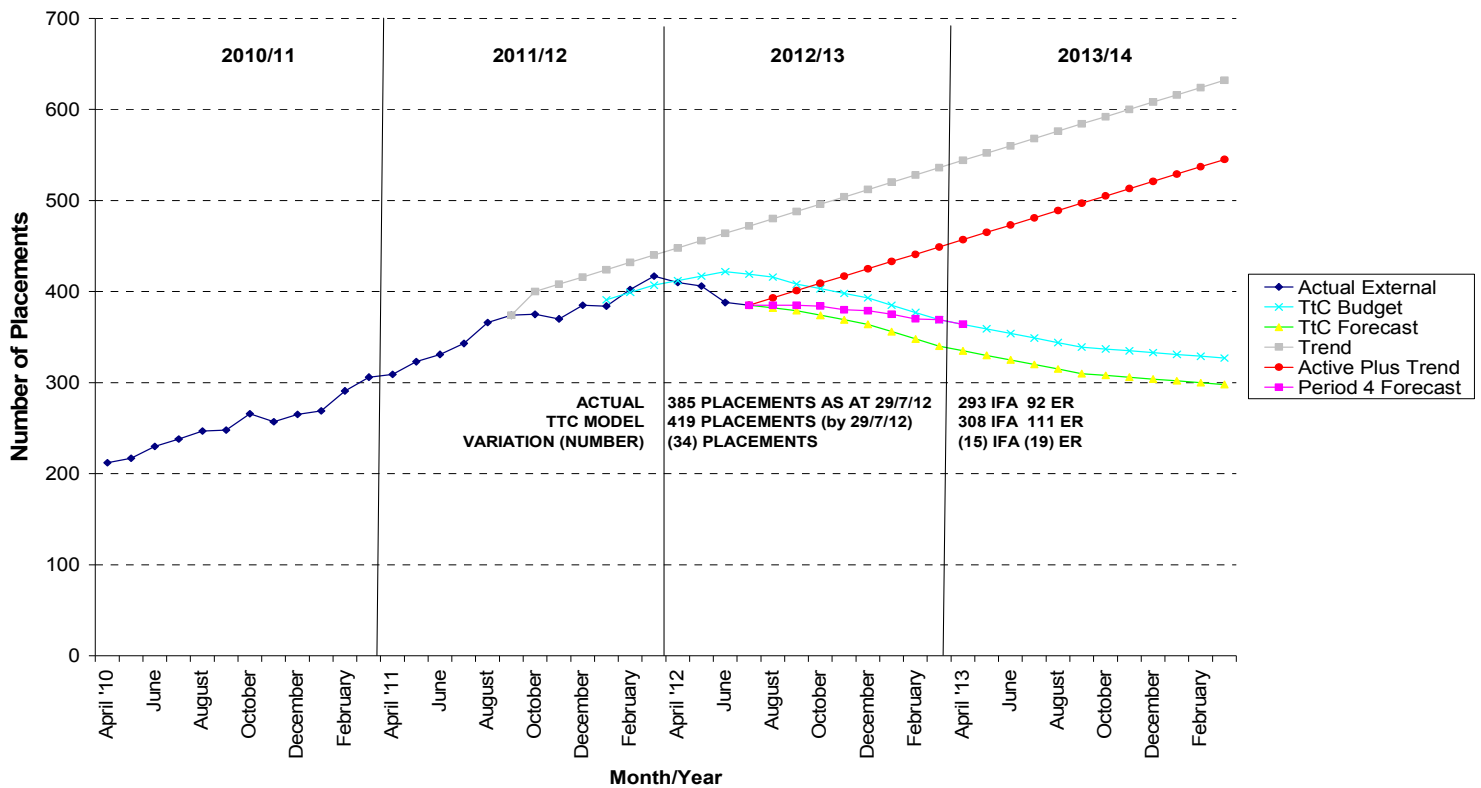
1.1 As at period 4, the forecast outturn variation for the Children's Services Directorate is a projected overspend of £162k against the net managed budget of £132m. This represents an adverse movement of £203k from the first quarter position.

2. Looked After Children

2.1 At the end of July 2012, there were 92 children & young people in externally provided residential placements and 293 children & young people in placements with Independent Fostering Agencies. These placement numbers compare favourably against the 2012/13 Turning the Curve financial model with overall externally provided placement numbers being -34 [-19 residential and -15 fostering] less than that anticipated in the model. This reduced placement activity reflects the progress made to date and translates through to an end of year forecast underspend of £712k across both budget headings. This represents a favourable movement of £346k from the previous period. The graph below shows the trend and projections around externally provided placement numbers.

Actual/Forecast Number of External Placements

w/e 29/7/2012



2.2 The forecast underspend on the externally provided placement numbers continues to be mitigated in part by a forecast overspend of £317k for the in-house fostering service. The Turning the Curve model and the 2012/13 budget strategy reflected a reduction in the in-house placement numbers in 2011/12 with an expectation that this trend would continue in the first half of 2012/13 pending the impact of the re-launched foster carer recruitment strategy from September 2012. The period 4 financial projection reflects the position that in-house placement numbers have actually remained fairly constant, at an average of 700 placements per week, in the first four months of the financial year which is positive news. In addition, the projection reflects an increase in the age-related fostering allowances paid in respect of 0-4 and 5-10 year olds which now brings all our fostering allowances in line with the Department for Education recommended minimum levels. Additionally, the forecast recognises an increase in the number of Family Placement placements placed with fee-paid carers as well as additional costs around our support for Care Leavers [£104k], section 17 payments [£122k] and Direct Payment [£60k].

3. Other Issues

3.1 Overall, the staffing budgets are forecast to underspend by £1,100k. This includes a projected saving of £155k on the former Education Leeds pension costs. The forecast variation on the £98m basic staffing budget is £6.5m which reflects the current number of staffing vacancies. At the end of July the forecast spend on agency staffing of £6.4m, which represents a £5.2m overspend. The majority of the agency staff are deployed in the social care fieldwork teams. The forecast spend on overtime is £1.34m which is £0.3m above the budget and due to the need to maintain 24/7 cover for vacancies and sickness in the in-house residential homes and the East Moor secure unit.

3.2 In December 2011, the Government announced additional resources totalling £448m over 2012/13, 2013/14 and 2014/15 as part of its commitment to turn around the lives of 120,000 of England's most troubled families. The period 4 projection recognises the recently confirmed £2.3m allocation for the Families First (Leeds) programme which will need injecting into the 2012/13 budget. In addition, the projections incorporate the £0.8m allocation for Leeds in respect of the Youth Contract for 16/17 year olds as part of the Government's £126m investment over the next three financial years.

Directorate City Development

			(Under) / Over Spend for the current period											Previous Month	
Traffic Light	Service	Chief Officer	Staffing £000	Premises £000	Supplies & Services £000	Transport £000	Internal Charges £000	Payments to External Bodies £000	Transfer Payments £000	Capital £000	Appropriations £000	Total Expenditure £000	Income £000	Total Under / Overspend £000	(Under) / Overspend £000
R	Planning and Sustainable Development	Chief Planning and Sustainable Development Officer	141	(25)	48	38	(69)	0	0	0	0	133	73	206	152
R	Economic Development	Chief Economic Development Officer	57	171	(183)	0	4	0	0	0	0	49	109	158	94
R	Asset Management	Chief Officer Asset Management	86	433	60	(12)	5	0	0	0	0	572	475	1,047	553
G	Highways and Transportation	Chief Officer Highways and Transportation	236	374	516	195	23	0	0	0	0	1,344	(1,328)	16	18
R	Libraries, Arts and Heritage	Chief Libraries, Arts and Heritage Officer	(242)	94	85	38	17	22	0	0	0	14	277	291	24
R	Sport and Active Recreation	Chief Officer Resources and Strategy	386	457	(406)	18	(15)	0	0	0	0	440	258	698	522
G	Resources and Strategy	Chief Officer Resources and Strategy	(256)	(350)	(260)	(1)	0	0	0	0	0	(867)	(250)	(1,117)	(699)
G	Regeneration Programmes	Chief Officer Asset Management	(113)	2	0	0	0	0	0	0	0	(111)	66	(45)	
G	Employment and Skills	Chief Officer Employment and Skills	(22)	0	0	0	0	0	0	0	0	(22)	(1)	(23)	(11)
R	Total		273	1,156	(140)	276	(35)	22	0	0	1	1,553	(321)	1,232	653

CITY DEVELOPMENT DIRECTORATE: 2012/13 BUDGET – PERIOD 4 REPORT

1.0 Introduction

This report sets out the financial position for City Development Directorate for Period 4.

2.0 Overall Summary

The Period 4 position for City Development Directorate shows a projected overspend of £1.2m. This is an increase of £568k on the Period 3 position. This increase in the projected overspend can be explained by an increase in the shortfall in advertising income of £200k, an increase in the cost of maintaining and securing void properties of £130k, energy costs of £100k and an increase in the overspend on staffing of £64k.

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

3.0 Explanation of the Projected Overspend

The projected variances by service is shown below:

	£000s
Planning and Sustainable Development	206
Economic Development	158
Employment and Skills	(45)
Asset Management	1,047
Regeneration	(23)
Highways and Transportation	16
Libraries, Arts and Heritage	291
Sport and Active Recreation	698
Resources and Strategy	<u>(1,117)</u>
	<u>1,232</u>

Asset Management and Sport are both projecting significant overspends and these have increased since Period 3. In Asset Management this is a combination of additional expenditure for maintaining and securing Void Properties of £380k and a shortfall against the advertising budget of £400k. In Sport the main issue is an overspend on the energy budget of £446k and additional staffing costs of £368k mainly arising from staff in managing workforce change following the service restructure with an end date in most cases of December 2012. Additional staffing

costs are also expected from an outstanding job evaluation liability which now seems likely to be resolved.

As mentioned above, the projection assumes further savings will be identified and £1m of these anticipated savings are currently shown in Resources and Strategy. The need to deliver this level of savings along with some of the ongoing potential budget risks, particularly with achieving income targets in the current economic climate, mean that it will be a challenge for the Directorate to deliver the current budget projection. However, all uncommitted spending plans will be reviewed for the rest of the year with a view to identifying saving options.

The major projected variances are detailed below:

Major Projected Variances and savings Plan

	£000s
Energy costs	1,350
Advertising income shortfall	400
Void property budget	380
Staffing	273
Sport income	257
	2,660
<u>Savings Plan:</u>	
Premises target savings	(470)
Supplies and services target savings	(400)
Net other savings	(308)
Additional income target	<u>(250)</u>
Total	<u>1,232</u>

Income

Overall, it is projected that income will be £0.3m above budget. This position is largely due to shortfalls of £1m in some services being offset by additional income from rechargeable work and grant income in Highways and Transportation of £1.3m. This additional income will also result in additional expenditure being incurred. There are some other notable variations within other services and the main issues by service are highlighted below:

Asset Management

The year end projection assumes that most income budgets will be met. The Commercial Property rental income target of £3.8m includes a target for one off income and restricted covenants of £0.7m and although the projection assumes this will be achieved there is a risk that actual income falls short of this target.

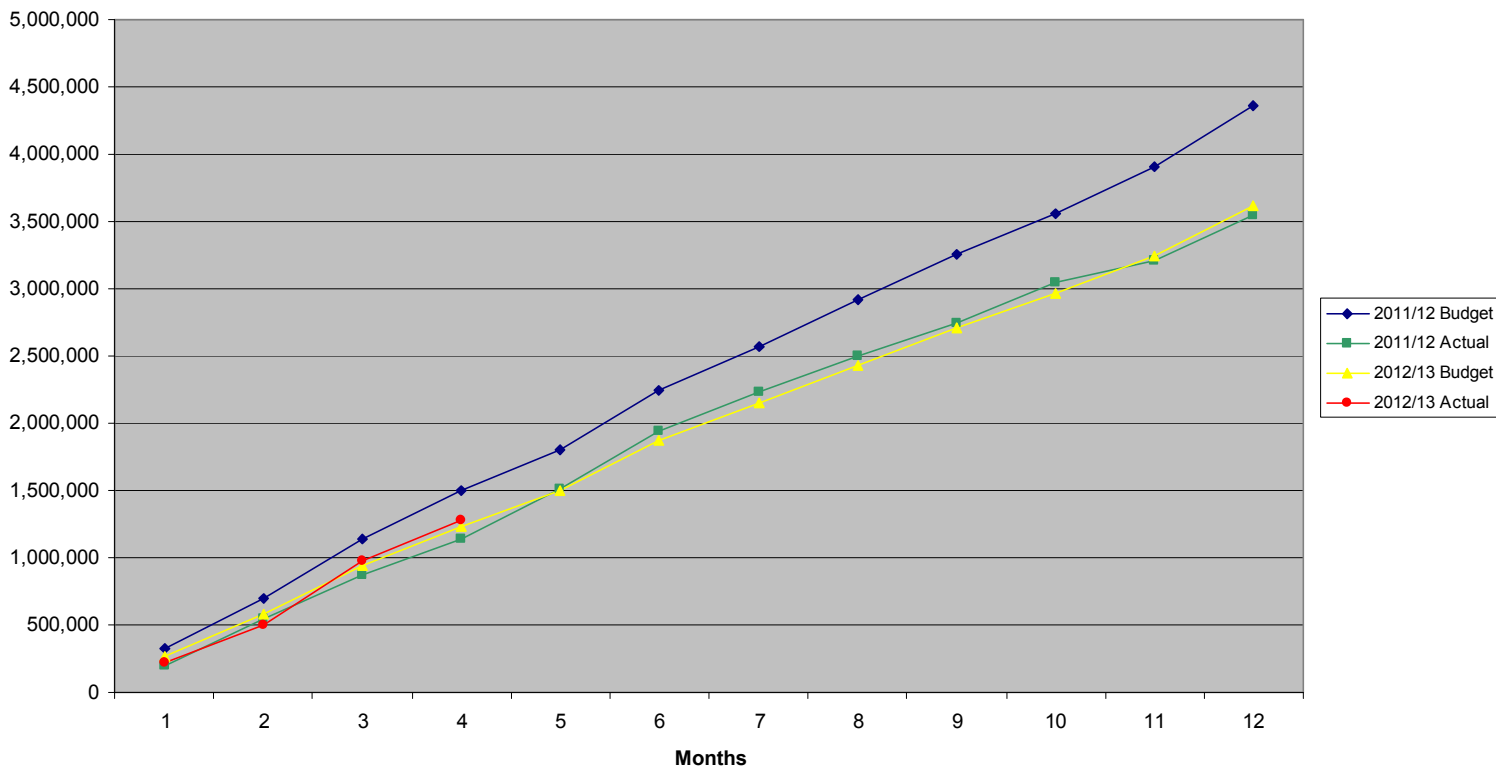
The projection includes a shortfall against the advertising income budget of £400k. This has been increased by £200k since Period 3 and reflects the fact that there

has been difficulty in selling the advertising space on the temporary banner wrap on Woodhouse Lane Car Park. Work is ongoing in the directorate to generate additional income from advertising and income in 2012/13 but in the current economic climate even the income from the current advertising hoarding portfolio is coming under pressure.

Planning and Sustainable Development

The income target for planning and building fees has been reduced in the 2012/13 budget by £0.5m reflecting the shortfall in 2011/12. The actual as at Period 3 is £45k above the budget. The graph below shows the current position.

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



Planning income is £95k above the phased budget but building fee income is £50k below the phased budget. There is also a projected shortfall of £74k against other income received by the service. The Government has recently announced that it is proposing an increase in planning fees in the autumn of approximately 15%. The additional income expected from this has been factored into the overall projection for planning and it is assumed that it will help the service meet other income targets.

Economic Development

The current projection is that there will be a £100k shortfall against the income target for the Market's Service of £3.7m.

Highways and Transportation

Additional fee and grant income is anticipated in Highways and Transportation although this extra income will be mostly offset by additional costs. The additional income largely results from the carry forward of schemes from 2011/12 although an additional £198k relates to grant received from Department for Environment, Food and Rural Affairs (DEFRA) for flood protection works.

Libraries, Arts and Heritage

An additional grant of £1.7m for 2012/13 has been received from the Arts Council. This grant was announced after the budget had been set and a virement has been submitted to increase income and expenditure to reflect this. The grant will fund additional expenditure on a number of projects to improve facilities, exhibitions, commercial viability, community participation and marketing and visitor numbers.

Sport

A shortfall of £257k on income in Sport is projected. Current trends suggest that income in some areas is down on 2011/12 levels and the overall projection reflects this position.

Staffing

Overall an overspend of £273k is projected. The 2012/13 budget included a £2m reduction in staffing expenditure across the directorate. This is in addition to savings of £6m achieved since 2010/11. Staffing numbers in the directorate have continued to reduce since 2011/12 and are expected to fall further during the year. However, there are a number of staff in managing workforce change procedures and their costs are still being incurred by the directorate, those in Sport being as a result of a service restructure, there is also an outstanding job evaluation liability which is reaching a resolution and will result in additional cost being incurred. This largely accounts for the projected small overspend against the staffing budget. The directorate will continue to closely manage staffing levels and recruitment across all services.

Other Expenditure

Premises and Supplies and Services budgets are expected to spend in line with the budget. However, the projection assumes that savings of £1.2m will be delivered and that these will help offset the budget pressures within the Directorate.

The two major expenditure pressures are energy costs and the cost of maintaining and securing void properties. Energy costs in Asset Management, Sport and Highways and Transportation are expected to overspend by £1,350k. The overspend in Highways and Transportation of £660k is on the Street Lighting electricity contract and is due to higher than anticipated tariff charges being set after the budget was agreed and increased charges following a revision of the asset

inventory. As part of the Street Lighting contract this significant increase in energy costs will trigger a reduction in contract payments which will help offset the overspend on energy. A virement will be submitted to increase the Street Lighting energy budget from the contract savings. This saving is currently shown as a saving in the supplies and services budget within Highways and Transportation. In Sport the overspend reflects the 2011/12 outturn position where the savings assumed in the 2011/12 budget could not be fully delivered. The service is actively implementing energy saving schemes but these include the need for a payback and are unlikely to fully meet the savings assumed in the budget.

The cost of maintaining and securing void properties was a major budget pressure in 2011/12. The number of void properties being managed by Corporate Property Management (CPM) has increased significantly over the last two years as the Council has been rationalising its property portfolio across a number of services. Whilst the budget was increased in 2012/13 and CPM is proactively working to reduce the cost of void properties through demolitions and disposals, an overspend of £380k is still anticipated on this budget. There is a risk that this could be higher if additional properties are handed over from other Council directorates to CPM to manage without additional budget being made available.

An overspend of £277k on transport related expenditure is projected. This is mainly in Highways and Transportation and relates to plant hire costs which is recoverable from additional fee income.

Directorate Environment & Neighbourhoods

Trafic Light	Service	Chief Officer	Staffing £000	Premises £000	Supplies & Services £000	Transport £000	(Under) / Over Spend for the current period					Total Expenditure £000	Income £000	Total Under /Overspend £000	Previous Month (Under) / Overspend £000
							Internal Charges £000	Payments to External Bodies £000	Transfer Payments £000	Capital £000	Appropriations £000				
G	Health and Environmental Action	Chief Environmental Services Officer	104	2	(4)	31	5	0	0	0	0	139	(12)	127	(75)
G	Car Parking Services	Chief Environmental Services Officer	(143)	5	3	0	87	0	0	0	0	(48)	(2)	(50)	(231)
R	Community Safety	Chief Community Safety Officer	(127)	16	20	39	(7)	0	0	0	0	(61)	120	59	0
A	Strategy and Commissioning	Chief Regeneration Officer	26	1	0	0	2	0	0	0	0	30	(1)	28	144
R	Statutory Housing	Director of Environment and Neighbourhoods	6	0	146	59	0	559	0	0	0	771	(605)	165	74
G	General Fund Support Services	Chief Officer Resources and Strategy	(29)	0	0	0	0	0	0	0	0	(30)	0	(30)	(206)
R	Waste Management	Chief Environmental Services	453	20	64	(297)	(63)	0	0	0	0	178	146	324	706
G	Safer Leeds Drugs Team		0	0	0	0	0	0	0	0	0	0	0	0	0
G	Parks & Countryside		(505)	(426)	448	55	(52)	0	0	0	0	(480)	480	0	(2)
R	Total		(215)	(382)	677	(112)	(29)	559	0	0	0	498	125	624	410

ENVIRONMENT AND NEIGHBOURHOODS: 2012/13 BUDGET – PERIOD 4 REPORT

1.0 Introduction

This report sets out the financial position for Environment and Neighbourhoods at Period 4.

2.0 Overall Summary

The overall projected position for the Directorate is an overspend of £626k, of this £402k is within Environmental Services and £224k within Neighbourhood Services.

3.0 Explanation of the Projected Overspend

3.1 NEIGHBOURHOOD SERVICES +£224k

3.2 Community Safety +£59k

There is a pressure within CCTV due to staffing and higher than budgeted levels of income, £155k and £100k respectively. However, additional income from the HRA is expected for the Leeds Anti-Social Behaviour Team (LASBT) service based on currently activity levels (£72k). There are savings due to vacant posts within Signpost and the Management Team.

3.3 Strategic Housing +£165k

Within Leeds Asylum the contract is due to expire at the end of September, leaving the service £27k short of the budgeted target. The projection forecasts a reduction in the income due for selective licensing and advertising of £73k. In addition, there has been an increase in the numbers within temporary accommodation resulting in additional costs of £44k.

3.4 Resources, Strategy & Commissioning - nil

There are staff in managing workforce change however work is underway with HR to identify how these costs can be managed.

3.5 ENVIRONMENTAL SERVICES +£402k

3.6 Waste Management +£325k

Within Refuse Collection there is a projected overspend of £222k relating to ongoing route back up (staff and vehicle costs) and additional cost of sickness cover.

Staff currently in Managing Workforce Change are projected to cost £127k.

Within Waste Strategy and Policy an overspend of £55k is projected.

No variation in disposal costs is currently forecast.

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

3.7 Environmental Action +£127k

The costs of staff in Managing Workforce Change are projected at £19k and spend on front line Cleansing costs is now forecast to be around £70k above budget.

The budget had assumed that a saving of £150k could be delivered from closer working with the Parks and Countryside service following its transfer to this Directorate. The service transferred in July and whilst the integration work is now underway, the delivery of the savings is likely to slip to later in the financial year.

Savings from the weedspraying contract of £160k are forecast to be realised. This is because the budget was set for 12/13 before the revised costs were known

3.8 Car Parking (£50k)

Savings from vacant posts are forecast to be £143k. Income from both PCN's and Fee's are expected to be lower by £78k.

It is anticipated that Bus Lane Enforcement will recover the budgeted £1.2m

3.9 Parks & Countryside - nil

The projection at period 4 assumes that targeted actions in the budget will be delivered.

Housing Revenue Account (HRA)

Summary

At the end of Period 4 the HRA is projecting a surplus of £580k.

Key Variances - Income

Net additional rental income of £680k is projected from dwelling rents. This is as a result of void levels and the number of demolitions projected to be lower than budgeted. The financial impact of lower voids will be paid to the ALMOs in line with the current voids incentive scheme.

Additional income of £50k is projected from shops.

Income from Heat Lease charges is projected to be £300k higher than budget following a full review of the scheme. In addition, it is projected that £159k additional income will be received from Telecoms as a result of back-dated rent reviews.

It is anticipated that an additional £40k of staff time will be capitalised in connection with the increased volume of RTBs, plus an additional £15k of fee income and external income will be collected.

Key Variances - Expenditure

There is currently a projected overspend on salaries of £115k. This is primarily due to the part year cost of £88k for Phase 1 of the Housing Services restructure and the employment of additional temporary staff to deal with the increase in RTB applications at £25k.

Recharges are projected to overspend by £137k due to an unbudgeted recharge from the Housing General Fund for the Housing Options Team and the Tenancy fraud Scheme; this is an increase of £47k since P3. This is offset by savings on IT of £70k as a result of slippage on minor projects and a reduction in grant payable to Leeds Tenants federation of £29k.

It is projected that £589k will be paid over to the ALMOs as incentive payments in respect of voids and arrears. However, the decision to end the penalty/incentive scheme in relation to the Strategic Landlord ALMO Performance Framework will generate a saving of £172k against budget.

Directorate Resources

			(Under) / Over Spend for the current period											Previous	
Traffic Light	Service	Chief Officer	Staffing £000	Premises £000	Supplies & Services £000	Transport	Internal Charges £000	Payments to External Bodies £000	Transfer Payments £000	Appropriations £000	Total Expenditure £000	Income £000	Total Under /Overspend £000	Month (Under) / Overspend £000	
R	Financial Management	Chief Officer Fin Management	230	(13)	(34)	(5)	0	0	0	0	178	(78)	100	1	
G	Business Support Centre	Chief Officer Fin Management	156	(1)	22	1	0	0	0	0	178	(358)	(179)	(215)	
G	Financial Development	Chief Officer Fin Development	10	0	20	0	0	0	0	0	30	(12)	18	(1)	
G	Revenues and Benefits	Chief Revenues and Benefits Officer	200	2	(10)	27	0	0	4,710	0	4,929	(4,929)	0	22	
R	Information Technology	Chief ICT Officer	632	0	(92)	0	(118)	0	0	0	422	(240)	182	129	
G	Human Resources	Chief Officer HR	(130)	(17)	1	10	10	0	0	0	(126)	0	(126)	(264)	
G	Audit & Risk	Chief Officer Audit and Risk	(139)	2	(10)	(1)	0	0	0	0	(148)	53	(95)	(34)	
G	CORS Directorate	Chief Officer Resources and Strategy	6	0	0	0	0	0	0	0	6	1	7	7	
G	Public Private Partnership Unit	Chief Officer PPPU	129	0	3	0	0	0	0	(10)	122	(122)	0	(1)	
G	Procurement		(156)	0	(6)	0	51	0	0	0	(111)	(197)	(308)	(3)	
G	Democratic and Central Services	Chief Officer Democratic and Central Services	(43)	267	180	1	0	0	0	0	404	(404)	0	1	
R	Commercial Services	Chief Officer Commercial Services	(62)	(10)	(1)	1,152	(24)	0	0	0	1,056	(706)	350	357	
G	Total		832	228	75	1,185	(81)	0	4,710	(10)	6,940	(6,992)	(52)	(1)	

Directorate Legal Services

(Under) / Over Spend for the current period

Traffic Light	Service	Chief Officer	Staffing £000	Premises £000	Supplies & Services £000	Transport £000	Internal Charges £000	Payments to External Bodies £000	Transfer Payments £000	Capital £000	Appro- priations £000	Total Expenditure £000	Income £000	Total Under /Overspend £000	Previous Month (Under) / Overspend £000
G	Legal Services	City Solicitor	(34)	0	29	0	26	0	0	0	0	21	(21)	0	0
G	Total		(34)	0	29	0	26	0	0	0	0	21	(21)	0	0

Directorate Customer Access and Performance

(Under) / Over Spend for the current period

Traffic Light	Service	Chief Officer	Staffing £000	Premises £000	Supplies & Services £000	Transport £000	Internal Charges £000	Payments to External Bodies £000	Transfer Payments £000	Capital £000	Appro- priations £000	Total Expenditure £000	Income £000	Total Under /Overspend £000	Previous Month (Under) / Overspend £000
G	Customer Services	Chief Officer Customer Services	0	0	0	0	0	0	0	0	0	0	0	0	0
G	Leeds Initiative & Partnerships	Chief Officer LIP	(19)	0	(13)	(5)	0	0	0	0	0	(38)	(1)	(39)	0
G	Business Transformation	Chief Officer Business Transformation	0	0	(12)	0	0	0	0	0	0	(12)	0	(12)	0
R	CAP Management & Support	Assistant Chief Executive	50	0	0	0	0	0	0	0	0	50	0	50	0
G	Area Management	Area Leader	0	0	0	0	0	0	0	0	0	0	0	0	0
G	Total		31	0	(25)	(5)	0	0	0	0	0	1	(1)	0	(1)

CENTRAL AND CORPORATE FUNCTIONS: 2012/13 BUDGET – PERIOD 4 REPORT

1.0 Introduction

This report sets out the financial position for Central and Corporate Functions for period 4 of 2012/13.

2.0 Overall Summary

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

At month 4, whilst there are some variations at individual service level, the overall projection is that a balanced budget will be delivered by year end.

3.0 Explanation of the projected underspend

RESOURCES (£52k underspent)

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

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

Since month 3 the validity and robustness of the action plans have been reviewed and the projections for month 4 reflect a more robust position in terms of achievability resulting in a slight underspend projected for year end.

The main issues by service are:

Commercial Services

At month 3, the underlying pressure amounted to £957k, although the reported position assumed an action plan of £400 resulting netting down to £557k. This month's projection is an overall surplus of £8,377k against an OE of £8,727k. This month no entries have been input on the action plan cost centre; all targets now built into each trading units. The following briefly explains the situation by unit:

- Property Maintenance Group are projecting a pressure of £50k; £4,508k surplus against an OE of £4,558k. This is a positive movement of £200k from last month made up of £100k savings on overhead staff costs and £100k net improvement in income.
- Education Catering & Schools Cleaning are projecting additional surplus of £100k, against an adverse position at month 3 of £198k. This is all due to Education Catering income around Primary School Meals and reflects an uptake of 6.7% for both paid and free. 2 High School Catering contracts

transfer to other providers from 1st September. Projections for the remainder of the year assume that this level of demand will continue.

- Fleet Services are projecting a pressure of £400k; £946k surplus against an OE 12-13 of £1,346k. The underlying pressure reflects the increased cost of tyres, funding of two extra spare vehicles for the Refuse service and fixing spare hire charges to Refuse which carries some risk.

Democratic and Central Services

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

ICT

The projections assume that 14 posts will be filled and the number of contractors reduced. If suitable appointments can't be made, there will be increased pressure on the contractor budget. In addition £350k of the projected overspend on pay relates to roll out of Essential Services Programme but it is assumed that this cost will be capitalised (report going to the Strategic Investment Board in September). The projections also assume a (probable) refund of £120k from Virgin Media.

Procurement Unit

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

CUSTOMER ACCESS AND PERFORMANCE (balanced position)

No significant variations in spend or income are apparent at month 3 and the Directorate have plans in place to ensure that the budget is brought in on-line.

LEGAL SERVICES (balanced position)

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

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

Report of Director of Resources

Report to Executive Board

Date: 5th September 2012

Subject: Consultation on localised Council Tax Support scheme

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: 10.4(3) Appendix number: Appendix 3	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Summary of main issues

1. Executive Board approved consultation on a local Council Tax Support scheme that protected certain groups from reductions in support and limited the amount of support for other working age customers.
2. The Local Government Finance Bill requires that we consult with major precepting authorities before consulting with the public. The Executive Board report made reference to the consultation with the Police Authority and Fire and Rescue Services and noted that consultation would conclude at the end of July 2012.
3. Both the Police Authority and the Fire and Rescue Services have responded to say their preference would be for a scheme that did not have any cost implications for their services. In essence, this means passing the funding reductions onto customers.
4. In light of this, the report seeks approval to include an additional scheme option alongside the original approved option for consultation.

Recommendations

2 Executive Board is asked to:

- a. Approve for consultation alongside the option already approved, additional schemes that would aim to limit scheme spend to Government funding levels.

1 Purpose of this report

- 1.1 The report updates the Executive Board on the outcome of the consultation process with West Yorkshire Police Authority and West Yorkshire Fire and Rescue Services and seeks approval to consult on an alternative scheme proposal alongside the original proposal approved for consultation by Executive Board.

2 Background information

- 2.1 A report was submitted to Executive Board in June 2012 seeking approval to consult on a local Council Tax Support scheme that offers protection to certain groups and limits the reduction in support for other working age customers to 10% of their entitlement based on the existing Council Tax Benefit scheme. The report made reference to the fact that consultation with the Police and Fire and Rescue Authorities would be concluded in July. This has now been done and the response from the Police and Fire and Rescue Authorities is attached at appendices 1 and 2
- 2.2 The Board may also be interested in the declared proposals from other councils . Appendix 3 sets out the position in relation to those Core City councils and West Yorkshire councils that have formally announced proposals.

3 Main issues

- 3.1 Following the publication of the Executive Board papers for the June 2012 meeting, a consultation exercise was undertaken with both the WY Police Authority and WY Fire and Rescue Services. There is a requirement to consult with the major precepting authorities under the Local Government Finance Bill that is progressing through Parliament. This is because where local Council Tax Support schemes costs exceed the level of Government funding, the additional costs are shared between the council and the precepting authorities on the basis of their share of the Council Tax.
- 3.2 Both the Police Authority and the Fire and Rescue Services have responded to the consultation to say their preference is for a scheme that would not have cost implications for their services.
- 3.3 In response to this feedback, it is proposed, therefore, that an additional scheme that aims to keep spending within Government funding levels is included alongside the proposal already approved for consultation. The intention is to include an additional scheme that retained the principle of protecting the groups set out below but reduced support for remaining working age customers by up to 30% (Appendix 4). This level of reduction assumes costs increases arising from both an increase in Council Tax and an increase in working age caseload of 5%. All figures assume a 10% reduction in funding from Central Government (Appendix 5).

- 3.4 As set out in the June 2012 Executive Board report the groups that would be protected are:
- lone parents with children under 5;
 - customers in receipt of the severe disability premium or enhanced disability premium from any reductions in support as a result of changes to the scheme;
 - claimants in receipt of war widows or war widowers pension from any reductions in support as a result of any changes in the scheme; and
- 3.5 Following the need to review the scheme options in response to feedback from the precepting authorities, it will be necessary to reduce the consultation period to 8 weeks – this is in line with the consultation periods for all other WY councils.

4 Corporate Considerations

Consultation and engagement

- 4.1 The report is in response to consultation with the Police Authority and the Fire and Rescue Services.

Equality and Diversity / Cohesion and Integration

- 4.2 An equality impact analysis will form part of the wider public consultation exercise.

Council Policies and City Priorities

- 4.3 The implementation of a local Council Tax Support scheme is a key priority for the Council.

Resources and Value for Money

- 4.4 The inclusion of additional scheme options will provide more scope to assess value for money and resource implications and will provide greater opportunity for the public to express their views.

Legal Implications, Access to Information and Call In

- 4.5 The information contained in Appendix 3 falls within Access to Information rule 10.4(3) as it is information relating to the financial or business affairs of local authorities. The information relates to proposals that are being developed for consideration by a number of local councils and in some instances are still subject to the relevant approval processes.
- 4.6 Councils are required to adopt local schemes by 31st January 2013 and in order to do so need to undertake meaningful consultation with major precepting authorities, the public and groups with an interest in the scheme design.

Risk Management

- 4.7 The proposal to include additional scheme options in the consultation will reduce the risk to the council of adopting a scheme that did not adequately take into account feedback from consultation.

5 Conclusions

- 5.1 The inclusion of an alternative scheme option for wider consultation enables the council to undertake a public consultation exercise that more fully reflects the views of the council and the major precepting authorities. The alternative scheme option retains the principle of protecting those groups less able to improve their financial position and who, because of disability or child care commitments, are not required by Government to undertake work-related activity as part of claiming benefits.

6 Recommendations

- 6.1 Executive Board is asked to:

Approve for consultation alongside the option already approved, additional schemes that would aim to limit scheme spend to Government funding levels.

7 Background documents ¹

Local Government Finance Bill

DCLG consultation paper on funding for localised schemes of support for Council Tax

DCLG Statements of Intent on localised schemes of support for Council Tax

Executive Board report: June 2012

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

Appendix 1 – Police Authority response

From: Heeley, Judith [mailto:jh1@wypa.pnn.police.uk]
Sent: Friday July 2012 13:13
To: Carey, Steven
Cc: Stubbs, Martin
Subject: Consultation Response [NOT PROTECTIVELY MARKED]

Steve

I understand that Martin has indicated verbally the Police Authority's stance to the consultation.

In summary the Authority could not support any proposals which reduced the resources available for policing in the County, and would ask that any impact be minimised so far as possible, mindful of the complexities involved which are continuing to emerge.

We are in a position where the Authority will be abolished in November when the Police and Crime Commissioner for West Yorkshire is elected.

We are obviously not in a position to prejudge the approach of the PCC to this issue, and wonder whether there would be any opportunity for further consultation at that stage.

Is this sufficient or would you prefer a more formal response from the Authority please?

Happy to discuss, my contact number is 01924 294050. I'm back in the office on Monday.

regards

Judith

REPORT MINOR CRIME ONLINE: Report a West Yorkshire crime online, request a callback or report lost property, all via our website <http://www.westyorkshire.police.uk/>

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Mr S Carey
Chief Officer (Revenue & Benefits)
Leeds City Council
Selectapost 3
Civic Hall
LEEDS
LS1 1JF

**West Yorkshire
Fire & Rescue Authority**
www.westyorksfire.gov.uk

Geoffrey Maren CIPFA
Chief Finance Officer
Oakroyd Hall
Birkenshaw
West Yorkshire
BD11 2DY
Tel: 01274 655711
Fax: 01274 652231
geoff.maren@westyorksfire.gov.uk

Our Ref: GM/JLA
Date: 25 July 2012

Dear Steve

Leeds City Council– Introduction of Council Tax Support

In response to your letter of the 14th June 2012 and our subsequent meetings, I have attached the Authority's response to the consultation as you requested. As you are aware the Authority's Finance and Resources Committee considered a report on the implications of the localisation of a scheme of council tax support on 13th June 2012 and the attached response reflects the views of the committee. I am sure you will not be surprised by our response as it is pretty much as we have previously discussed.

I would, however, like to thank you for the level of engagement we have had on this issue which I have found very useful and has increased my understanding of the issues facing the Council in what is a major change. I think this is particularly apparent from the discussions we have had around changes to the tax base and the timing of some of the assumptions you will have to make.

As I expressed at the meeting this morning I would find it useful if we could continue to meet as the work on the proposed scheme develops. This will provide the Fire Authority with a better understanding of the potential impact on the precept which will assist in our budgeting process. In addition, it may allow the Fire Authority to provide a more detailed and reasoned response to the scheme in the future.

Yours sincerely

Geoffrey Maren
Chief Finance Officer



Making
West Yorkshire
Safer



Response on behalf of West Yorkshire Fire and Rescue Authority

Background

When considering this response from the Fire Authority it is important that the Council is aware of the financial position of the Fire Authority which has, to a large extent, influenced the response.

Like the rest of the public service the Fire and Rescue service has suffered grant cuts as part of the spending review, however, the major difference is that the cuts in the fire service are back loaded with the largest single cut in grant expected in 2013/2014. In the first two years of the spending review the Authority lost £5.99m (10.41%) of its grant income against a national cut of 6.5% and had to make savings of over £6.5m to deliver a balanced budget. During this period the Authority has not increased its precept.

The Authority now faces a further cut in grant of around £6m in 2013/2014 and, coupled with the fall out of the 2012/2013 precept freeze grant, will lose over £7.0m of its annual income. This, together with price increase, will leave the Authority with a budget deficit of around £8.0m in 2013/2014. Even with continued non recruitment of fire-fighters, the redundancy of a further 90 support staff and the recent programme of fire station rationalisation, involving the closure of 10 fire stations to be replaced by 5, the Authority still faces a projected budget deficit of over £2.0m in 2013/2014.

The Authority plans to increase the precept by the maximum allowed by the capping criteria and already has plans to use its revenue balances, consequently any further loss in income would have to be funded by further cuts in service.

Response

Whilst the Authority acknowledges the difficult position the Council is facing it is not in a position to support any proposals that would place an additional burden on the Fire Authority and would urge the Council to deliver a scheme which is cost neutral in 2013/2014 and future years.

As explained in the opening paragraph the only way the Authority would be able to meet this additional expenditure would be by additional cuts in service.

Document is Restricted

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Appendix 4 – Alternative Council Tax Support scheme for 2013/14

Pensioners

1.1 A national scheme will exist for pensioners. Details of the national scheme for pensioners are set out in the Department for Communities and Local Government's Statement of Intent published on 21st May 2012. In effect the pensioner scheme will mirror the current scheme of Council Tax Benefit for pensioners.

Working Age customers

1.2 The local scheme proposal is to limit the level of Council Tax support for the majority of customers to a minimum of 70% of entitlement as calculated under the current Council Tax Benefit scheme (which will be replicated in the national default scheme for working age customers from April 2013). A number of customers will continue to receive Council Tax Support equivalent to 100% of their entitlement under the current Council Tax Benefit scheme and proposed national default.

1.3 The local Council Tax Support scheme, therefore, will have two main working age classes each of which will have a number of qualifying criteria. The Government intends to prescribe that persons from abroad with limited leave to remain in the UK will be exempt from receiving support under local schemes of Council Tax Support.

1.4 An outline of the scheme is set out below and a more detailed description of the scheme will be published as part of the consultation process.

1.5 **Class 1** – these are customers who will continue to receive Council Tax Support equivalent to 100% of their entitlement under the current Council Tax Benefit scheme and proposed national default scheme for working age customers.

1.5 A customer falling within Class 1 will:

- be a lone parent with a child under the age of 5; or
- qualify for a severe disability premium or enhanced disability premium as set out in the current Council Tax Benefit scheme; or
- be in receipt of a War Pension or War Widows Pension

1.6 The three conditions that qualify for a severe disability premium are:

- The householder must be in receipt of the high or middle rate care component of disability living allowance or receive Attendance Allowance **and**
- The householder must not be being looked after by someone who receives carer's allowance for looking after them **and**
- The householder must have no one living with them aged over 18 years unless that person is registered blind or in receipt of high or middle rate care component of disability living allowance or receive Attendance Allowance.

If couple and both satisfy the criteria but someone receives carers allowance to look after one of them the severe disability premium is awarded at single person rate.

1.7 The qualifying criteria for an enhanced disability premium is:

- The householder and partner (if any) are aged under 60yrs and
- the householder or partner (if any) receive the highest rate of the care component of disability living allowance
- In the case of a couple the couple rate is awarded even if only one partner qualifies.

This premium can also be awarded in respect of a child or young person in the family. The criteria are that a child or young person in the family must receive the highest rate of the care component of disability living allowance.

1.8 Class 2 – these are customers who do not fall within Class 1 and who will have their Council Tax Support limited to 70% of their entitlement as calculated under the current Council Tax Benefit scheme and proposed national default scheme for working age customers

General qualifying criteria for the local Council Tax Support scheme

1.9 The rules for the local scheme of Council Tax Support will reflect the current rules under the Council Tax Benefit scheme and, from April 2013, the national default scheme. Applicants will:

- not yet have reached the qualifying age for state pension credit;
- be liable to pay council tax in respect of a dwelling in which they are resident;
- not have capital or savings above £16,000;
- have applied for the scheme.

1.10 Where an applicant's income is greater than his living allowance, 20% of the difference between the two will continue to be subtracted from this individual's maximum council tax liability:

- For an applicant falling within Class 1 this will be their Council Tax Support entitlement less any non-dependent deductions;
- For an applicant falling within Class 2 this will be the Council Tax Support entitlement (less any non-dependent deductions, which will be subject to a 10% reduction);
- Non-dependent deductions will continue to be calculated in line with the current Council Tax Benefit scheme as updated by the national default scheme,
- *living allowance* or *applicable amount* will also continue to be calculated in line with the current Council Tax Benefit scheme as updated by the national default scheme; and
- Income and capital, including tariff income from capital, will continue to be calculated in line with the current Council Tax Benefit scheme as updated by the national default scheme

1.11 Entitlement to local Council Tax Support will start on the Monday of the week after the application is made. The current backdating rules, which allow claims to be backdated for up to 6 months, will continue to apply.

Changes of circumstance will continue to need to be reported and will continue to be treated in line with the current Council Tax Benefit scheme

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Appendix 5 – likely alternative scheme reductions

	Number of claimants	12/13: Current scheme spend £	13/14: CTS costs: no increase in Council tax - £	13/14: CTS costs 2.5% increase in Ctax - £	13/14: CTS costs 2.5% increase in Ctax plus 5% increase in working age caseload £	13/14: CTS costs 2.5% increase in Ctax less 5% decrease in working age caseload - £
Total caseload	76246				78560	73067
Working Age caseload	44065				46379	41963
- Lone parent with child u5	5540	3,868,276	3,868,276	3,964,982	4,147,830	3,782,349
- Relevant Disability Premium	3588	2,619,350	2,619,350	2,684,834	2,819,075	2,550,592
- War Pension	35	25,603	25,603	26,243	27,554	24,930
- Other working age	34902	24,748,714	24,748,714	25,367,432	26,577,283	24,158,397
Total Working Age		31,261,943	31,261,943	32,043,491	33,571,742	30,516,268
Pension Age caseload	32181	23,505,556	23,505,556	24,093,195	24,076,681	24,110,485
Total Benefit based on current scheme		54,767,499	54,767,499	56,136,686	57,648,423	54,626,753
Govt Funding		54,767,499	49,729,915	49,729,915	49,729,915	49,729,915
Shortfall		0	5,037,584	6,406,771	7,918,508	4,896,838
Costs of protecting Class 1			1,107,249	1,335,212	1,678,670	1,017,259
Required reduction for other working age customers			20%	25%	30%	20%

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Report author: Dave Roberts
Tel: 247 4724

Report of the Director of City Development

Report to: Executive Board

Date: 5 September 2012

Subject: High Cost Legal Money Lending in Leeds

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

Summary of main issues

1. Executive Board received a progress report on 11 April 2012 on activities of the Birmingham Trading Standards, Illegal Money Lending Team, in the city. Members requested a further report about the extent of high cost legal money lending and outlining proposals regarding the actions which could be taken by the Council and relevant agencies such as the Citizens Advice Bureau (CAB), Leeds City Credit Union (LCCU) and other partners in addressing the problems caused by high cost legal money lenders.
2. This report provides background information and outlines work which is already taking place in the city, together with potential future initiatives.

Recommendations

Executive Board is asked to:

1. Note the extent of the high cost lending market nationally and more particularly that operating in Leeds, as set out in this report and including the information on the sector provided in Appendix 2.
2. Note and welcome the approaches outlined in the conclusions set out in section 5 of this report.

3. Agree to continuing support and promotion of Leeds City Credit Union (LCCU), particularly in areas which complement the delivery of the Leeds City Priority Plans.
4. Note and welcome the ongoing work of the inter Directorate credit union working group and the range of possible future developments set out in this report at paragraph 3.17.

1 Purpose of this report

- 1.1 To inform Members of the extent of legal money lending in the city and advise on services being offered by the council and partners to assist in overcoming these problems and consider possible future initiatives being investigated.

2 Background information

National Situation

- 2.1 The high cost credit market makes use of the fact that its customers lack access to other forms of mainstream credit. A quarter of the customers of high cost credit companies cannot access any other form of credit. As consumers, therefore, they do not have the power to shop around for other forms of credit that are more affordable to them and more manageable to pay back. Although not explicitly stated, the business strategy of these lenders seems to be geared towards encouraging repeat borrowing, and the 'rolling over' of loans.
- 2.2 The rates charged by high cost companies do not reflect the true economic rate. This is due to a lack of regulation or competition in the market to either drive down costs or set a ceiling. Therefore, rates for the same kinds of products vary enormously. For example, payday loans can go from 433% APR with Instant Loans Direct to 4214% APR with Wonga. Doorstep loans are provided from about 270% APR upwards.
- 2.3 These lenders are seeking to grow their business aggressively – Dollar Financial, a US based lender which owns The Money Shop in the UK, has doubled the number of shops in the last 3 years to 480 nationally. There are now approximately 2,000 High Street loan shops, some of which are part of large national chains. Some are also pawnbrokers operating out of the same premises. There are also thought to be more than 100 online firms offering cash. Wonga secured an additional £73m of external funding in February 2011 from a consortium of private backers, in order to expand its operations. They also launched a business loan product in May 2012 with revenue from its own balance sheet generated from consumer loans. Brighthouse, which provides hire purchase or rent-to-buy agreements, has recently announced plans to nearly treble the number of stores it operates. Brighthouse currently have just over 250 stores in the UK serving over 200,000 customers. **Appendix 2 to this report provides details of the extent of the high cost lending market in Leeds.**
- 2.4 The Office of Fair Trading (OFT) is currently conducting an extensive review of the payday lending sector prompted in part by concerns that some payday lenders are taking advantage of people in financial difficulty. The review will investigate levels of compliance with the Consumer Credit Act and the extent to which businesses in the payday sector are meeting the standards set out in the OFT's responsible lending guidance. The aim of the compliance review is to gain a deeper insight into the evolving practices of payday lenders and identify companies that are seen as not fit to operate. The review will inform the OFT's ongoing strategy to drive up standards across the sector. The final report of the review will be published later this year.

- 2.5 Expanding access to affordable credit is vital, but cannot address the growing levels of personal debt in society as families struggle. According to FSA figures, credit union membership is growing by around 8% a year, but the payday lending industry alone grew five times in four years up to 2010. The total value of the credit union movement is dwarfed by the high cost credit sector. Ensuring credit unions can provide a viable alternative in the city, to what has been termed legal loan sharking, will take many years.
- 2.6 The high cost lending market (Home Credit, Pawn Brokers, Money Shops, Payday Lenders) has been estimated at £7.5 billion of which Payday lending is £1.9bn (2010). It is estimated that 5 million people in the UK access high cost credit of which 2 million use Payday lenders.

Impact in Leeds – Social and Economic Cost

- 2.7 If this national picture is equated to the Leeds population it means that up to 60,000 people in Leeds may use high interest lenders including approximately 22,500 people who may take out Payday loans. In addition to the social cost, this market represents a potentially huge impact on the Leeds economy. Based on national data, the high cost market in Leeds could be in the region of £90m. If everyone using high cost credit in Leeds had access to affordable sources this could reduce the cost of borrowing by up to £60m in a year to Leeds families. Even a 10% penetration into this market would represent a significant annual gain for Leeds communities and the economy.

3 Main issues

National Government Initiatives

- 3.1 National Government funding initiatives have been in place since 2005 through the Financial Inclusion Fund (FIF). This provided support for affordable credit delivered through credit unions and CDFI's (Community Development Finance Institutions) and face to face debt advice. There was uncertainty in 2010 whether the new Government would continue this support and initially the Government announced that FIF would end in March 2011. This announcement generated a considerable national lobby to maintain support and interim funding was agreed pending a decision on longer term commitments. Leeds City Council played a prominent part in this lobbying effort including the provision of detailed briefing papers for Treasury officials making the case for continuing support. The current Government position on support is described below.

Affordable Credit

- 3.2 The Department for Work and Pensions (DWP) has announced that they will make an investment of up to £38 million over the next three years in credit unions. This investment, which is in addition to the £13 million invested in 2011/12, will be conditional upon the credit union industry meeting a number of agreed milestones for collaboration, modernisation and expansion.
- 3.3 The aim will be to support the sector to provide the kind of financial services that people want for up to one million more consumers on lower incomes, and to do so

in a way that enable credit unions to modernise, expand and become financially sustainable. It is unclear at this stage if LCCU will be able to bid for this new funding as the criteria seems to rule out bids other than those submitted by national credit union trade associations.

3.4 The DWP investment mentioned above was guided by research recently commissioned and undertaken by Experian. The study established that:

- there is a market and demand from low income consumers for modern banking products and services, and that the total market could be as high as 7 million people.
- credit unions are ideally placed, serving their local communities, to help meet this demand and serve an additional 1 million people.
- consumers on lower incomes would be willing to trust credit unions to provide their financial service.
- credit unions can become financially sustainable if they:
 - § complete a major programme of business and cultural change
 - § introduce automated systems to reduce their operating costs and allow them to introduce the modern financial services that potential new customers need
 - § attract a balanced mix of customers able to make deposits, and take out loans with a wider value range than can be the case at present.

3.5 Amongst the key recommendations was a proposal to raise the maximum annual interest rate that people can be charged for a credit union loan from 26% to 42% with effect from April 2014 and a call for more Government cash to be invested in the sector.

National Debt Advice Funding

3.6 The government is currently reviewing the national scheme for the delivery of debt advice. The Money Advice Service (MAS) has been tasked with the responsibility for developing and delivering the new national scheme. MAS is a Government agency funded by the Financial Services Authority (FSA) through a levy on the banking industry. The national reputation of Leeds in this field has resulted in the council being invited to participate in the MAS planning of the next phase of advice support.

3.7 The outcome of these discussions will have a marked impact on services being delivered in Leeds post 2013. There are currently 9 debt advice workers, based in Leeds advice agencies, funded through the national scheme. It is still not certain what the new national scheme will be. It could be subject to a full competitive tendering process nationally. One possible outcome could be Leeds third sector agencies no longer being involved in delivering nationally funded debt advice.

3.8 Another significant factor in the delivery of debt advice is the removal of funding through national Legal Aid. This represents a cut locally of approximately £120,000 per year to debt advice provision in Leeds. Although the Government

has agreed some transitional funding there is no suggestion that the Legal Aid debt advice funding cut will be reinstated. This will inevitably place more pressure on the remaining debt advice service in Leeds.

National Welfare Reforms

- 3.9 The new welfare reforms will create additional pressures on both advice provision and availability of affordable credit. The aspect of Universal Credit being paid monthly, as a wage, will open up those on benefits to the attention of Payday lenders for the first time and household budget planning will become crucial. The Council has set up a Welfare Reform Board whose job it is to plan for the introduction of the Government's reform proposals including the introduction of Universal Credit.
- 3.10 Within the Council's overall strategic planning on these measures, the provision of advice services, affordable credit and appropriate banking services will be very important in ensuring the readiness of the council and partners to deal with the consequences of the changes. Over the next 2 years the Council and partners will have the task of ensuring that all families in receipt of Universal Credit are able to manage their household budgets in a sustainable way. For many families a lot of support will be required if they are to achieve this outcome.
- 3.11 Due to the national prominence of Leeds City Council in this area of work, Council Officers are members of two DWP working groups, one looking at the transition between Housing Benefit and Universal Credit and one considering support to claimants and those who will be exempt from the full provisions of Universal Credit.

Local Leeds Initiatives

- 3.12 Since the instigation of the Financial Inclusion strategy in 2005, many local initiatives have been developed in Leeds involving the council, and voluntary and private sector partners. This resulted in the council being awarded Beacon Council status in 2007. Councils from all parts of the country have looked to Leeds for advice, support and inspiration to try to develop similar initiatives in their own areas and a number of councils have visited Leeds this year.

Affordable Credit

- 3.13 Leeds is in a better position than most cities to deliver affordable credit to communities in greatest need through the provision of locally-based credit union services through community branches which are financially supported by the Council. Ongoing initiatives continue to be developed.
- 3.14 **Promotion and Marketing** - campaigns continue to take place and the Leeds City Credit Union (LCCU) regularly works with the ALMOs to promote accounts and services to tenants, through a range of events across the city. LCCU also work with large employers, including the City Council and NHS, to promote payroll deductions and give presentations at staff inductions, etc. More work could be developed with council directorates targeted at their staff.

- 3.15 **Registered Social Landlords (RSL's)** – LCCU works closely with RSL's and a number provide incentives to tenants to open accounts with LCCU. There are currently about 7,500 ALMO (Arms Length Management Organisation) tenants who are members of the credit union. A new initiative was undertaken by Leeds East North East Homes in 2011 when the ALMO agreed to fund a credit union staff member to work with their tenants and help with their budgeting and financial needs. In addition to assisting tenants this has also helped the ALMO in its rent management process. The initiative has been so successful that funding has been extended by a further year in order that the work can continue. **A case study of the work in ENE Homes can be found in Appendix 1 to this report.** Aire Valley Homes are also giving consideration to a similar initiative. This kind of collaborative venture could prove to be very valuable when the Government's new system of Universal Credit is introduced.
- 3.16 **New Financial Products** - LCCU have recently launched a new account which is specifically designed to assist recipients of Universal Credit. The account assists with budgeting by controlling payments and can also regulate spending week by week to prevent overspends. This facility has been developed as part of the discussions within the Councils Welfare Reform Board mentioned above.
- 3.17 **LCC/LCCU Joint Working** - A LCCU/Council inter Directorate working group was established in January 2010. This was initially set up to work with the credit union in order to secure the credit union branch network which was faced with closure due to LCCU financial difficulties at that time. The working group continues to meet and discuss developments which will seek to consolidate the position of the credit union and also to look at integrating the work of LCCU in the context of the Leeds City Priority Plans. Various developments have been looked at and further proposals, outlined below, are to be considered by the working group in the coming months, without commitment at this stage:
- **Employer Package.** All employers, especially larger ones will have a proportion of their staff exposed to high cost lenders (HCL). Some form of lending and money management package could be developed as an alternative to HCL and also linking this to payroll savings schemes. The ability for staff employed by large employers to repay their loans through their pay would be helpful.
 - **LCCU Current Loan Funds.** In terms of general promotion, currently, LCCU has money to lend. The possibility of working with employers organisations and using the Council's influence to promote credit union services particularly with large employers should be considered.
 - **LCCU Representatives.** Some discussions have been held with LCC about the possibility of engaging council staff to become LCCU representatives in the workplace to help promote LCCU amongst Council staff. This could assist in building LCCU capacity and grow a firmer business base and therefore assist LCCU to expand in other areas across Leeds.

- **Targeted Projects.** Selecting discreet communities to challenge the grip of high cost lenders using a multi agency approach – either geographic or demographic areas eg ALMO Tenants as in the ENE Homes project.
- **Pay Day Product.** One of the London Credit Unions operates a Payday type loan product delivered over an internet based platform. LCCU could investigate a fully automated Payday product built on the London Credit Union platform. It may be possible to use the Community Development Finance Institution (CDFI) – see below - as a vehicle for this development. The key point is the development of a not for profit social model Payday loan product which could provide significantly reduced rates of interest compared to the high cost lending sector. This could start to challenge the internet based lending sector which is one of the fastest growing areas of the market. There would be a cost involved in purchasing the London Credit Union payday loan platform of several thousand pounds.
- **Corporate Investment.** Although some initial funding has been secured for the CDFI, this is loan financing and the interest rates are not as low as would have been hoped. If companies could be persuaded to provide capital to the CDFI at low or zero interest rates this would enable greater capacity and help lower the rates charged for loans. Some initial discussions have been held with the banking sector, currently without success but further work will be done on this. Some organisations may have an interest in seeing increased capacity such as social landlords.

Leeds Community Development Finance Institution (CDFI)

- 3.18 LCCU currently loan £350,000 per month and reject £100,000-£150,000 loan applications during the same period. These rejected loans are high risk and cannot be agreed within the current CU interest rate cap at 26.8% APR. There is a fear that many people who are declined a credit union loan go to high interest providers as an alternative.
- 3.19 The CDFI is intended to address a gap in the market and try to prevent those who cannot get credit elsewhere from using door step and pay day lenders. Residents who take out a loan with the CDFI will build up a credit history which will enable them subsequently to get credit at more affordable rates from the credit union or mainstream institutions. They will also have the support of the network of partners offering money advice which work alongside the credit union and the CDFI.
- 3.20 Nationally, CDFIs are social enterprises providing finance for enterprises and personal lending. The CDFI in Leeds would work alongside LCCU, operating as a joint venture with a focus on personal lending. CDFIs are able to charge variable rates of interest that match the risk presented. The typical rate charged by other CDFIs is between 40%-60% APR. Although this interest rate may seem relatively high, it is still significantly better than the rates charged by money shops and similar. The CDFI is a charitable trust and will operate as a not for profit organisation. Any surpluses will stay within the organisation to build capacity.

3.21 It has taken some time to secure funding for the CDFI but in June 2012 a successful bid to the Key Fund, based in Sheffield, resulted in securing a £150,000 loan. A further loan of £100,000 has been offered by a charitable foundation of a high street bank and this is currently subject to consideration by the CDFI board. This means that the CDFI will be in a position to commence trading in the autumn. Below is an illustrative table showing the savings which can be made compared with credit from a typical doorstep lender.

Potential savings from credit obtained

£500 loan, repayments weekly over 33 weeks	LCCU Loan	CDFI	CDFI	“Doorstep” Loan
Interest rate (APR)	26.8%	48%**	60%**	433%*
Interest charged (£)	38	102	139	325
Interest Saved (£)	287	223	186	

* 433% is the rate quoted by Greenwood Personal Credit on their website, but higher rates are Common. Interest of £325 is the amount quoted by their website for a 500 loan over 33 weeks.

** Rates are illustrative

Debt advice

3.22 In Leeds there are approximately 150,000 people living in the 10% most deprived communities. Access to free, independent and quality advice provides an important lifeline for many people who are experiencing the effects of poverty. The demand for debt advice has grown whilst available resources are likely to be under more pressure. The advice agencies in Leeds provided advice services in one year to over 46,000 clients and receive approximately 149,500 enquiries (2010/11). These figures are based on Advice Leeds partner’s membership information.

3.23 As indicated above in paragraph 3.7, most debt advice provision in the city is funded through the national Government scheme which currently funds 9 debt case workers. These caseworkers link into the generalist advice structure which is delivered in a number on locations. The table below details the services funded through LCC and NHS Leeds including services based in Children’s Centres and GP Surgeries:

Advice Service	Organisation	Funding Through
Gateway and Generalist Advice delivered through city centre and community outreach centres	Leeds CAB Chapelton CAB Leeds Law Centre	LCC Environment & Neighbourhoods Advice Agency Grant
Generalist Advice – Outreach to 20 Children’s Centres	Leeds CAB, Chapelton CAB Burley Lodge Centre	LCC Children’s Services

Advice for disabled people on all aspects of living with a disability	DIAL	LCC Adult Social Care NHS Leeds
Generalist Advice - Outreach across 23 GP surgeries	Leeds CAB, Chapelton CAB LCC Welfare Right's Unit	NHS Leeds
Mental Health Advice - Outreach Service across 11 bases including day care centres, hospitals and community centres	Leeds CAB	NHS Leeds LCC Adult Social Care
Advice for older people on benefits, housing and finances	Age UK	NHS Leeds LCC Adult Social Care
Welfare Rights Advice outreach to people's homes	Leeds CAB	LCC Adult Social Care
Welfare Rights Advice	Chapelton CAB	LCC Customer Services

- 3.24 Most of the funding for advice supports voluntary sector charities who have been involved in delivering advice services in the city for many decades. One positive benefit of this approach is the amount of added value resulting from the work of these charities. A recent study undertaken by City Development Directorate showed that in the last 5 years, third sector advice agencies brought an additional £7m of funding into the city and utilised the services of over 220 volunteers.
- 3.25 It is important to note that in Leeds a significant element of advice is funded through NHS public health provision. This has resulted from an understanding over many years of the benefits to health that can be achieved through the provision of advice. The NHS in Leeds and LCC have worked closely together on a number of studies which have provided clear evidence of linkages between advice and improvements to health. This is particularly evident in dealing with debt problems and improving income through welfare rights advice. In addition to potential Public Health Funding for advice, the Clinical Commissioning Groups will be asked to consider if this form of funding could help to deliver some of their primary care objectives.
- 3.26 During the last year there has been an expansion of telephone advice provision in the city. This method of delivery offers a way to provide advice to more people than can be delivered through face to face services alone. The expanded services in Leeds have been developed through the Telephone Gateway Project. This project is funded by City Development Directorate until March 2013 and will train additional advice volunteers to staff the phone service and provide an initial assessment of the callers' needs and route them to the appropriate advice services. One of the longer term aims of the project is to have a single telephone number for accessing any of the advice providers in the city. This development will seek to consolidate even further the integrated joint working between advice agencies, the council and partners which has proved to be so successful and was a key feature in Leeds being awarded Beacon status for financial inclusion.
- 3.27 Although, Leeds is probably better placed than most cities to meet the challenges, more improvements can be made. It has been agreed that there should be a strategic review of advice provision in the city, lead by Environments and Neighbourhoods Directorate. This will look at needs across the city and plan the best approach to delivering services to meet the new situation following the

welfare reform changes. The review will also include the advice services funded by public health partners. It is vital that service provision is sustained and that the City responds to the growing need for assistance. A project working group is being established, with representation from across the Council, to oversee the work of the review.

4 Corporate Considerations

4.1 Consultation and Engagement

Discussions have been undertaken with numerous partners via the Financial Inclusion Steering Group, including the advice agencies in the city, ALMOs and other housing associations as well as appropriate Council services and private sector financial institutions.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 An equality impact assessment is not relevant as this is primarily a progress report for noting and not for decision or a policy document.

4.3 Council policies and City Priorities

4.3.1 The work of the Financial Inclusion team forms part of the Council's strategic policy to tackle financial exclusion in the city. It therefore contributes to a number of the City Priorities as part of the identified financial inclusion actions. ie. the Sustainable Economy and Culture Plan, the Health and Wellbeing Plan and the Children and Young People Plan (through the Child Poverty Strategy).

4.4 Resources and value for money

4.4.2 There is no cost to Leeds City Council as a result of the recommendations in this report.

4.5 Legal Implications, Access to Information and Call In

4.5.3 There are no legal implications for the Council regarding the recommendations in this report, the information contained in the report is open to the public and although the report recommendation is to note progress it could be called in if deemed appropriate.

4.6 Risk Management

4.6.4 There are no identified risks associated with the issues under consideration.

5 Conclusions

5.1 The legal high cost lending market in Leeds is considerable and could be worth in the region of £90m per year.

5.2 Leeds is probably better placed than any other city in the country to deal with the problems that arise from this market. However, even with all the resources and

experience that is brought to bear by the Council and partners, these efforts can only impact in a small way to deal with the problem.

- 5.3 The establishment of a CDFI will offer a new facility designed to assist people in getting away from using high cost lenders. Initial funding has been obtained which will enable the CDFI to commence trading in the autumn.
- 5.4 The Council and partners are taking steps to try to be ready for the national changes being introduced to the benefits system including Universal Credit. These steps include providing advice and assistance to residents who may be affected by the changes, LCCU designing new financial products to meet the needs particularly of social housing tenants and undertaking a review of advice provision in the city.

6 Recommendations

6.1 Executive Board is asked to:

1. Note the extent of the high cost lending market nationally and more particularly that operating in Leeds, as set out in this report and including the information on the sector provided in Appendix 2.
2. Note and welcome the approaches outlined in the conclusions set out in section 5 of this report.
3. Agree to continuing support and promotion of Leeds City Credit Union, particularly in areas which complement the delivery of the Leeds City Priority Plans.
4. Note and welcome the ongoing work of the inter Directorate credit union working group and the range of possible future developments set out in this report at paragraph 3.17.

7 Background documents¹

- 7.1 Illegal Money Lending Team Progress Report – Report of the Director of City Development to Executive Board, 11 April 2012
- 7.2 Advice Services Review – Report of the Director of Environment & Neighbourhoods to Corporate Leadership Team, 10 July 2012

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

Appendix 1

East North East Homes Leeds, Leeds City Credit Union Collaboration.

Case Study

Mr X was referred for support by a Housing Support Officer (HSO) at the Gipton office. Contact was made and he was invited to come along to a surgery for an appointment. He was very reluctant and indicated that he didn't need any help but after further conversation he was persuaded to attend with his wife for an initial talk. The family were experiencing financial difficulties with high interest lenders which was the underlying issue as to why they were currently in rent arrears.

Mr X and his wife attended the appointment and details were provided about how LCCU could help them and how they could potentially help save money. Immediately Mr X was responsive and was willing to accept help. He admitted that he was embarrassed about the situation he had got into hence why he didn't want to divulge any information in the first instance.

At the time he paid out £40 per week to Bright House and £66 per week to Naylor's, by applying for a LCCU loan his loan repayments would be £41 per week, saving him £65 per week which would contribute to his household income.

He applied for a £4000 loan; this was to clear the high interest debt and also his bank overdraft. His loan was approved and all above debts were cleared in full and his bank account was closed. His rent arrears have been cleared, his rent account is now up to date.

During the discussions it came out that the family were currently in dispute with HM Revenue and Customs about Tax Credits. They were informed that they had been over paid but this didn't seem to be the case. They were referred to a Benefit Advisor and this issue has now been resolved.

Mr X now saves on a weekly basis with LCCU, he has indicated that he is saving for a family holiday next year. A good working relationship has been established with this family and they continue to keep in touch.

Appendix 2

Legal Credit Activity in Leeds

Details of Credit Businesses Based in Leeds

Businesses involved in Consumer Credit activity (loans, brokerage, debt collection, debt management) are required to hold a Consumer Credit Licence, issued by the Office of Fair Trading. As the local regulator of consumer credit West Yorkshire Trading Standards Service (WYTSS) is sent details of any new or amended application for a Consumer Credit licence for their comments, e.g. that a person is fit/unfit to hold such because of convictions, etc.

A list of all businesses in West Yorkshire with a Consumer Credit Licence was formerly maintained by WYTSS but there is now a national register kept on line (link below) and the West Yorkshire service has to rely on this national register for local information.

<http://www2.crw.gov.uk/pr/Default.aspx>

Legal High Cost Credit Providers in Leeds

[Please note that due to the lack of a comprehensive data base of local suppliers the list in this appendix will not be complete and there may be many outlets operating in Leeds which are not listed here]

The following high cost home collected credit lenders are based in Leeds:

Adamson Finance - 135 Otley Old Road, Leeds, West Yorkshire, LS16 6HH

CLC Finance - Unit 4, Meadow Court, Millshaw, Leeds, West Yorkshire, LS11 8LZ

Fowlers Permanent C& S LTD - 53 Stanningley Road, Leeds, West Yorkshire, LS12 3ND

Leeds & District Clothing & Supply Co Limited - 164 Harehills Lane, Harehills, Leeds, West Yorkshire, LS8 5JP

Naughton Finance Ltd - Mayflower House, 14 Pontefract Road, Leeds, LS10 1SG

Martin Oddy & Co - 4 Griffin House, Station Road, Morley, LS27 8JW

Park Finance Co Ltd - 9 Ring Road, Seacroft, Leeds, West Yorkshire, LS14 1AT

Pioneer Finance - 2 Holly Tree Lane, Colton, Leeds, West Yorkshire, LS15 9JF

However in addition to these businesses there are a number of other businesses that operate 'rounds' in Leeds, including Provident and West Riding Family Finance (Bradford); D & J McGuinness, J R Naylor and Provida Loan (Wakefield); and Shopacheck (Birstall) plus some businesses from Rotherham, Chester, Solihull and Worcestershire.

All businesses involved in small cash loans are required to place their details on the Lenders Compared website – www.lenderscompared.org.uk – which lists all the businesses who will offer such credit by postcode and includes rates, payment periods and other key terms and conditions. It is interesting to note that some businesses operate at a very local level. There are for example some businesses that will offer loans in Seacroft but not Morley or the city centre.

The Lenders Compared web-site lists loans (a) which offer a number of repayments and (b) loans between £50 and £800. As such it does NOT include the high cost short-term payday loan businesses such as Wonga or Quickquid; or high cost loan businesses offering medium sized loans (£1,000 - £5,000) such as Ocean Finance. Most of these businesses operate regionally or nationally and advertise via newspapers, television and increasingly via the internet (especially using formats specifically tailored for mobile phones).

Lenders Compared does NOT pick up businesses which offer high cost loans based on a security (usually a car - often referred to as log-book loans) who use a range of archaic financing tools that mean they are not legally defined as either a “small amount” or “multiple payment” credit service. There are a number of such businesses that operate in but are not based in Leeds.

Below is a list of shops operating in Leeds by postcode which has been compiled by the Economic Policy Team. The list may not be fully comprehensive as there is not one simple data source for this information, some shops may be part of national groups which are registered outside Leeds and also due to the provisos indicated above. However, this is probably the most up to date list available at the current time.

Credit Shops Operating in Leeds

POSTCODE		
LS1	Money Shop	2 Call Lane, Leeds LS1 6DN
	Money Shop	25-27 The Headrow, Leeds LS1 6PU
	Pawnbrokers/payday loans	8 New Market Street, Leeds LS1 6DG
	Finance 321	57 Great George Street, Leeds LS1 3AJ
	Ramsdens 4 Cash	11-12 Kirkgate, Leeds LS1 8BY
	Herbert Brown Pawnbrokers	19 Kirkgate, Leeds LS1 6BY
	Cash Shop	26 New Market Street, Leeds LS1 6DG
	Cash for Gold	35 Vicar Lane, Leeds LS1 6DS
	Ramsdens 4 Cash	49 New Briggate, Leeds LS1 8JD
	Brown and Gold Cash for Gold	Park Cross Street
LS2	Money Shop	38 Eastgate. Leeds LS2 7JL
	Money Shop – Ramsdens	49 New Briggate, Leeds LS2 8JD
	Cash Converters	21 Eastgate, Leeds LS2 7LY
	Everyday Loans	Unit 2 Merrion Centre, Leeds LS2 8NG
	Herbert Brown Pawnbrokers	12 Eastgate, Leeds LS2
	The Money Shop	2 Call Lane, Leeds LS2
	Herbert Brown Pawnbrokers	40-42 Merrion Centre, Leeds LS2 8NG
	Brighthouse	Merrion Centre, Leeds LS2
LS7	Automoney	122 Potternewton Lane, Leeds LS7 2EG
LS8	Cash Converters	254 Roundhay Road, Leeds LS8 5RL
	Money Shop	243 Roundhay Road, Leeds LS8 4HS
	One Stop Money Shop	83 Roseville Road, LS8 5DT
	Cash Converters	164 Harehills Lane, Leeds LS8 5JP
LS9	Cash Converters	76 Lincoln Green Road, Burmantofts, LS9 7SU
	Automoney/Log book loans	577 York Road, Leeds LS9 6NH
	Ramsdens 4 Cash	314 Harehills Lane, Leeds LS9 7BG
LS10	NFL Cash Direct	Pontefract Road, Stourton, Leeds LS10 1SP
	Naughton Finance Limited	Mayflower House, 14 Pontefract Rd, Leeds LS10 1SG
LS11	Cash Converters	211 Dewsbury Road, Beeston, Leeds LS11 5FZ
	Cash Express	247 Beeston Road, Leeds LS11 7LR
	Shopacheck	Oakhurst Avenue, Dewsbury Road, Leeds LS11 7HL
	Cash Xpress	2 Parkfield Mount, Leeds LS11 7PA
	CLC Finance	Unit 4, Meadow Court, Millshaw, leeds LS11 8LZ
LS12	Cash Converters	6-8 Town Street, Armley, Leeds LS12 3AB
	Log book loans	
	Money Shop	26 Town Street, Leeds LS12 3AB
	One Stop Money Shop	12 Town Street, Leeds LS12 1UX
	Cash Generator	41-43 Town Street, Leeds LS12
	Fowlers Permanent C&S Ltd	53 Stanningley Road, Leeds LS12 3ND

LS13	Cash Converters	30 Bramley Shopping Centre, Leeds LS13 2ET
	Albemarle and Bond Pawnbrokers	25 Bramley Centre, Leeds LS13 2ET
	Cheque Centre	21 Bramley Centre, Leeds LS13 2ET
	Brighthouse	27-29 Bramley Shopping Centre, Leeds LS13
LS14	Cash Converters	853 York Road, Leeds LS14 6AX
	Park Finance Co Limited	9 Ring Road, Seacroft, Leeds LS14 1AT
LS15	Money Shop	14 Station Road, Crossgates, Leeds LS15 7JX
	Cheque Centre	25 Crossgates Shopping Centre, Leeds LS15 8ET
	Herbert Brown	39 Crossgates Shopping Centre, Leeds LS15
	Pawnbrokers and cheque cashing	36 Austhorpe Road, Leeds LS15 8DX
	Cash Generator	7 Crossgates Shopping Centre, Leeds LS15 8ET
	Ready Steady Dough	Park Approach, Leeds LS15 8GB
	Cash Express	241 Selby Road, Leeds LS15 7JR
	Cash for Gold	243 Selby Road, Leeds LS15
	Pioneer Finance	2 Holly Tree Lane, Colton, Leeds LS15 9JF
	Brighthouse	Cross Gates Shopping Centre, Leeds LS15
LS16	Adamson Finance	135 Otley Road, Leeds LS16 6HH
LS18	Carloantoday	164 Town Street, Horsforth, Leeds LS18 4AQ
	ScrapGold	85b Town Street, Horsforth, Leeds LS18
LS20	Shopacheck	5-8 Richmond Terrace, Leeds LS20 8BP
LS22	One Stop Money Shop	21 Market Place, Wetherby, Leeds LS22 6LQ
	Brown and Gold – Cash for Gold	10 North Street, Wetherby, LS22 6NN
LS27	Ramsdens 4 Cash	62 Queen Street, Morley, Leeds LS27 9BP
	Martin Oddy and Co	4 Griffin House, Station Road, Morley, LS27 8JW

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Report of Director of Environment and Neighbourhoods

Report to Executive Board

Date: 5th September 2012

Subject: Response to the deputation from Sparrow Park Action Group on 11th July.

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

Summary of main issues

1. This report provides a response to the deputation received from Sparrow Park Action Group (SPAG) on 11th July 2012.
2. It addresses issues regarding the future ownership, restoration and management of a small triangular piece of green space known locally as Sparrow Park in Headingley.
3. Despite considerable effort it has not been possible to establish the owner of the land. The options to resolve this are either to pursue acquisition of the land by adverse possession, or via a compulsory purchase order (CPO).
4. Adverse possession is not considered a viable option due to the time involved, securing exclusive possession due to the public nature of the land, and difficulties associated with securing public liability insurance.
5. A CPO is considered a viable option subject to developing a scheme with existing funds available that improves the park and demonstrates that it can continue to be managed and maintained.

Recommendations

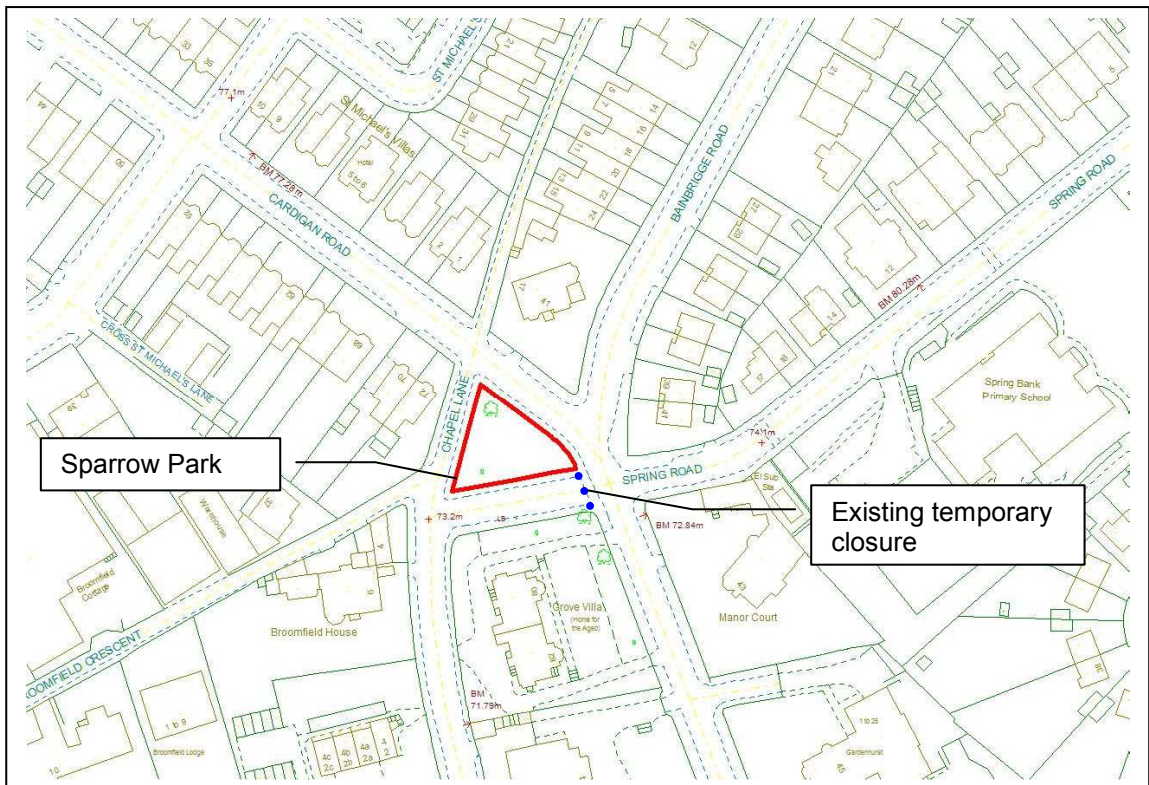
6. That Executive Board note the contents of the report and endorse the case for pursuing a Compulsory Purchase Order under relevant powers subject to clarifications identified in paragraph 3.2.17.

1 Purpose of this report

- 1.1 This report provides a response to the deputation received from Sparrow Park Action Group (SPAG) on 11th July 2012. Specifically it addresses issues regarding the future ownership, restoration and management of a small triangular piece of green space known locally as Sparrow Park in Headingley.

2 Background information

- 2.1 Sparrow Park is bordered by Chapel Lane, Spring Road and Cardigan Road and has an area of 477 square metres (0.05 hectares) as illustrated in the following map which identifies the location and curtilage of the park. There is an existing point closure to motor vehicles affecting Spring Road adjacent to the park. This closure has created a cul-de-sac and vehicular access to Cardigan Road is not currently permitted.



- 2.2 The city council does not own the park and the owner of the land is not known. The Parks and Countryside service and Planning have carried out land searches on the site over the last 5 years, which reveal that the land is not registered. Local enquiries and an article in the local newspaper have not revealed any further information as to the legal owner. A plaque adjacent to the entrance to Sparrow Park states that the site was improved by West Yorkshire County Council in 1975 with the support of South Headingley Neighbourhood Association.
- 2.3 The park has fallen into disrepair and is in a neglected condition with damaged and missing fencing, and missing coping stones on the wall. The site is

overgrown and self seeded trees dominate with litter and debris across the park. It appears that the park has therefore not been maintained for many years.

- 2.4 A public consultation and initial feasibility study funded by S106 was carried out in 2008. Based on the outcome of the consultation and feasibility work, ward based initiative funds supported the preparation of detailed design work to create a larger green space incorporating the area of Spring Road currently forming a cul-de-sac to the south of the park. Planning permission for this scheme (reference 10/00731/LA) was approved in April 2012. The capital cost of the scheme was estimated at £110,000, with a commuted sum of £14,000 estimated for ongoing maintenance. Due to the inability to identify land ownership of the park (and indeed to identify ownership of the area in question on the Spring Road cul-de-sac), applications to secure grant funding have been unsuccessful.

3 Main issues

- 3.1 The deputation makes reference to the following issues which are considered in the following section of the report.

- Establishing land ownership and improving the park
- Ongoing management and maintenance

3.2 Establishing Land Ownership and Improving the Park

- 3.2.1 As indicated, despite considerable effort it has not been possible to establish the owner of the land. The options to resolve this are either to pursue acquisition of the land by adverse possession, or via a compulsory purchase order (CPO).

3.2.2 Option 1: Adverse Possession

- 3.2.3 Acquiring land by “adverse possession” is the process by which a person who is not the legal owner of land can become the owner after having occupied it for a specified period of time. For unregistered land you can apply to be the registered owner after 12 years provided an applicant (an individual or group with several persons acting jointly) can prove that they:

- have been squatting without the owner’s consent
- have the necessary intention to possess the property to the exclusion of the owner of the land and any other party
- have factual possession of the land as if they were the owner of the land and no one else is dealing or occupying the land so that possession is exclusive to the applicant. Improvement of the land and placing signs in the park indicating new ownership is good supporting evidence.
- all above apply to the applicant and any predecessors through whom the applicant can claim for at least 12 years prior to the date of the application

- 3.2.4 There are exceptions that apply and an applicant is not able to be registered as the owner if, for example, the property is held in trust, the owner has a disability and cannot communicate them or the applicant has already started a different legal process to become owner of the land.
- 3.2.5 If improvements are carried out on land that a person or group does not have a legal interest in, it may not be possible to claim public liability insurance as insurance companies often require evidence that the land belongs to the applicant to avoid insurance fraud.
- 3.2.6 In order to defeat a claim for adverse possession the owner of the land can end the claim within the 12 year period by getting the squatter to acknowledge the owner's title as the true owner to the property. A squatter that remains in possession of the land after such acknowledgement will start time running again for a claim for adverse possession. An owner must ensure that the squatter is removed from the land in order to ensure that the squatter does not pursue/revive such a claim.
- 3.2.7 Each application for adverse possession is assessed on its own merits and the Land Registry will only register the applicant with absolute title if they are satisfied that their adverse possession has barred the owner's title. In all other cases, they may register with possessory title but they will not do so in cases of real doubt.
- 3.2.8 There is no time limit to the length a time an application for adverse possession can take as any objection by the owner of the land or objectors must be disposed of and/or may then be decided by an Adjudicator of the Land Registry at a hearing. The Adjudicator can set a date for the hearing or direct one of the parties to start court proceedings. It is at this stage that costs may be incurred and they can be quite substantial. In certain circumstances, the applicant squatter may have to pay the owner's costs as a result of making the application. Costs may be liable even if the applicant withdraws their application for a claim.
- 3.2.9 Unless a person or group has a very strong case and evidence to prove a valid claim leading to registration of title then this option is not advisable, particularly given difficulties associated with establishing exclusive possession, the time involved and uncertainty around securing public liability insurance.
- 3.2.10 Option 2: Compulsory Purchase Order (CPO)**
- 3.2.11 With regard to obtaining a successful CPO, the Council possesses a range of compulsory purchase powers. Appropriate powers to acquire non-residential property or vacant lands can be found in section 226 of the Town and Country Planning Act 1990, as amended by the Planning and Compulsory Purchase Act 2004. There are two powers available.
- 3.2.12 The power in section 226(1)(a) authorises the compulsory acquisition of land where the authority thinks that the proposed development, redevelopment or improvement is likely to contribute to achieving the promotion or improvement of the economic, social or environmental well-being of the area for which the acquiring authority has administrative responsibility. The power in Section 226(1)(b) allows an authority, if authorised, to acquire land in their area which is

required for a purpose which it is necessary to achieve in the interests of the proper planning of an area in which the land is situated. The potential scope of this power is broad. It is intended to be used primarily to acquire land which is not required for development, redevelopment or improvement, or as part of such a scheme.

- 3.2.13 In either case the Council will need to show that there is a compelling case in the public interest for the acquisition of the land (which would include the park and potentially the subsoil under the adjacent highway). This means that the public benefit associated with the acquisition must outweigh any interference with private rights that will inevitably be associated with the compulsory acquisition. The Secretary of State, in deciding whether to confirm a CPO, will consider how the land acquisition and scheme delivery will be resourced. He will consider whether there are sufficient funds available to acquire property within the CPO within the lifetime of the CPO and whether there is a reasonable prospect of the proposals being delivered within a reasonable timescale.
- 3.2.14 This means that the Council needs to be clear from the outset on the scheme to be pursued and how it is to be funded in order to demonstrate that the council (or those who are to implement the scheme) will be in a position to deliver the proposals on confirmation of the CPO. The nature of the scheme – notably whether it will involve development requiring planning permission, will influence which of the two CPO powers identified should be used.
- 3.2.15 After making and advertising the CPO there is a minimum 28 day period for objections to be lodged. The timetable will vary depending on whether or not objections are made. If no objections are received, the land could become vested into the ownership and control of the council within approximately, six to eight months. In the event of objections and a public inquiry being held and an inspector finding in the council's favour then this could extend to beyond 12 months.
- 3.2.16 In an uncontested CPO, the only costs arising will be those of advertising, notice and legal fees. These are estimated at approximately £8,000 for disbursements and legal fees. In the event that the CPO receives objections, there will be an increased cost in the event of a public inquiry. This would likely be in the region of £5,000 to £10,000. Should an inquiry prove necessary this would normally be funded from the Council's planning appeal's budget within City Development.

Should the CPO be confirmed, and the land become vested with the Council, the land owner has 6 years from the date they become aware of the vesting to have the issue of compensation referred to the lands tribunal for determination in the event of the compensation being disputed. Asset Management have undertaken an appraisal of the site based on its existing use and stated that the non residential open market value is in the range of £1,000 to £2,000. It should be noted that a potential owner may not agree to this level of compensation and claim a higher amount. If a figure can not be settled and is disputed, the Lands Tribunal will make an informed determination of the compensation payable taking into consideration the information and land use planning policies applicable at the time of vesting. If there is a dispute this would incur additional costs resulting from a referral to the Lands Tribunal.

3.2.17 The preliminary view of officers is that there is a prima facie case for pursuing a CPO under the powers contained in Section 226 of the 1990 Act. Should Executive Board endorse the recommendation then further work needs to be done on the issues that will need to be addressed in order to establish the case for a CPO including:-

- Clarification on the scope of the scheme to be pursued. This will in turn clarify the appropriate power to be utilised and also the CPO boundary (which may or may not incorporate the subsoil of the highway);
- Clarification on the funding for the scheme;
- Clarification on the mechanism for the delivery and future maintenance of the scheme to be delivered so it can be demonstrated that the scheme will continue to deliver public benefits.

3.2.18 Assuming that these issues can be resolved and the issue of ownership continues to remain unclear then officers propose to seek a further resolution authorising the commencement of CPO action.

3.2.19 Funding Available to Deliver Improvements

3.2.20 Whilst grant funding applications have been unsuccessful, SPAG have been able to secure funding to undertake consultation, design, land searches and a planning application. The following funds remain available to be spent on the scheme:

S106	£18,000 (Approx)
North West Inner Area Committee	£10,814
Total	£28,964

3.2.21 As indicated above, the cost of pursuing a CPO given that it was uncontested should cost £8k. This would leave around £21k which could be utilised to develop a modest scheme that would focus on key landscape improvements within the curtilage of the site as well as ongoing maintenance of the park.

3.3 Ongoing Management and Maintenance of the Site

3.3.1 In the unlikely event that the group pursued a claim for adverse possession, then the ownership of the land would be outside the Council and responsibility for the ongoing management and maintenance would lie with SPAG.

3.3.2 SPAG have stated they would wish to undertake management and maintenance of the site. In the event of a successful CPO, then land ownership would remain with the Council, and given the nature of the site, be vested with Parks and Countryside. Parks and Countryside could then choose to establish an agreement with SPAG for the ongoing management and maintenance, either formally via a lease agreement, or a suitable stewardship agreement. Depending

on the nature of the scheme, it is estimated that a commuted sum over a 10 year period of around £14k would be required for the ongoing maintenance of the site.

- 3.3.3 Subject to a successful CPO and clarification of land ownership, then SPAG could then potentially access grant funding (with the support of the Parks and Countryside service) to undertake further development work on the site. Considerations

3.1 Consultation and Engagement

- 3.1.4 Headingley ward members have been campaigning for improvements to Sparrow Park for a considerable time. There has been community consultation undertaken as part of the original improvement scheme. Headingley News ran a story entitled 'Who owns Sparrow Park?' This news story sought the local community's assistance in tracing the land owner of the site. The story did not produce any useful ownership information.
- 3.1.5 In order to develop an alternative scheme to improve the park it would be necessary to conduct consultation with local residents.
- 3.1.6 A report has been considered by the Asset Management Board that has supported the proposed use of CPO powers for the Council to secure the ownership of this area of land

3.2 Equality and Diversity / Cohesion and Integration

- 3.2.1 At this stage this report is seeking approval in principle to pursue a compulsory purchase order (CPO) for the land in question in order to clarify land ownership. It will therefore be necessary, subject to approval, for equality, diversity, cohesion and integration issues to be considered during the design of an appropriate scheme to support the case for a CPO in order that Sparrow Park can become an accessible and well managed pocket park for the local community to visit.

3.3 Council policies and City Priorities

- 3.3.1 The report is in response to a deputation to full Council from the Sparrow Park Action Group.

3.4 Resources and value for money

- 3.4.1 Planning permission for a £110,000 scheme was granted in April 2012, with a commuted sum of £14,000 estimated for ongoing maintenance. Due to the inability to identify land ownership of the park (and indeed to identify ownership of the area in question on the Spring Road cul-de-sac), applications to secure grant funding have been unsuccessful.
- 3.4.2 An uncontested CPO is estimated to cost £8,000 for disbursements and legal fees. There is approximately £29k funding from North West Inner Area Committee (£10,814) and S106 (£18,000) to undertake a CPO and for the Parks and Countryside service to work in partnership with SPAG to develop and manage a suitable improvement scheme.

3.5 Legal Implications, Access to Information and Call In

- 3.5.1 The report outlines options associated with establish land ownership, namely adverse possession and the implications of pursuing a compulsory purchase order (CPO).

3.6 Risk Management

- 3.6.1 In the event that a CPO receives objections, there would be an increased cost in the event of a public inquiry. This would likely be in the region of £5,000 to £10,000. Should an inquiry prove necessary this would normally be funded from the council's planning appeal's budget within City Development.
- 3.6.2 Should the CPO be confirmed, and the land become vested with the Council, the land owner has 6 years from the date they become aware of the vesting to have the issue of compensation referred to the lands tribunal for determination in the event of the compensation being disputed. Asset Management have undertaken an appraisal of the site based on its existing use and stated that the non residential open market value is in the range of £1,000 to £2,000.

4 Conclusions

- 4.1 The city council does not own the park and the owner of the land is not known. The park has fallen into disrepair and has not been maintained for many years. A £110k scheme to improve the park was unsuccessful due to the inability to secure grant funding as land ownership is not known. Adverse possession is not considered a viable option due to the time involved, securing exclusive possession due to the public nature of the land, and difficulties associated with securing public liability insurance. A compulsory purchase order (CPO) can only be secured if the council can demonstrate that funds are available to deliver and sustain an improvement scheme for the park. There are sufficient funds available to deliver a modest scheme that should satisfy CPO criteria.

5 Recommendations

- 5.1 That Executive Board note the contents of the report and endorse the case for pursuing a Compulsory Purchase Order under relevant powers subject to clarifications identified in paragraph 3.2.17.

6 Background documents¹

- 6.1 Deputation speech to full Council 11th July 2012.

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

DEPUTATION ONE

THE LORD MAYOR: Good afternoon and welcome to today's Council meeting. Please now make your speech to Council, which should not be longer than five minutes, and please begin by introducing the people in your deputation.

MR R PARK: My Lord Mayor and Fellow Councillors, my name is Richard Park, I am the Chairman of the Sparrow Park Action Group. That is a group constituted as a sub-group of the Cardigan Triangle Community Association. I am accompanied by Joan Brown, who is the Secretary of the CTCA.

We are here today to seek your help to regenerate Sparrow Park in Headingley. It is in the Headingley Conservation Area on Cardigan Road, not far from the stadium - I am sure most of you will know where it is. It is specifically referred to in our Neighbourhood Design Statement as being an important green space which, as you know, is a densely-populated part of Leeds.

The history of Sparrow Park is that it is one of the few undeveloped plots in Headingley and the last vestiges of the Zoological and Botanical Gardens that stood there in the mid-19th Century. When the zoo failed and the estate was sold off and divided into building plots, Cardigan Road was laid out and cut across Spring Road and Chapel Lane creating a separate triangle of land. Walls and rails were erected to create Sparrow Park.

Now, it is rapidly become derelict and urgently needs investment to secure its future. The original Victorian walls and railings need repair and maintenance. In places they have been smashed and deliberately knocked down. The undergrowth and the trees need to be managed. The park is used for littering and dumping rubbish and it is also used by groups who drink and take drugs. The dereliction sets the tone for the neighbourhood and the way visitors to the rugby ground and the like, the transient residents that come from the university and their landlords behave.

It is our aim to regenerate the park and to secure its future management and maintenance. We want to make it a safe and pleasant place for people to visit, to be an outdoor classroom for Spring Bank Primary School across the road, and to manage the trees and undergrowth to increase the animal and plant diversity.

In an urgent attempt to slow the rate of dereliction and vandalism, local residents have raised funds to repair the most damaged part of the wall and erect a temporary wooden fence to plug the gap in the railings. We have also thinned some of the undergrowth.

However, we are prevented from developing a long-term solution because, despite extensive investigations at the Land Registry etc, we cannot trace an owner and this means we cannot access grants or get insurance and protect ourselves from any liabilities. Whenever we work on the land we are trespassing.

We have looked into taking adverse possession; however, this would take ten years and would require an individual to demonstrate factual possession of the park to the exclusion of all others. This is unreasonable, given the location of the park in

a crowded urban environment next to a main road, as this individual would be responsible for maintaining the boundaries and any liabilities arising. Also, there is no guarantee that we could obtain the adverse possession after ten years. Adverse possession has become difficult and we cannot wait ten years.

We suggest the best option is for the Council to make a Compulsory Purchase Order on behalf of the community. This would resolve the issue of ownership. A trust arrangement would enable access to funds and grants so the residents of Headingley, with Council support, could maintain and manage the park. Small scale repairs could be undertaken via MICE money and some 106 funding which is available, and the recent sale of the adjacent Grove Villas by the Council will have generated some potential funds for local environmental improvements.

We understand the concerns of some Council officers that contesting a CPO could be expensive. Should someone successfully claim ownership, there will be no reason for the Council to contest it because we would have established ownership and responsibility for repair and maintenance. The chances of an owner making a claim are negligible. Extensive searches have already been made by residents and the Council. One indication is that the original Victorian railings survived the war, among the few to do so in Leeds, and this indicates that ownership may have been uncertain then, as a contribution to the war effort at that time required the owner's permission.

The land has very low value. The Council valuation is approximately £2,000. Due to it being green space it has never been built upon and permission would not be granted for building.

An earlier proposed plan of restoration and, it has got to be said, the extravagant development of Spring Road was drawn up by the Council in 2009/10. We are not asking for this, just a simple scheme of tidying and repair. As part of the earlier plan, £10,000 was allocated for the compulsory purchase of Sparrow Park and it is still unused. We are asking for this to be spent on the CPO of Sparrow Park and to consider incorporating the road area of Spring Road as detailed in the earlier permission.

THE LORD MAYOR: Just to remind you, you have got a minute left.

MR R PARK: Yes. I am nearly finished.

Just to reiterate, Sparrow Park needs action now, we cannot wait ten years so please support our request and enable us to regenerate this historic green space and community asset. *(applause)*

THE LORD MAYOR: Councillor Lewis.

COUNCILLOR J LEWIS: Thank you. I move that the matter be referred to the Executive Board for consideration.

COUNCILLOR G LATTY: I will second that, Lord Mayor.

THE LORD MAYOR: All those in favour? (*A vote was taken*) CARRIED.
Thank you for attending and for what you have said. You will be kept informed of the consideration which your comments will receive. Good afternoon.

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Report of the Director of Resources

Report to Executive Board

Date: 5th September 2012

Subject: A Review of City Centre Parking in Leeds

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

Summary of main issues

1. This report provides a summary review of Leeds city centre car parking and the outcomes of the review will be subject to a consultation with relevant stakeholders. The full review document is available to members on request.

2. The Council's current car parking policy is influenced by strategic plans which aim to discourage long stay commuter parking, support the economic vitality of the city centre by encouraging short stay parking for shoppers/visitors and encourage the development of more sustainable travel choices, such as Park and Ride facilities.

3. The Council controls around 29% of all chargeable spaces in the city centre. Although occupancy of all car parks has been declining in general, occupancy of the Council operated car parks remains significantly higher than the privately operated car parks. This is partly as a result of Council car parks being, on average, cheaper than private car parks. Nevertheless, car parking income has been falling short of budgeted levels in recent years, both on street and off street.

4. Whilst the Council's current parking strategy is broadly in keeping with the policy objectives, this review highlights the issues which should be taken into account when shaping future car parking strategy.

Recommendations

5. Executive Board is requested to approve the recommendations contained within the report.

1. Purpose of this report

- 1.1 The purpose of this report is to provide a summary review of city centre car parking in Leeds, highlighting issues which will inform future car parking policy. The full review document is available to members on request.
- 1.2 The review considers the Council's current approach to city centre parking, having regard to the Council's policy objectives. It considers current and future capacity of car parking spaces within the city centre, provides an analysis of the usage of the city's car parks and examines income trends in recent years at the Council's car parks.
- 1.3 It highlights the issues which need to be taken into account when shaping future car parking strategy and makes recommendations which are consistent with the Council's objectives.

2. Background information

- 2.1 Members have previously requested that the Council's strategy for car parking in the city centre is reviewed to ensure that it is meeting the Council's policy objectives and is appropriate for the current economic conditions.
- 2.2 The population of Leeds is forecast to grow significantly over the coming years which, together with future developments in the city centre, will result in a need to transport greater volumes of people into and out of the city centre. Future transport strategy is focused on providing for increased travel to the city centre by sustainable modes and reducing the impact of traffic within the city centre, and car parking policy has a key role to play in this.
- 2.3 The operation of car parking also generates a significant amount of income, and although the Council does not operate car parks with the sole intention of generating revenue, income has been falling short of budgeted levels in recent years.

3. Main Issues

- 3.1 Car parking has an important role to play in supporting the city centre economy. The provision of an appropriately balanced parking supply is considered essential to a thriving city centre. This balance is delicate however, since it needs to complement the provision of public transport and other travel options for the city centre so as to make the most sustainable and efficient use of transport resources and provision.
- 3.2 Too little car parking provision can discourage visitors and commuters from coming to a city centre, whereas over provision can lead to excessive traffic and have an adverse impact on the viability of public transport services.
- 3.3 Charging for car parking helps to support local businesses by encouraging the turnover of spaces, and the Council is able to support specific locations through targeted parking provision such as specific short/medium stay parking at the Markets car park.
- 3.4 The level, distribution and pricing are therefore critical factors in helping to ensure that car parking does not become a deterrent to investors, employers, employees and visitors and that public transport services are not undermined. This balanced approach forms the basis of car parking policy in Leeds.

3.5 Policy Objectives

3.5.1 The Council's car parking policy is shaped by a number of strategic planning documents. These include:

- the West Yorkshire Local Transport Plan (LTP) 2011-2026
- the Leeds Unitary Development Plan Review 2006
- The Local Development Framework Draft Core Strategy

3.5.2 These plans are all supportive of discouraging long stay commuter parking, encouraging short stay shopper/visitor parking in order to support the city centre economy, and developing more sustainable travel choices, such as Park and Ride facilities. The Council is continuing to develop its Park and Ride strategy which has identified a number of potential sites for further development in the short, medium and long term.

3.5.3 The Council's parking charges are broadly structured with the Council's policy objectives in mind, being designed to discourage excess commuter parking and encourage turnover of short/medium stay spaces to maintain the vitality of the city centre. However, whilst the Council's sole objective is not to maximise revenue, charging for car parking does provide a significant income stream for the Council and this aspect cannot be ignored.

3.5.4 Feedback from a city centre Audit in 2007 did raise some concerns around the ease and cost of car parking, whilst comments from the Leeds, York & North Yorkshire Chamber of Commerce suggest that further improvements to the public transport infrastructure are still required.

3.6 Car Parking provision

3.6.1 The number of chargeable spaces available for public use in the city centre has been estimated at 18,890. Of these, 2,407 are on street (13%) and 16,483 off street (87%).

3.6.2 In total, there are 13,822 long stay spaces (on street + off street) and 5,068 short/medium stay spaces. The Council controls only around 29% of the long stay spaces and 31% of the short stay spaces, which equates to just 29% of all spaces in the city centre.

3.6.3 This does limit the Council's influence on the level of charges in the city centre and although some influence can be exerted through planning conditions, this limits the Council's ability to achieve its overall policy objectives.

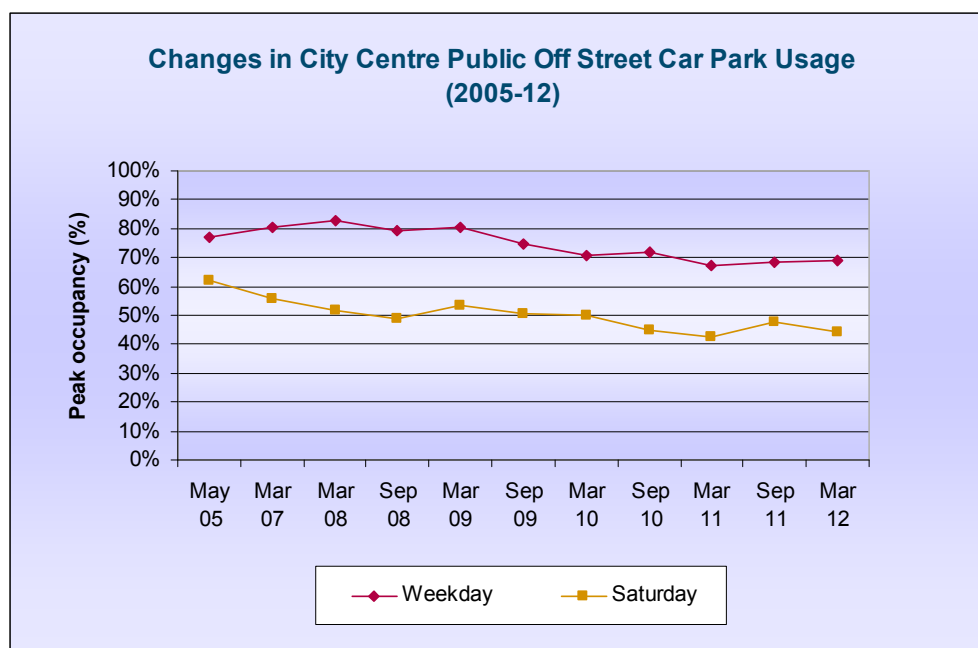
3.6.4 In recent years, the pool of parking controlled by the Council has reduced due to a number of former car parks being used for city centre developments, which reflects the Council's wider objectives in terms of encouraging regeneration and economic growth.

3.6.5 In the immediate future, other developments which will impact on parking demand and supply in the city centre include the Trinity Quarter, the Eastgate Quarter development and the Arena. In addition, a number of Council car parks are earmarked for development including Quarry Hill, Queen's Hall (Sovereign Street), the International Pool site and Portland Crescent D car park, and it is anticipated that much of the temporary cleared site commuter parking to the south of the city will close as the

Council develops its Park and Ride proposals, which could ultimately provide in excess of 4,000 new car parking spaces.

3.7 Car Parks Usage

3.7.1 Overall occupancy levels, as recorded via biannual spot surveys, have fallen in recent years and the graph below plots these trends over time.



3.7.2 The economic downturn has undoubtedly had an impact on the usage of car parks within the city centre, but the development of out of town shopping, growth of internet retailing and changing working patterns will also have had an impact. Monitoring of cars travelling on radial roads approaching the city centre has shown a 9% reduction in car usage between 2004 and 2011 and footfall within the city centre has fallen by around 16% between 2009 and 2011, which is a trend that is mirrored nationally. Motoring costs, especially fuel prices, have also risen significantly in recent years.

3.7.3 Analysis of the occupancy data shows that over time, weekday occupancy of Leeds City Council operated car parks has been, and remains, significantly higher than the privately operated car parks. However, there are some concerns around occupancy of the Woodhouse Lane multi story car park.

3.7.4 Saturday occupancy has shown a clear upward trend in Council operated car parks in the last 18 months, and a significant drop in those privately operated over the last 2 years. Some of the most centrally located private car parks, which were previously operating at near full capacity, have seen occupancy rates decline to around 40% in the most recent surveys.

3.8 Car Parking Charges

3.8.1 A comparison of prices between the main Council and privately operated car parks demonstrates that the Council is, on average, the cheapest provider of parking in the city for both short and long stay (excluding the temporary commuter car parks). On weekdays, the Council's car parks are generally less than two thirds of the price of a

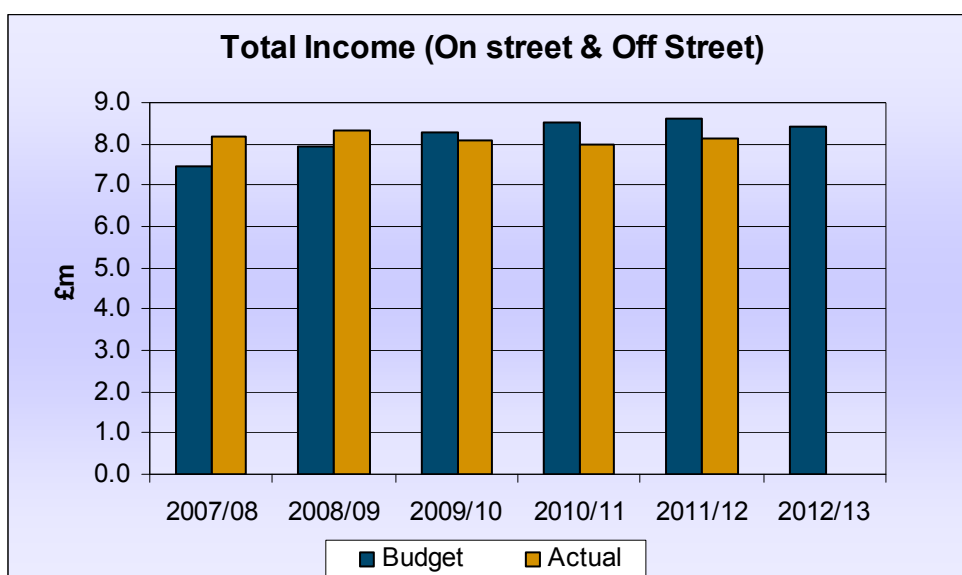
private car park and on Saturdays around 40%, as the Council offers reduced rates in many instances. Most Council car parks are free on a Sunday.

3.8.2 Charges for on street spaces are grouped into zones with prices reflecting the relative popularity of the zones. The charging period for on street parking ends at 18.00 in the evenings and is free on a Sunday. In 2011, an in depth review of prices was undertaken on a street by street basis and a reorganisation of the zones was implemented. Rather than implementing a general increase in tariffs, some were increased whilst others, in less popular locations, were reduced by up to 50%.

3.8.3 A Core City comparison shows that Leeds is less expensive than all but one of the other core cities (Sheffield) for all day off street parking and slightly higher than average for on street parking. Leeds is one of only three core cities to offer free parking on a Sunday. A comparison to other West Yorkshire districts shows that Leeds' charges are the most expensive for both shoppers and commuters but this does need to be seen in the context of Leeds' position as the main economic driver of the Yorkshire and Humber region.

3.9 Income

3.9.1 For 2012/13, parking fee income from city centre parking is budgeted at £8.4m. However, in recent years income has fallen short of budgeted levels as the following graph shows:



3.9.2 With regard to on street parking, there has been a decrease in actual income of 6.4% between 2007/08 and 2011/12, from £3.5m to £3.2m, although the position does now seem to have stabilised, with similar levels of income being achieved in 2011/12 as in 2010/11.

3.9.3 In terms of off street parking, actual income remained relatively stable between 2007/08 and 2010/11, at around £4.7m and there has been a 3.7% increase in income in 2011/12 compared with 2010/11, albeit £0.3m less than the budget assumed.

3.9.4 There are some significant differences between the performance of individual car parks with some performing strongly, such as the Queens Hall and International Pool sites,

whilst others such as West Street and Woodhouse Lane have seen income decline significantly, with Woodhouse Lane accounting for £0.4m of the overall car parking income shortfall of £0.5m in 2011/12.

- 3.9.5 An analysis of changes in prices compared to changes in income levels at Council operated car parks over the last three years found that there is not always a strong correlation between price and income, which suggests that price is not the only driver of usage. The location of individual car parks and the availability of alternative parking in an area will have an impact on usage levels, as will the overall decline in usage of all city centre car parks that has been witnessed in recent years.
- 3.9.6 A more detailed analysis of Woodhouse Lane found that a price increase could generate additional income but that a reduction in demand could potentially offset this. Conversely, any reduction in prices would require an increase in demand to offset the resulting loss of income. For example a £1 reduction on all price bands over 2 hours would require a 13% increase in demand, and a £2 reduction would require a 31% increase. The latest occupancy figures for Woodhouse Lane do not suggest that this demand exists at present, although it may well do after the current refurbishment works are completed.
- 3.9.7 In terms of on street parking, any price increases would have to be balanced against a potential drop off in demand, and any reduction in price would need to consider the impact on the Council's revenue stream. For example, a 10% reduction in price in the central zone would, all other things being equal, result in a reduction of income of around £230k. There is limited spare capacity in the central zone due to the convenience of the location and relatively high prices of the premium car parks close by, and therefore it is unlikely that the loss of income could be fully compensated for by increased usage levels. There is also very limited scope for identifying new chargeable spaces in the central area. However, there are spaces outside of the core of the city centre which are not currently charged for, and it may be possible to introduce charges in these areas, although it is arguable whether demand would be sufficient to make this sustainable and traffic/planning rules would need to be satisfied.

3.10 Future Car Parking Strategy

- 3.10.1 Future car parking policy should continue to make the distinction between short/medium stay parking for shoppers/visitors and long stay parking for commuters to meet the objectives of the strategic transport plans and the need to support the continued growth and prosperity of businesses located in the city centre.
- 3.10.2 At the request of the government, retailing expert Mary Portas produced an independent review into the future of high streets in December 2011. The report included a recommendation relating to parking, "Local areas should implement free controlled parking schemes that work for their town centres and we should have a new parking league table". However, the report did acknowledge that offering free all day parking is not the solution as it is open to abuse by local workers. Instead, it suggested that more flexible and creative use of tariffs could make the parking offer more attractive to shoppers.
- 3.10.3 Other authorities have introduced innovative schemes designed to assist local businesses, such as offering free parking after 3pm at key car parks and using the charging structure to encourage specific lengths of stay. At the moment, in Leeds, all on street parking in the central area is restricted to a 2 hour maximum stay period. Some

longer stay options, offering up to 4 hours, are to be trialled in the Park Square area to see if this encourages greater take up.

- 3.10.4 A number of large retailers are beginning to trial extended evening opening hours and the Trinity Quarter development will provide retailing until 8pm. This emerging evening economy could be supported through on street car parking charges, which could be designed to encourage stays of several hours in the evenings. For example, a new lower rate, from say 5pm, could be introduced and the charging period extended beyond 6pm to help achieve this. To encourage customers to stay for both shopping and leisure activities, a flat rate for an extended period over the evening could be introduced.
- 3.10.5 Leeds is one of only 3 core cities to offer free parking on a Sunday, and charges are already made on a Sunday by privately operated car parks. Some major retailers have informally expressed a view that the introduction of a Sunday charge would be beneficial in discouraging staff from occupying many of the available spaces, thereby increasing availability for shoppers and visitors and helping to alleviate some of the congestion problems experienced. However, any proposal would need to be attractive for shoppers and visitors and would need to be carefully considered.
- 3.10.6 For long stay parking, in order to meet the policy objective of discouraging commuter parking, the pricing structure should aim to keep the weighted average cost of daily parking higher than the cost of using public transport.
- 3.10.7 In respect of the Woodhouse Lane car park, the refurbishment works are making the true level of demand difficult to gauge at present, therefore occupancy levels should be closely monitored following completion of the works with a view to re-assessing price levels at that point.
- 3.10.8 The Council should continue to develop its Park and Ride proposals to meet the estimated future growth in travel demand. A key element of the new Local Government funding regime to be introduced in 2013/14 will be the retention of growth in business rates. On the basis that improvements in transport will help to generate economic growth, which in turn will help to generate additional income from business rates, income from car parking activities should be formally ring-fenced to expenditure on the transport infrastructure, and any additional income generated could provide a source of funding for transport infrastructure improvements, including the development of Park and Ride schemes.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The Council's car parking policy is shaped by a number of strategic planning documents and any consideration of car parking policy objectives should be seen in the context of these plans. The West Yorkshire Local Transport Plan (LTP) was subject to extensive consultation with members, stakeholders, transport users and residents. Feedback has already been received from a city centre Audit survey in 2007, the Leeds, York and North Yorkshire Chamber of Commerce and informally from retailers. The recommendations of this report will be subject to a consultation with relevant stakeholders, which will inform the Council's future car parking strategy.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 This report does not highlight any specific issue regarding equality, diversity, cohesion and integration. Dependent on the outcome of the consultation, further equality and diversity screening and assessment will be undertaken on an individual basis as proposals are developed.

4.3 Council Policies and City Priorities

4.3.1 Car parking policy has a key role to play in delivering the transport strategy which focuses on providing for increased travel to the city centre by sustainable modes and reducing the impact of traffic within the city centre.

4.4 Resources and Value for Money

4.4.1 This review includes making a number of recommendations which are consistent with the Council's objectives. Although the Council does not operate car parks with the sole intention of generating revenue, additional income may well be one of the outcomes. Should there be a reduction in income from car parking this would have to be met from a reduction in other services or an increase in the Council Tax.

4.4.2 This report includes detailed comparators with other local authorities and the private sector.

4.5 Legal Implications, Access to Information and Call In

4.5.1 This report has no specific legal or access to information implications.

4.6 Risk Management

4.6.1 There are no direct risk management implications of this report. Subject to the results of the consultation, further reports will be presented to members and these will include a risk assessment of any recommendations.

5. Conclusions

5.1 The Council has a difficult balancing act to achieve in respect of its car parking strategy. It uses car parking pricing and the availability of short and long stay parking as a mechanism for helping to achieve its policy objectives, despite its influence on the overall market in the city centre being limited. At the same time, individual car parks need to remain viable and help the Council to maintain its income base in order to support other services.

5.2 Commuter parking is managed through the pricing structure of car parks, and surveys have indicated that the majority of people travelling to the city centre do so by public transport. Most privately operated car parks are more expensive than the Council's which is consistent with the Council's policy objectives for commuter parking, and where this has not been the case, for instance with the cheap all day parking on cleared sites, supply has now been limited through the introduction of the City Centre Commuter Car Parking Policy.

5.3 In addition, the Council is developing its strategy for the delivery of Park and Ride facilities within Leeds which will provide an alternative cost effective solution for drivers travelling into the city centre and could ultimately deliver in excess of 4,000 spaces.

- 5.4 Comparisons to Core Cities, other West Yorkshire centres and feedback from surveys tend to suggest that short/medium stay parking is expensive in Leeds city centre, although Leeds city centre provides an attractive offer for visitors and shoppers and it is not unreasonable for charges to reflect the level of demand for spaces. However, the majority of off street parking in the city centre is privately operated and is significantly more expensive than the Council's car parks which does limit the Council's ability to achieve its policy objectives.
- 5.5 In the face of declining overall car park usage in the city centre, occupancy levels of the Council's car parks remain on average higher than those of the private operators. Despite this, income has been falling short of budgeted levels in recent years and whilst Leeds' current parking strategy is broadly in keeping with the Council's policy objectives, a number of areas for further consideration have been highlighted.

6 Recommendations

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

7. Background documents¹

- 7.1 “MyJourney West Yorkshire”, West Yorkshire Local Transport Plan 2011 – 2026
- 7.2 Leeds Unitary Development Plan (Review 2006)
- 7.3 Leeds Development Framework Draft Core Strategy – Publication Document
- 7.4 Park and Ride Strategy for Leeds – Executive board April 2012
- 7.5 Leeds City Centre Audit – QA Research 2007
- 7.6 Implementation of the City Centre Commuter Car Parking Policy – Executive Board February 2012
- 7.7 Transport Planning – report to Scrutiny Board (Sustainable Economy and Culture) March 2012
- 7.8 Fees and Charges Policy – Leeds City Council
- 7.9 The Portas Review “An independent review into the future of our high streets”, Mary Portas December 2011

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



Report author: Christine Addison
/ Jane Cash
Tel: 247 4233 / 224 3493

Report of the Director of City Development

Report to Executive Board

Date: 5th September 2012

Subject: Green Space Proposals for the Sovereign Street Site

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

Summary of main issues

1. Leeds City Council is supporting the development of the city centre and undertaking its own ambitious programme of development to stimulate economic growth through a number of projects, including Trinity, Eastgate, the proposed City Centre Park as part of the South Bank, Leeds Arena, New Dock and Sovereign Street.
2. Following the approval of the Sovereign Street Planning Statement by Executive Board in July 2011, initial design work has started on the green space which is part of the Council's plan to ensure high quality development of the Sovereign Street site can take place on a phased basis; the first components being a proposed office development on Plot A and the simultaneous development of this green space. Both it is hoped, will attract further high quality development to this area. The Sovereign St development is linked to the Leeds South Bank Planning Statement which highlights the Sovereign Street green space as a stepping stone towards the proposed City Centre Park on the South Bank.
3. Proposals to bring forward the phased delivery of the development plots have progressed significantly since the approval of the Planning Statement. KPMG has exchanged the agreement for lease with their developer: for the construction of their new office headquarters building on Plot A. The KPMG building will represent the first major office development in Leeds city centre for more than 5 years. The marketing of the two remaining development plots has started, which will hopefully bring forward the anticipated further phases of development. KPMG's developer,

Sovereign Leeds Ltd, proposes to submit its planning application for the office building in mid-September.

4. Following a pre-application presentation to Plans Panel and early consultation about the green space proposal, it is intended to submit a planning application following Executive Board approval. This is required to maintain the timescales between the KPMG development and the new green space proposals, in line with the requirements of development agreement between the Council and Sovereign Leeds Ltd.

Recommendations

Executive Board is recommended to note progress with the green space proposals and to:-

- (i) approve the concept design scheme for the new green space at Sovereign Street and note the indicative budget parameter being used as a guide to the design work;
- (ii) approve the submission of a planning application for the green space at Sovereign Street;
- (iii) approve the injection of £2.5m into the Sovereign Street green space scheme, funded by the first call on any capital receipts generated from the Sovereign Street development;
- (iv) note the outcome of consultation undertaken to date and approve the consultation proposals with key stakeholders prior to the planning application determination.

1.0 Purpose of the Report

- 1.1 The purpose of the report is to advise Executive Board about progress with the development of the Sovereign Street green space proposal and agree the next steps including the broad concepts for the scheme; indicative budget parameter and submission of the planning application. The report also includes a summary of the consultation outcomes about the green space proposal and the programme and timetable for its development. It is intended to report back to Executive Board for budget approval with the design and cost report when detailed costs are available.

2.0 Background

- 2.1 The Council owned Sovereign Street site is one of the most prominent and best located mixed use development sites in the city centre. It is a high profile development opportunity that has the potential to contribute to the economic prosperity of Leeds.

- 2.2 Since the rejection of the Criterion Place development by Executive Board in July 2008, the site has continued to be used as a temporary 'Pay and Display' public surface car park. However, consideration has been given to the potential this site has to deliver the Council's aspirations to:-

- extend the city centre southwards beyond the railway arches towards the South Bank;
- address the shortage of quality green space within the city centre identified from the first City Centre Vision Conference;
- be the forerunner to the City Centre Park to the south of the River Aire;
- the opportunity to reinvigorate the development market in Leeds.

- 2.3 In view of this, Executive Board approved a revised Planning Statement for Sovereign Street in July 2011, following public consultation on the proposals. The Planning Framework drawing is attached at Appendix 1. The Statement provides non-statutory planning guidance and allows:-

- the consideration of new development proposals for the site;
- the opportunity to create new high quality green space in the city centre;
- the identification of individual development plot locations, allowing a phased delivery in the current economic climate.

- 2.4 Since then, agreement has been reached to sell Plot A to developers working on behalf of KPMG to build its new Leeds Headquarters. The KPMG building will represent the first major office development in Leeds city centre for more than 5 years and as such will represent a watershed moment in the recovery of the Leeds' office market.

3 Main Issues

- 3.1 The Council is undertaking an ambitious programme of development and supporting developers in the city centre to stimulate economic growth through a

number of projects, including Trinity, Eastgate, the proposed City Centre Park as part of the emerging South Bank, Leeds Arena and Sovereign Street. This report brings forward the green space component of the Sovereign Street development opportunities. The Sovereign Street scheme will include mixed use development surrounded by a high quality green space area, in order to create a new and vibrant space within the city centre. The proposed KPMG office development is the first phase; alongside the Council's green space.

- 3.2 Work has started on concept design schemes for the creation of the green space with a view to submitting a planning application in September. This has been guided by the Planning Statement approved by Executive Board which was used to develop a design brief that sets out the shared vision for a 21st century city centre green space at Sovereign Street, that provides for a new business location in the city centre but also recognises Leeds' ambition to become a 'Child Friendly City'.
- 3.3 The design brief has provided guidance to the designers to deliver a proposed landscape concept scheme to a set budget, that has: a high percentage of green space; utilises trees to accentuate pedestrian linkages and provide shelter; provides opportunities for outdoor seating; explores the potential for a water feature for sustainable drainage managed through a long term maintenance contract; minimises servicing requirements thereby increasing the opportunities to increase green space; explores opportunities for interactive features to attract families and is a contemporary green space of high quality. In addition, the opportunity exists to consider public art on site and a high quality kiosk to create vitality and generate revenue to help finance ongoing maintenance. The concept proposal is attached at Appendix 2.
- 3.4 Over the next ten years, Sovereign Street and the new proposed City Centre Park when developed, will significantly change the physical character of this area, increasing the amount of green space and enhancing the external environment as well as potentially providing employment opportunities.
- 3.5 The new green space at Sovereign Street has the potential to expand beyond its site boundary. There are buffer areas around the wider site that could be brought forward in complementary way, as part of a wider masterplan for Sovereign Street. These areas include Pitt Row, across Sovereign Street to Sovereign House, land behind the BT building and land between Sovereign House and Brasserie Blanc towards the River Aire. This approach will enable wider links to South Bank including the new City Centre Park, New Dock, Trinity and Holbeck Urban Village. The potential to bring these specific areas forward through S106 and other agreements will be explored.
- 3.6 It is proposed that Executive Board considers and agrees the concept design and guidance to allow the submission of the planning application. A Design and Cost Report will be brought back to Executive Board, following Planning approval and when further detailed design works have been completed, design freeze reached and the integrity of the cost plan is more certain.
- 3.7 As part of the development of the green space and the associated planning submission, some early consultation has already taken place including:-

- a pre-application presentation to plans panel in July 2012;
- a presentation to the Civic Trust;
- a presentation and workshop with the Quality Places and Spaces group (QPS) a sub-group of the property forum;
- a workshop with KPMG;
- a public exhibition at the current KPMG office near to the site.

3.8 A summary of the main comments on the initial design concepts is set out below:-

- the scheme should maximise the amount of grass provision with more green space evident and not be fragmented by as many footpaths or servicing requirements;
- the potential for water to be introduced while potentially exciting, will reduce the amount of green space and there is a poor track record of maintaining water features;
- the design should be a contemporary space, with simple clean lines and a high percentage of greenery without water features that cause maintenance problems;
- this might be an opportunity to provide features that children might find attractive and help with Leeds ambition to be a 'Child Friendly City';
- the space should allow Leeds to adopt a 'café culture' in its public spaces;
- maintenance of the space once completed is key to the success of the scheme.

3.9 The proposed green space is to be delivered to coincide with the KPMG building's practical completion. Therefore, it is proposed that the Council submits its planning application for the green space at the same time as the KPMG submission in mid-September. This will ensure that there is synergy between the applications and that the Plans Panel has the benefit of understanding how the two can fit together.

3.10 Following a pre-application presentation to Plans Panel, the design concept and guidance has been refined in preparation for submission of the Planning applications.

3.11 Programme

3.11.1 The following indicative programme is proposed:-

Planning application submitted	September 2012
Planning approval secured	Jan 2013
Design and Cost report	July 2013
Tenders out	September 2013
Tenders back	November 2013
Contract Award	January 2014

Start on site April 2014

Completion May 2015

3.11.2 The scheme is currently estimated at £2.5m for the delivery of the core green space area.

4.0 Implications for Council Policy and Governance

4.1 Consultation and Engagement

4.1.1 A significant amount of consultation has already been undertaken, in relation to the development of the revised Planning Statement through Talking Point and consultation events, including local residents, Ward Members and key stakeholders. As part of the ongoing development of the KPMG and green space schemes, early consultation has taken place including:-

- a pre-application presentation to plans panel in July 2012;
- a presentation to the Civic Trust;
- a presentation and workshop with the Quality Places and Spaces group (QPS) a sub-group of the property forum;
- a workshop with KPMG;
- a public exhibition at the current KPMG office near to the site.

4.1.2 The main comments are summarised below:-

- the scheme should maximise the amount of grass provision with more green space evident and not be fragmented by as many footpaths or servicing requirements;
- the potential for water to be introduced while potentially exciting, will reduce the amount of green space and there is a poor track record of maintaining water features;
- the design should be a contemporary space, with simple clean lines and a high percentage of greenery without water features that cause maintenance problems;
- this might be an opportunity to provide features that children might find attractive and help with Leeds ambition to be a 'Child Friendly City';
- the space should allow Leeds to adopt a 'café culture' in its public spaces;
- maintenance of the space once completed is key to the success of the scheme.

4.1.3 Executive Member consultation about this report has taken place and will continue prior to Executive Board. Comments to date are as follows:-

- the design should be simple and not over engineered;
- trees are very important for this space;
- revenue funding needs to be in place for the ongoing maintenance of the space;
- provision of water in the space is expected with consideration given to long term maintenance.

4.1.4 There will be further consultation with key stakeholders about the green space schemes. The consists of stakeholders developed through the Planning Statement consultation, local residents and businesses, the Environment Agency, British Waterways, West Yorkshire Archaeological Service, disability groups and Ward Members. It is proposed also to undertake further consultation via talking point.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 The draft planning statement was screened for an Equality Impact Assessment before being approved by Executive Board. An Equality Impact Assessment screening form has been completed for the green space scheme.

4.3 Compliance with Council Policies

4.3.1 The development proposals including the creation of a new green space for high quality development at Sovereign Street will assist the Council in achieving several of its objectives, most notably:-

Leeds Strategic Plan 2008 – 2011

- **Enterprise and Economy:** increased international competitiveness through marketing and investment in high quality infrastructure and physical assets, particularly in the city centre
- **Culture:** enhanced cultural opportunities through encouraging investment and development of high quality facilities of national and international significance
- **Health and Wellbeing:** reduced health inequalities through the promotion of healthy life choices and improved access to services.

The Council's new Vision 2010-2030

By 2030, Leeds will be internationally recognised as the best city in Britain – a city that is fair, open and welcoming with a prosperous and sustainable economy, a place where everyone can lead safe, healthy and successful lives.

4.4 Resources and value for money

4.4.1 Executive Board in July 2011, agreed to the 'principle of utilising part of this receipt in order to deliver the proposed greenspace'. In line with this, the report seeks approval to the injection of £2.5 million using finance from the receipt from the sale of Plot A. A design and cost report on the final proposal will be submitted to Executive Board in 2013 prior to final commitment to invest.

4.5 Legal Implications, Access to Information and Call In

4.5.1 The scheme is subject to call-in.

4.6 Risk Management

4.6.1 An officer from Asset Management will undertake the role of Project Manager and a risk register has been developed and will be maintained throughout the project.

5.0 Conclusions

5.1 The vision is to transform the Sovereign Street site into a high quality mixed use development centred around a quality green space, which will make a significant contribution to the quality and vibrancy of the city centre. The KPMG office scheme will be the first new office scheme in the city centre since 2007. With green space alongside it, the attractiveness of the site and surrounding areas to future investors which will increase, establishing the area as a prime location for business and making a contribution to the economic growth of the city. Marketing of the remaining building plots has started, with the intention that these come forward for development in a phased way over the coming years. The green space will be the focus for the Sovereign Street development and provide the opportunity for the Council to ensure that the area becomes a very attractive addition to the city centre; and provide a catalyst for the future development of the South Bank area.

6.0 Recommendations

6.1 Executive Board is recommended to note progress with the green space proposals to date and to:-

- (i) approve the concept design scheme for the new green space at Sovereign Street and note the indicative budget parameter being used as a guide to the design work;
- (ii) approve the submission of a planning application for the green space at Sovereign Street;
- (iii) approve the injection of £2.5m into the Sovereign Street green space scheme, funded by the first call on any capital receipts generated from the Sovereign Street development;
- (iv) note the outcome of consultation undertaken to date and approve the consultation proposals with key stakeholders prior to the planning application determination.

7.0 Background documents¹

7.1 Sovereign Street Planning and Development Brief 2002

7.2 Executive Board Report 'City Centre Park' – February 2009

7.3 Sovereign Street Feasibility Report 2009

7.4 Executive Board Report 'Development Proposals for the Sovereign Street Site' July

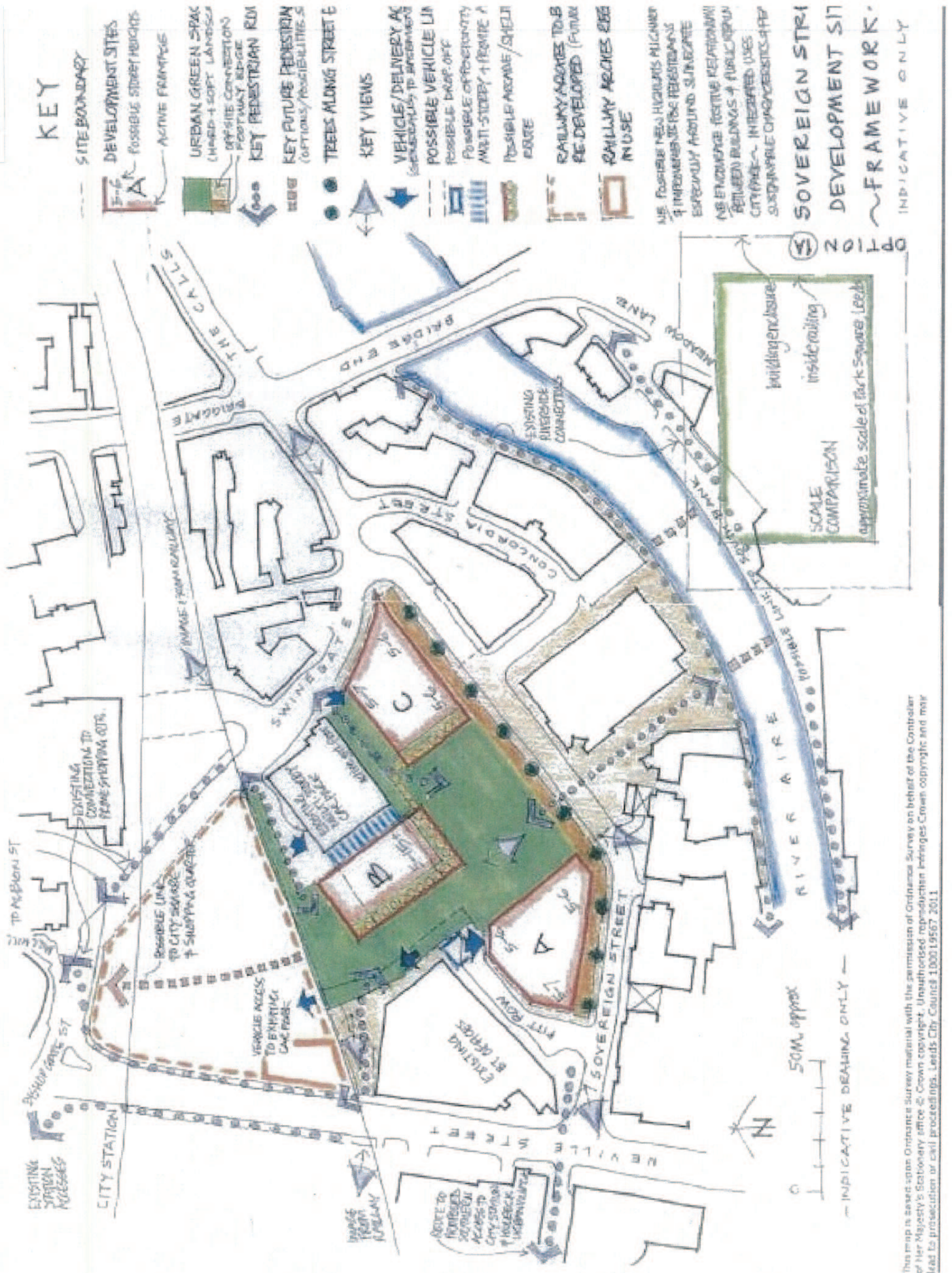
7.5 2010 Planning Statement for Sovereign Street July 2011

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

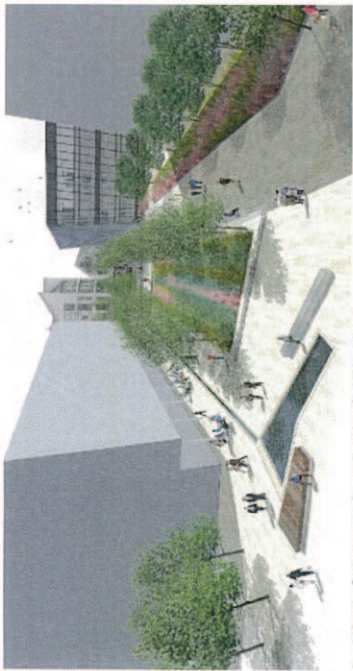
7.6 EIA Screening Form – Planning Statement

7.7 EIA Screening Form – Green space Scheme

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1. View from train at Leeds Station



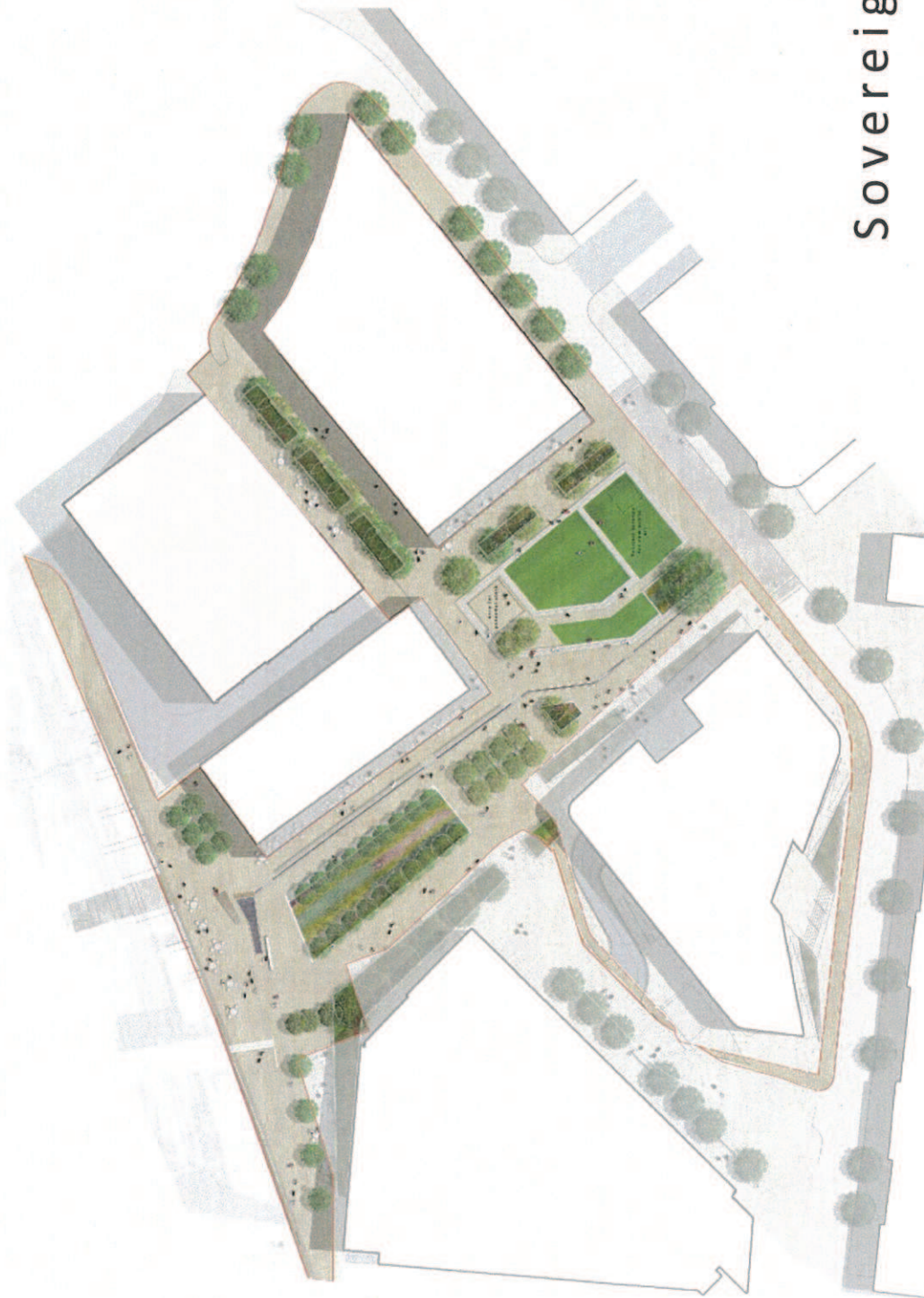
2. View from building, overlooking the square



3. Eastern edge of the square



4. Middle terrace within the square



Sovereign Square 1:500 @ A1

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Report of the Director of City Development

Report to: Executive Board

Date: 5th September 2012

Subject: Community Asset Transfer

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

Summary of main issues

1. The Council has experience of Community Asset Transfer projects partly due to the interest and the development of social enterprise in the city; sometimes linked into partnership with third sector organisations in the city to deliver local services differently; and partly because the Council has chosen to divest itself of some of its non-operational assets following service changes that have led to buildings becoming vacant and surplus to requirements.
2. This report follows on from the draft Community Asset Transfer Policy submitted to Executive Board on 7th March 2012. It outlines the outcomes of the consultation exercise that has taken place.
3. Consultation has been positive and has led to a number of proposed amendments to the policy.
4. The revised policy reflects the Council's proactive approach to Community Asset Transfer and how it can contribute to the City Priority Plan. It also reflects the risks to both the Council and community organisations when undertaking Community Asset Transfer; the need for flexibility; and the possibility of financial support when Community Asset Transfer can result in efficiency savings to the Council.
5. The Council currently assesses Community Asset Transfer proposals individually based on the strength of business plans, taking into account a mix of service, Area Committee and Ward Member support along with corporate considerations including the potential alternative used for the site within the Council or for sale.

This policy will provide consistency and guidance to communities, Members and officers about the process and will allow more consistent assessment.

6. Community Asset Transfer is a valuable part of supporting and sustaining the third sector and the emerging Leeds enterprise culture. It can bring regeneration and service benefits to Leeds communities. It supports the Leeds Vision aspiration that Leeds will 'be fair, open and welcoming and that all Leeds communities will be successful'. The Government's Big Society concept and Localism agenda encourage communities to seek empowerment including owning assets that are important to them.

Recommendations

7. Executive Board is recommended to consider and agree the Community Asset Transfer Policy and Framework documents attached as Appendix 1 and Appendix 2 for use in developing and considering Community Asset Transfers.

1.0 Purpose of this report

- 1.1 This report follows on from the report submitted to Executive Board on 7th March 2012 which set out a draft Community Asset Transfer policy. It summarises the results of the consultation exercise and presents a revised Community Asset Transfer Policy for Executive Board consideration.

2.0 Background information

- 2.1 Community Asset Transfer is a valuable part of supporting and sustaining the third sector and can bring regeneration and service benefits to Leeds communities. It supports the Leeds Vision aspiration that Leeds will 'be fair, open and welcoming and that all Leeds communities will be successful'. The Government's Big Society concept and Localism agenda encourage communities to seek empowerment including owning assets that are important to them.
- 2.2 In recent years a number of Community Asset Transfer projects have come about, partly a reflection of changes in the way the Council delivers its services more in partnership with third sector organisations and partly because the Council has chosen to divest itself of some of its non-operational assets following service changes that have led to buildings becoming vacant and surplus to requirements.
- 2.3 Community Asset Transfer involves leasing or selling property to third sector organisations, sometimes on a subsidised basis, to enable local people to play a stronger role in meeting the needs of their communities. In Leeds it helps us meet the City Priority Plan aim "All Leeds communities will be successful" and the principles of the Compact for Leeds.
- 2.4 An agreed approach is needed so that Elected Members, Council officers and organisations interested in Community Asset Transfer all understand what we are trying to achieve. The policy gives us a framework within which to deal with Community Asset Transfer requests and enables us to consider Community Asset Transfer proactively to meet service or community needs. It aims to assist officers and Elected Members of the Council to consider the benefits and risks of each proposal in a consistent manner. It will also assist communities and organisations pursuing Community Asset Transfer to understand the requirements and the need for robust proposals.
- 2.5 The 7th March report set out the background to Community Asset Transfer, its benefits and risks and the need for a consistent approach to inform decision making. A draft policy was attached and it was agreed that a consultation period would begin on the draft policy.
- 2.6 Consultation began on 24th April 2012 and ran until 6th July. Consultees were sent copies of the policy and asked to provide comments. Consultees included local community organisations, third sector partnerships, organisations that have previously been involved in Community Asset Transfer and internal Council services. Consultation with local community organisations was managed on the

Council's behalf by Third Sector Leeds who held a consultation workshop and have provided a collated response.

3.0 Main issues

Summary of Main Responses

- 3.1 The principle of a policy and its ability to provide consistent decision making was universally well received. However, a number of respondents highlighted that the policy read as though it was a response to a drive from Central Government or driven by efficiency savings. The policy has been amended to clarify that Community Asset Transfer is driven by the City Priority Plan aim "All Leeds communities will be successful" and the principles of the Compact for Leeds.
- 3.2 Some respondents felt that the Council was prepared to transfer assets, but that there needs to be an acknowledgement of the financial risk faced by groups taking over buildings, particularly those that are investing in refurbishments and taking out loan finance to fund such works. The policy now reflects this risk and acknowledges that in cases where efficiency savings are made as a direct result of a Community Asset Transfer, the Council will consider what support it might give the new venture.
- 3.3 The requirement for a business plan and five year cashflow forecast was mentioned as an issue. It was felt the policy should acknowledge the difficulty an otherwise experienced community organisation may have in putting a proposal together in a business plan format when they would ordinarily plan in a way more suitable for the not-for-profit sector. On balance it is felt that a business plan is required to prove viability and that support is available for groups from third sector support providers to help them produce business plans. However, the cashflow time period has been reduced from five years to three. The policy makes clear that the business plan must show a convincing case that the proposal is viable and, while highlighting organisations that can provide support, makes clear that ultimately if the Council is not convinced of the viability of a proposal for Community Asset Transfer, the proposal will be declined.
- 3.4 There has been other feedback on the detail of the policy and where appropriate amendments have been made to reflect this. The revised policy is attached at Appendix 1 and the Community Asset Transfer Framework is Appendix 2.
- 3.5 A Community Assets Group will be established and include senior officer representatives from across the Council. The group will coordinate Community Asset Transfer, identify opportunities for proactive proposals and consider the geographical locations of Community Asset Transfer projects to identify and support areas that might not have the social capital to put a proposal together. The group will also look at other community asset issues including Community Right to Bid, links to other areas of the Localism Act, consider and provide advice on community asset issues in relation to service transformation and feed into specific projects, such as Community Centre Review.

4.0 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 Consultation began on 24th April 2012 and ended on 6th July. The main community consultation was carried out on the Council's behalf by Third Sector Leeds. Other consultees included organisations that had previous experience of Community Asset Transfer, third sector support organisations and Council Directorates.

4.2 Equality and Diversity / Cohesion and Integration

4.2 By its nature as a corporate policy aimed at communities throughout Leeds, the policy will apply across all communities. Individual proposals for Community Asset Transfer will be screened for equality, diversity, cohesion and integration to assess if they have any implications for the equality characteristics. An EIA Screening Form has been completed in relation to the proposed decisions being taken.

4.3 Council policies and City Priorities

4.3.1 This policy contributes directly to the Vision for Leeds and the City Priority Plan priorities that Leeds will be fair, open and welcoming and that all Leeds communities will be successful. The strategic outcomes for these priorities include:

- increase a sense of belonging that builds cohesive and harmonious communities;
- Leeds will be a city where there is a strong community spirit and a shared sense of belonging, where people feel confident about doing things for themselves and others;
- local people have the power to make decisions that affect them;
- people are active and involved in their local communities;
- improved levels of enterprise through creativity and innovation;
- there are more community-led businesses that meet local needs.

4.4 Resources and value for money

4.4.1 The policy itself has no direct implications for resources and value for money. However, the majority of Community Asset Transfer proposals are for leases at less than best consideration and in such circumstances the value of the property needs to be considered alongside the service and community benefits the proposal will produce. It is likely that any subject property would otherwise be disposed of on the open market and the opportunity costs from not taking this course of action will be included in Community Asset Transfer assessments.

4.4.2 There are implications from service transformation, Community Right to Challenge and closure of services that have the potential to attract community interest in assets which could impact the capital receipts programme and revenue budgets. The policy sets out when Community Asset Transfer may or may not be applicable in such circumstances and what the alternative approaches may be.

4.4.3 Community Asset Transfer projects require varying amounts of officer support, both from dedicated community assets officers in Asset Management and from officers in

sponsoring services. This is very often dependent on the experience and capacity of the community organisation. Community Asset Transfer projects will be managed by community assets officers. It is part of the sponsoring service's role to provide any specialist support in terms of the service being provided.

- 4.4.4 It is expected that more Community Asset Transfer proposals will involve existing community assets, such as operating community centres. At such centres under Council management, the charging policy does not necessarily link to cost recovery of running the facilities. This very often results in groups paying below market rate, or even no rent. There are also some Council departments that may not be charged for historic reasons. However, when a community centre is in community ownership, cost recovery will be essential for the business plan. Community organisations can't be expected to subsidise Council services.
- 4.4.5 To ensure consistency of approach, all Community Asset Transfer requests and proposals are managed corporately in Asset Management.
- 4.4.6 The main issue raised as part of the consultation with Council services was Human Resources implications where a Community Asset Transfer had implications for Council employees. Although past experience is that it is rare for the transfer of a building to lead to Council staff transferring to the employ of a community organisation, the implications from such a transfer are significant. Therefore, as soon as the possibility of a Community Asset Transfer is identified, the relevant Head of HR should be contacted by the project/service lead to discuss the context/background, timescales and scope of the proposed transfer, and to identify the potential scope of any HR/people related issues (for example, whether the transfer would also involve any possible transfer of service and/or LCC employees). The HR Service will work with the project lead to identify the impact on:
- Any staff who may be affected by the transfer (e.g. under TUPE arrangements);
 - any other people who may be affected (e.g. casual staff, staff working under temporary arrangements; members of the public etc);
 - All aspects of health and safety linked with the asset that is proposed to be transferred;
- 4.4.7 The HR service will work with colleagues in the sponsoring service, Legal Services, and other services as appropriate, to advise on the risks and to establish robust risk management processes to manage and minimise the risks to the Council. The HR service will also work with the transferring service to ensure appropriate Trade Union engagement is undertaken where it is anticipated that the proposed Community Asset Transfer may affect any Leeds City Council employees. Sponsoring services will work with all relevant parties to develop and implement appropriate contractual documentation, including any indemnities that may be needed, to protect the Council's interest following the transfer of the asset to the transferee. This approach was been agreed by Resources Management Team as part of their consultation response.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 Under section 123 of the Local Government Act 1972, local authorities have a duty to dispose of land and buildings (including the sale of freeholds, granting and assigning of leases and the granting of easements) for the best consideration reasonably obtainable. However, discounts of up to £2m may be agreed by local authorities under the General Disposal Consent (England) Act 2003, subject to them being satisfied that the disposal will secure the promotion or improvement of the economic, social or environmental wellbeing of the area. Use of other discretionary General Consent powers are also available to local authorities for specified housing purposes. Where use of these powers is to be used, the Council must be satisfied that the lease or disposal terms commit the organisation to delivery of the social, economic or environmental benefits within a defined time period to ensure that the subsidy is justifiable.
- 4.5.2 In some circumstances Community Asset Transfer may have EU State Aid implications. Generally the De Minimis exemption could be used to enable transfer. This exemption allows that aid provided that has a value less than €200,000 to be exempt from State Aid regulations, as long as the total value of De Minimis aid received in any three year period is less than €200,000. If De Minimis doesn't apply, then it is likely for purely local community projects that the State Aid criteria that the transfer has the potential to affect trade between EU member states would not be met, so the aid would be permissible. A very wide interpretation is used for aid having the potential to affect trade between members states so if there is any doubt then legal advice must be sought at the earliest opportunity.
- 4.5.3 The provisions of the Competition Act will have to be taken into account when considering any transfer at less than best consideration.
- 4.5.4 By the nature of the long term agreements required for Community Asset Transfer projects, legal agreements are required to protect all parties. This can lead to considerable legal costs, especially for community organisations who by their very nature generally have limited resources to invest in such costs. To try and minimise such fees for community groups, a template for Community Asset Transfer will be produced that protects the Council's position while also providing the usual requirements of community groups and their funders, particularly around assignment and use.

4.6 Risk Management

- 4.6.1 Community Asset Transfer requests are likely to increase with the Big Society and Localism agenda. A Community Asset Transfer policy will reduce the risk that proposal are assessed inconsistently.
- 4.6.2 Each Community Asset Transfer project will present its own unique risks, but some will be common to most. There will be risks in terms of project failure and the future of assets. These risks will be addressed throughout proposal development with organisations developing Community Asset Transfer proposals and secured in any resulting lease agreements including restrictions on use and assignment.

5.0 Conclusions

- 5.1 Community ownership of assets is a growing area of interest and is promoted as part of the Big Society concept and Localism agenda. It can be a major regeneration catalyst and provide valuable facilities in isolated communities or communities in need. The proposed policy will provide a framework for assessment to be undertaken in a consistent manner to enable Members to consider the merits of each proposal set against other options, such as sale on the open market and reinvestment of receipts against capital funding priorities. It will also provide services with a policy to consider in terms of forward planning and considering how Community Asset Transfer can help them achieve their needs as well as empowering communities.
- 5.2 The response to the consultation has been positive and the responses have provided important insight, especially from the local community sector. Responses have been collated and used to help shape the final policy.

6.0 Recommendations

- 6.1 Executive Board is asked to consider and agree the Community Asset Transfer Policy and Framework documents attached at Appendix 1 and Appendix 2 for use in developing and considering Community Asset Transfers.

7.0 Background documents¹

- 7.1 Equality Impact Screening Form

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

Community Asset Transfer Policy

Introduction

Community Asset Transfer involves leasing or selling property to third sector organisations (voluntary, community and faith), sometimes on a subsidised basis, to enable local people to play a stronger role in meeting the needs of their communities. In Leeds it helps the Council meet the City Priority Plan aim “All Leeds communities will be successful” and the principles of the Compact for Leeds.

This Community Asset Transfer Policy identifies the circumstances when Leeds City Council could consider the transfer of assets and how local communities could register an interest in taking over a Council owned property. Community Asset Transfer proposals would need to be developed and considered against a potential sale or alternative disposal methods in each case, before a decision is reached on any transfer.

The purpose of this policy and framework is to ensure that Elected Members, officers, the third sector and communities understand what Community Asset Transfer can achieve.

It sets out a framework for considering Community Asset Transfer requests to enable Community Asset Transfer to be considered proactively to meet service and community needs.

Community Asset Transfer Policy

Community Asset Transfer is a relatively recent term for activity the Council has been undertaking for a long time. The Council has acknowledged the benefits from community ownership and management of assets, although has approached the area in a reactive, ad hoc manner. This policy allows the Council to work in a consistent and proactive manner, setting out why the Council engages with community organisations in this way, the process for engagement and the process for considering Community Asset Transfer requests.

Community ownership and management of assets has also been strongly promoted by Governments over the last four years, most recently as part of the Big Society concept. The agenda was made prominent by the Department for Communities and Local Government (DCLG), who commissioned the Quirk Review ‘Making Assets Work – Community Management and Ownership of Public Assets. This sets out the clear benefits to local groups, which own or manage public assets – such as community centres, building preservation trusts and community business enterprises. The review found and recommended that:

- the social or community benefits of community management and ownership of public assets can outweigh the risks and often the opportunity costs in appropriate circumstances;
- a major programme of awareness raising and capacity building for the evaluation of benefits and risks needs to be generated;
- local authorities and other public bodies should take a more corporate approach to their asset portfolio and their relationship with the community sector.

The potential for community asset transfer to meet the localism agenda and to achieve service delivery improvements through working with the third sector sets the context for this assessment framework in the context of future management and ownership of public assets.

Community Asset Transfer

Community Asset Transfer is the ‘transfer of land or buildings from Local Authority’s management or ownership, into the stewardship of local third sector organisations’. Depending on the social, economic or environmental benefits generated, transfers can be at market value or on a subsidised basis. This gives third sector organisations the opportunity to play a stronger role in meeting the needs of their local communities.

Community use of Council assets can take place under different forms of agreement, such as a:

- management agreement;
- licence to occupy;
- short term lease;
- long term lease.

Community Asset Transfer can be at full market value or at a subsidised rate depending on individual circumstances. The Council will assess the full market value of any Community Asset Transfer property so that any decision about transfer at less than best consideration for the asset is transparent with the value of the ‘subsidy’ known alongside the service value or gain that becomes possible as a result of the transfer. The Council will need to weigh up potential gain against the potential loss to its capital receipts targets and the continued delivery of the Councils agreed capital spend priorities. The Council will need to consider whether any proposed payment is realistically available and doesn’t overly burden the receiving organisations. Any subsidy will need to be balanced by clauses in the property’s lease. Disposals at full market value will be treated as commercial transactions and fall outside the scope of this part of the policy.

Community Asset Transfer aims to benefit local communities or communities of interest. Charities and social enterprises that operate in a specific field and/or aren’t set up for wider community benefit will not be able to benefit from community asset transfer unless the proposal would result in an asset that was genuinely for the benefit of the wider community.

Proposing a Community Asset Transfer

Organisations that can be considered are local community organisations that are not for private profit such as:

- unincorporated charitable organisations (although would need to be incorporated to complete a transfer);
- companies limited by guarantee with charitable status;
- community Interest Company (CIC) limited by guarantee;
- community benefit Industrial & Provident Society with an asset lock;
- CIC limited by shares.

Each organisation applying for a Community Asset Transfer can be of any size, and need to demonstrate that it:

1. generates social, economic or environmental benefits which directly benefit the people of Leeds;
2. has stated community benefit objectives;
3. has robust systems, governance and policies as evidenced by a management structure, constitution and appropriate quality mark;
4. has the capacity to manage the asset and have directors or committee members who have the relevant experience and skill and a demonstrable financial plan moving forward;
5. operates through open and accountable co-operative processes with strong monitoring evaluation, performance and financial management systems.

Where proposals are very restricted to a particular group or have limited local community use the Council will need to consider, on a case by case basis, the rationale for the transition to ensure it meets service and equalities requirements.

Where the Council's current use is for specific service provision, the Council will need to look at the contribution the proposal could make to provide services in a new way which could improve quality, efficiency or outcomes for service users.

Buildings can be difficult and expensive to manage. A critical part of any Community Asset Transfer proposal will be the scale of the project in relation to the resources of the community group and its key staff. Proposals will be subject to a rigorous assessment procedure and although the Council will provide support and advice, ultimately in cases where the financial viability of a proposal can't be convincingly demonstrated, the proposal won't be supported.

Where proposals relate to existing community centres, the Council needs to also consider the impact of any transfer on any of its services using the facility or any other community organisations that currently receive subsidised use (even if that subsidy is not immediately clear eg. free use of space). If a building transfers to a community organisation the Council can't expect them to continue to allow free use while charging community users. The Council will make the necessary arrangements and, where necessary, transfer of budgets to ensure that services use can continue and be paid for. For subsidised community users the Council will not expect any group taking over the property to continue the subsidy. The Council will negotiate with all sides to develop a solution that meets all parties' needs.

If the Community Asset Transfer proposal will result in the reprovision of an existing Council service delivery, the saving to the Council and overall value for money will be considered as part of the assessment.

Advice on Community Asset Transfer at the Council

Community Asset Transfer is the responsibility of the Executive Member for City Development and is managed on a day to day basis by Asset Management within City Development Directorate. Any proposal will be assessed by the Community Assets Officer, who will provide information and assistance and to guide Council colleagues supporting the proposed transfer. The support of a sponsoring service within the Council will be needed for proposals to progress and the Community Assets Officer can help identify which the most suitable service is.

Local Ward Members and Area Support Teams will play an important role in Community Asset Transfer. They will be able to support the organisation to show how its proposal fits with local

priorities and to provide a connection into other local activity. In circumstances where the proposal is a general community proposal the Area Support Team may be the sponsoring service.

If necessary, independent advice can be sought from a number of different support organisations. The Community Assets Officer can provide referrals to such support, including the £19m Community Ownership of Assets programme recently launched by DCLG. At the local level Area Support Officers can provide advice and guidance as well as local third sector support organisations such as Voluntary Action Leeds. There are also a number of large voluntary and community organisation in Leeds that have benefited from Community Asset Transfer and the Council may be able to broker in advice and support from these organisations.

Ownership terms of a Community Asset Transfer

Under the current approach for Community Asset Transfer, the Council will provide long term leases normally of between 25 and 50 years, the terms of which will be agreed at the time of each individual transfer. This guarantees that the asset can be used for the purpose for which it was provided (and possibly subsidised) and also provides a fall back position should the venture prove to be unsuccessful over time. It also allows the Council to veto future changes in use and occupation of the facilities during the lifetime of the lease, should that use no longer meet the requirements set out in the business plan. Freehold transfer will only be considered where full market value is paid.

Buildings current and continued purpose

Properties must be used for the benefit of the local community, although this doesn't necessarily have to be for their current use. It may be that the community's desire is actually to continue to provide the service, but there is a more suitable property in the area. Part of any assessment process will be to determine what it is that makes the community value the property and in circumstances where the request is actually service driven, alternative properties will be considered.

Service transformation proposals from Council service areas may include use of property as a means to improve service delivery or achieve efficiency savings. Where decisions have been taken for the service to continue in this way, consideration can be given to the future of the property, but where any agreement is time limited so will any property lease. Charges for occupancy may be balanced against efficiency savings and viability cases.

In circumstances where a Community Right to Challenge expression of interest is submitted, it may be that the challenging organisation wants to continue to run the service from the same property. However, any resulting contract will be on a strictly time limited basis (usually 3-5 years) so any agreement for the property to be used would need to be limited to the same period of time. Additionally, due to the open market competitive nature of Community Right to Challenge no subsidy could be provided just to the community organisation, so any agreement would have to either be at market value or use of the property at nil charge included as part of the procurement offer to all bidders, regardless of their sector. Otherwise we would be unfairly subsidising organisations and may cause difficulties with State Aid.

If a decision has been taken that the Council will no longer provide or fund a particular service from a building or in a locality, then it is not appropriate for Community Asset Transfer of any

associated building to be considered for the same use. However, a Community Asset Transfer for local community benefit could be considered in line with the other criteria set out in this policy.

Links to Community Right to Bid

If a community organisation is able to pay market value for a property, but needs time to raise funding, then Community Right to Bid legislation within the Localism Act will give an automatic entitlement to a six month period to raise this funding, assuming the asset has been listed as an Asset of Community Value. Extensions to this timeframe could only be granted in circumstances there is a strong possibility that an extension will enable the funding required to be raised.

Associated services

In some circumstances the transfer of a building may have wider implications and result in the requirement for Council staff to transfer to the community organisation under Transfer of Undertakings (Protection of Employment) (TUPE) provisions. Usually this will not be the case, but if the building is going to continue to be used for the same purpose it may apply. This is particularly likely for purpose built buildings such as sports centres. In such circumstances Council staff may have rights under TUPE regulations. This will require the community organisation to employ any staff affected on the same terms and conditions as they currently have. This can be a burden on community organisations, particularly the requirement to provide pension protection that is the same as, broadly comparable to, or better than the pension provision while employed by the Council. This issue requires careful consideration and staff in the Council's Human Resources service will be able to advise if TUPE applies and the implications.

Funding availability and viability

Viability is a key consideration in Community Asset Transfer and is often the major barrier preventing a community from taking over a property. The business plan will need to show that the proposal is viable over a period of at least three years. In circumstances where viability cannot be achieved without subsidy support, the sponsoring service may decide to provide revenue support to enable the proposal. Any such decision would be for the relevant budget holder on a case by case basis.

Council officers have the skills and expertise to assess the viability of business plans submitted in support of a Community Asset Transfer proposal. The sponsoring service may have particular expertise in this area. If the business plan is not viable, these officers will provide advice and guidance on how the viability case can be improved. Tools such as Fit For Purpose Healthcheck from Locality can be used by community organisations to assess their abilities and readiness for Community Asset Transfer, including business plan assessment.

If an organisation can't raise the finance necessary to purchase the property, carry out any capital works and convincingly show that they can cover the ongoing revenue costs through income generation, then the request for asset transfer will be declined. Depending on the circumstances, the property will either continue as Leeds City Council operational property, or it will be considered for sale in line with current procedures. The Council won't hold onto buildings indefinitely while continuing funding applications are submitted. Timescales will be

agreed at the start of the proposal to allow the community organisation and the Council to plan ahead, although extensions will be given where progress has been made.

It is especially important to consider within any business plan the ongoing maintenance requirements of the property. All Community Asset Transfer projects will include that the organisation taking ownership/occupation will be responsible for:

- upkeep, repair and maintenance of the asset;
- all running costs, including insurance;
- compliance with statutory inspections and health and safety requirements.

Usually the Council will not refurbish or improve the condition of a building prior to transfer, unless there is a particular reason that it makes sense to carry out improvements in this way. However, in circumstances where the transfer will lead to a direct saving for public spending and the building requires investment to bring it back into use, the Council will consider requests for a proportion of the saving to be used to improve the facility or towards start up costs. However, any such support is likely to be time limited. The business plan will need to show a requirement for the funding and that the funding is not available through other sources. Any decision on such funding will be taken by the budget holder on a case by case basis.

Occasionally, a building that is subject to Community Asset Transfer may have particular heritage status or other features that could cause significant liabilities if repairs were needed which would almost certainly be beyond the means of a community organisation, especially a relatively new one. In such circumstances the organisation will need to consider establishing a sinking fund to cover future maintenance likelihoods. On its own this should not prevent an asset transfer and the Council may come to an agreement with the community if necessary about how this risk is managed.

Other lease conditions

In all cases involving transfer of ownership/occupation, appropriate legal mechanisms will be put in place to protect the Council's financial position, such as restrictions on use and break clauses. For example forfeiture/break clauses under which the asset would revert back to the Council, such as:

- in the case of bankruptcy/insolvency;
- in the case of corruption;
- in the case of non payment of rent (if applicable);
- in the case of non performance of other terms such as serious repairs and maintenance (if applicable);
- if the transfer agreement is breached;
- if the organisation wishes to develop and move into bigger premises.

However, any such condition will be in line with the community's proposal and will need to be agreed between both the Council and the community organisation.

Sponsoring service

Any request for a Community Asset Transfer on a 'less than best' basis will require the support of a sponsoring service. This will establish early on, whether or not the proposal makes a significant contribution to strategic or service priorities identified within the Leeds Strategic

Plan, the Compact for Leeds, the Council's approved corporate Asset Management Plan, a Service Plan, a Service Asset Management Plan, Area Delivery Plan or Neighbourhood Plan.

The sponsoring service will play an important role in appraising any Community Asset Transfer request by:

- confirming the strategic fit of the Community Asset Transfer;
- providing specialist advice in relation to the business plan;
- assessing the suitability of the asset for the proposed purposes.

The sponsoring service will advise on the proposal in the context of a 'less than best' transfer using a scoring matrix, developed as part of this policy. A copy of this scoring matrix can be found at Appendix 2.

Community Asset Transfer criteria

There are three key factors to be considered within the Community Asset Transfer Policy criteria. These are:

1. The benefit/s to the local community to be gained by transferring the asset.
2. The ability of the voluntary or community organisation to sustain the use of the asset over the lease period.
3. Impact of the proposed transfer on the Council's scope to fund its future capital spending priorities, or its potential alternative use of the asset.

Assessment of proposals will take into account these factors, considering both the likelihood and impact of failure.

The Community Asset Transfer Policy requires all proposals to meet the following criteria:

1. The proposed use of an asset reflects the outcomes and objectives of the Vision for Leeds, the Council's Corporate Plan, the Council Business Plan and Neighbourhood Plan.
2. The proposed use of the asset is genuinely for the benefit of the local community and offers real potential for the development of sustainable, successful and independent community organisations.
3. The asset will have an open access policy for all local groups, relevant to the purpose of the transfer, and should be compliant with the Equality Act 2010 (if not already compliant it will be the responsibility of the community organisation to ensure compliance).
4. Environmental sustainability is at the forefront of any future refurbishment plans. Energy efficiency should be considered as a priority and the use of good quality, environmentally sustainable materials and construction practices used where possible.
5. The uses of the asset will enable communities have access to facilities and opportunities that more respond to their needs.

The Council will need to then consider whether they are potentially competing uses for the asset so that the opportunities cost to the Council is clear. The Council is also unable to consider applications for Community Asset Transfer in respect of:

- proposals that will accommodate groups that are considered to be too restrictive in their access policies or offer limited local community use and don't sufficiently benefit the local community (as this could conflict with the Council's legal duties under the Equalities Act 2010);
- assets where there is a continued need by the Council for fixed or core services (e.g. schools, social care establishments, customer contact centres), although there may be circumstances where the relevant service proposes to offer such assets, for example as part of service transformation;
- assets that have been identified as having a potential significant capital receipt value, especially if the Council have already identified the asset for disposal (Council officers can advise if this is the case), unless a proposal is developed that shows that the benefits of transferring such an asset outweigh the capital receipt value;
- assets that will mainly be used for religious worship;
- assets that the Council needs to retain for ongoing service delivery.

The Council has to generate a significant amount of funding every year through its capital receipts programme. This is partly generated through the sale of the land and property and targets are set to achieve a minimum capital receipts. Any asset transferred to the community reduces the potential scale of the capital receipts programme. The impact of the individual transfer and the overall impact of transfers approved and proposed will be considered in each Community Asset Transfer appraisal, including an assessment of the property's value on the open market.

The suitability of the asset for the proposed use and the potential for utilisation of other community assets will form part of any Community Asset Transfer assessment.

Aims and objectives of the Community Asset Transfer policy

The Council recognises that Community Asset Transfer can be a valuable part of supporting and sustaining the third sector in the city and is committed to Community Asset Transfer where it will bring benefits to local communities.

The Council is committed to supporting the development and sustainability of a thriving voluntary and community sector across the city. This Policy, as part of a wider package of support to community organisations aims to provide a transparent framework to enable the transfer of assets.

The Policy is underpinned by the following principles:

- the Council is prepared to consider using its assets to form long term partnerships with community organisations to achieve Community Asset Transfers that will enhance communities and / or local service provision. The form of partnership will vary on a case by case basis, but could vary from regular updates and monitoring through to formal Service Level Agreements;
- a strategic approach will be taken to Community Asset Transfer with assets to be transferred identified through regular reviews of the Council's asset base;

- the process for responding to requests for individual Community Asset Transfers will be open and transparent;
- there will be a clear timescale established for dealing with asset transfers;
- the decision to transfer an asset will not be considered as setting a precedent. Each asset transfer will be judged on its own merits and transfer arrangements developed through assessment of benefits and individual negotiation.

Benefits of Community Asset Transfer

There are many benefits to all parties to pursuing a Community Asset Transfer. These are:

- achieving the vision that Leeds will 'be fair, open and welcoming and that all Leeds communities will be successful.'
- the harnessing of voluntary sector energy and local knowledge to provide community benefit and social value;
- supporting community empowerment, giving local organisations control, encouraging pride of place and generating wealth in Leeds' communities;
- opening up access to external funding opportunities, not available to the Council or providing access to loan finance using the value of the asset;
- it can be a catalyst for local volunteering and increase community cohesion;
- developing organisational, financial, training and entrepreneurial skills within social and community enterprise;
- assisting community organisations to become sustainable and self financing;
- it can be a stimulus for partnership working between community groups, the Council and other partners and can improve the provision and accountability of services within communities;
- saving revenue costs whilst achieving community benefit.

Applying for a Community Asset Transfer

The process of asset transfer may be initiated in two ways:

1. By identifying an asset as appropriate to transfer either to sustain the current building and/or the service delivery, or where a building has been deemed surplus.
2. A request from a voluntary or community sector organisation

Submission of expression of interest

In the case of the latter, an expression of interest needs to be submitted. This initial approach for a Community Asset Transfer should state:

- why the asset is needed;
- why this particular asset;
- aims and objectives of the organisation and the project;
- the nature of support from others;
- demonstrate effective management of the asset (where the organisation applying for a Community Asset Transfer already occupies the property.).

In most cases this initial expression of interest will cover 2-3 sides of A4. At this stage the proposing organisation must be able to demonstrate that its outline plans are realistic and viable. If the Council's opinion is that the plans are not realistic or viable then the expression of interest will be declined.

Advertising

In circumstances where the Council has identified an asset as appropriate to transfer, expressions of interest will be sought by advertising the property's availability on the Community Asset Transfer page on the Council's website and through third sector support organisations.

Submission of business plan

Once the initial expression of interest has been considered the next stage is for a submission of a full business plan. The list below is a guide for community organisations to use when preparing a full business plan. It is not an exhaustive list but not all of the items listed will necessarily be relevant to each particular case.

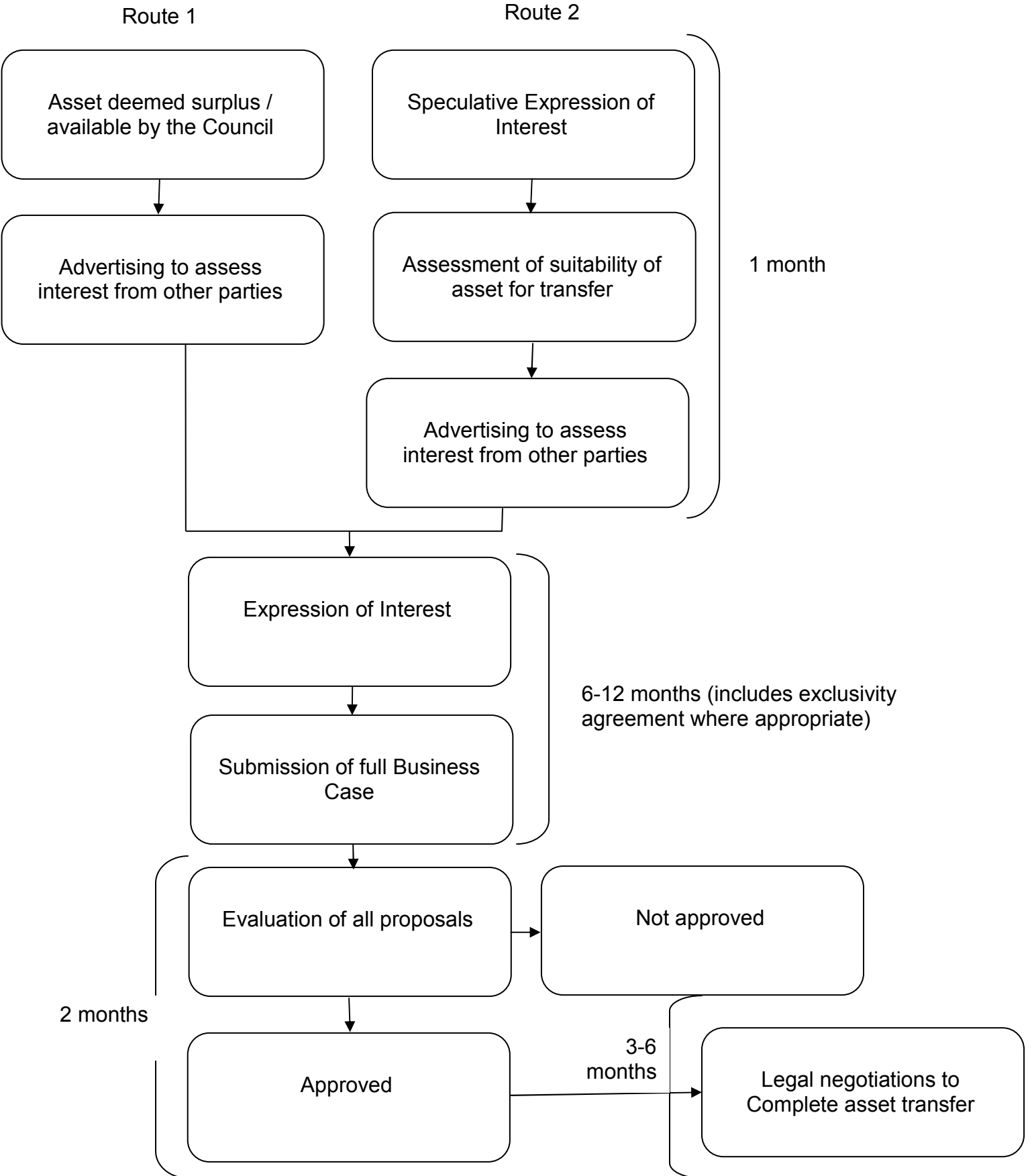
For a full business plan in support of a Community Asset Transfer the following need to be addressed:

- aims, objectives and mission statement of the organisation and the Community Asset Transfer;
- the legal form/entity of the organisation (social purpose, registered charity, private etc);
- demonstrable compliance with a suitable quality assurance system;
- details of:
 1. how the asset will be used
 2. who the stakeholders are
 3. what the core activities will be
 4. details of any proposed projects
 5. services and/or products and how they will be delivered
 6. organisational management (structures, numbers, portfolios, posts
 7. robustness of governance
 8. proposals for partnership working, user and community involvement
 9. experience and/or track record, including expertise held by board members
 10. financial projections including a 3 year cash flow forecast, projecting income and expenditure broken down into relevant headings.
 11. realistic funding opportunities with an indication of likelihood of funding or risk assessment
 12. non-monetary considerations – social, economic and environmental benefits – for both the organisation and the Council
 13. projected utilisation rates and demand/need from the local community
 14. who the expected beneficiaries will be including details of any equality groups
 15. what the expected outcomes will be
 16. how the Community Asset Transfer would contribute to Council Policies, the Vision for Leeds and other local priorities
- sitting tenants should also demonstrate that they:
 1. have effectively managed the asset in the past
 2. have an existing effective bookings system

3. have suitable occupancy agreements for tenants
 4. have effectively maintained the asset in the past
 5. have adequate insurance cover in place
- a needs analysis for the area;
 - a SWOT analysis of the proposals;
 - a risk assessment for the project and the whole organisation.

Key stages and timescales

Community Asset Transfer



Duration of lease granted

When assessing an organisation's application for a Community Asset Transfer, the Council will carefully consider the specific needs of the community organisation applying, the condition of the asset and the requirements of any potential funders or lenders. The length of the lease term will be based on the needs that are clearly supported by the organisation's business plan and its capacity to manage the asset.

Proposals from community organisations and those that include the co-location of several services (a community hub) will be encouraged in this context. In certain cases a phased transfer could be considered, depending on the organisation's resources.

Based on the anticipated requirements of most charitable funders, the following is a guide to the length of term that may apply to new Community Asset Transfers:

- a lease of up to 25 years;
- a lease longer than 25 years but up to 50 years, or in exceptional circumstances longer, may be appropriate if supported by a business case that demonstrates special circumstances or requirements from funders or lenders.

Lease term length will be considered alongside previous Community Asset Transfer projects, to ensure consistency. Generally, straightforward Community Asset Transfers are for 25 years. In circumstances where the community organisation can show significant capital investment in and improvements to a property then terms of normally up to 50 years can be considered. Only in exceptional circumstances would a lease of longer than 50 years be considered.

Once granted, a lease can usually be restructured or extended at a point in time, to meet the community group's circumstances or funder's requirements.

Short term agreements will be considered in the form of management agreements or short term leases to allow organisations to practically identify and manage risks.

Long term leases will only be granted if the community organisation has an 'asset lock' and will contain clauses that prevent the asset being assigned or sold on for unintended financial gain and the loss of the agreed benefits. Leases will contain suitable clauses to ensure the return of the asset to the Council if the terms of the lease and/or any Service Agreement are not met, or in the case of dissolution, insolvency or corruption.

Completed Community Asset Transfers

Firstly an organisational development plan will be agreed with the organisation based on the business plan and a skills audit and any support required identified. The organisation will also receive ongoing support from Asset Management Service and other service areas identified through the business plan or lease. There will be an annual review of any service agreement targets and the benefits measured. Where it is applicable there is a renewal of the service agreement or lease, although in most cases there will be no automatic right to renew.

From time to time organisations that have successfully taken over property under this policy may be asked to provide help and advice to other organisations who are developing Community Asset Transfer proposals.

When things go wrong

In the first instance contact should be made (at the earliest opportunity) with the Asset Management Service or the sponsoring service for the project, who will be able to either provide advice or refer to specialist support available from third sector support organisations. It may be that previous agreements or conditions in the lease need to be renegotiated to allow additional income to be generated. In these circumstances the Council will be willing to negotiate and help. However, consideration will need to be given to the rationale for previously imposed conditions and the impact of any changes on both the Council, and the community. A formal decision will need to be taken. In the event of project failure, conditions in the lease will ensure that the property returns to local authority ownership. However, in the event of external funders securing investment on the property, there may be assignment or step in rights allowing them to take over or possibly seek a third party to take over the property. Conditions in the lease will ensure that the property can only continue to be used for community benefit purposes.

Sources of further information

Asset Transfer Unit – www.atu.org.uk. The Asset Transfer Unit is a national body delivered by Locality in association with Community Matters and the Local Government Association, and funded by the Department for Communities and Local Government. It helps to empower local people and organisations to transform land and buildings into vibrant community spaces whilst supporting the development of a thriving third sector.

Voluntary Action Leeds – www.val.org.uk. Voluntary Action Leeds is the Council for voluntary service in Leeds. They provide innovative and direct support, services and specialist advice to hundreds of third sector organisations across Leeds, helping them to carry out their work and ensuring they are well represented in partnership work.

www.leeds.gov.uk/assettransfer. Up to date information on the Councils Community Asset Transfer activity, including details of any properties the Council are seeking expressions of interest in.

www.leeds.gov.uk/righttobid. Details of Community Right to Bid in Leeds, including the List of Asset of Community Value.

Appendix 2 – Community Asset Transfer Framework
Community Asset Transfer Framework

This framework should be used in line with the Community Asset Transfer Policy. Answering “Yes” to all of the questions in this framework does not necessarily mean that a proposal for asset transfer will be approved or even recommended. Answering “No” to one or more questions does not necessarily mean that an asset transfer will not be possible. This framework is intended as a guide to help inform decisions and is to be used as an appendix to any decision report. There will be other issues to be considered outside of this framework. Community asset transfer is discretionary and subject to the decision of the relevant decision making body (Either Executive Board or the Director of City Development, dependent on the length of lease proposed and the market value of the property).

Answer all questions Yes or No. Please comment on all No answers. Comments may also be inserted for Yes answers if required.

Council Objectives	Yes	No	Comments
Is there a sponsoring service for the asset transfer proposal?			
Does the asset transfer align with the service’s planning objectives, and therefore link into LCC strategic outcomes?			
Had a need for the service to be provided been identified prior to the request for asset transfer?			
Will the sponsoring service monitor service delivery?			
Does the asset transfer link to any contract, service level agreement or other formal agreement with the sponsoring service or other LCC service?			

Appendix 2

Local Objectives	Yes	No	Comments
Are local ward members supportive of the proposal?			
Will the proposal provide clear benefits to the local community?			
Will these benefits improve the social, economic or environmental well being of local residents?			
Has local consultation been carried out with the local community?			
Does the consultation show clear community support for the proposal?			
Have alternative buildings been considered that could be more suitable for the proposal and is this the most suitable building?			
Business Plan	Yes	No	Comments
Has a business plan been produced that is realistic and shows the proposal to be viable?			
Is the proposal free from the requirement of ongoing grant subsidy from third parties?			
Are contracts in place for income generating activities?			

Appendix 2

Has an independent assessment been undertaken that shows the business plan to be viable?			
Funding	Yes	No	Comments
Is the proposal free from reliance on third party capital funding?			
If not, is the required funding already in place?			
Is the funding sufficient to bring the building into suitable repair for the proposal?			
Organisation	Yes	No	Comments
Is the organisation already established rather than being set up primarily for this proposal?			
Does the organisation have the capacity to manage the building and project?			
Have written governance measures been provided?			
Does the organisation have recognised not for profit legal status?			
If approved would this be the organisation's first successful request for Community Asset Transfer?			

Appendix 2

Financial Objectives	Yes	No	Comments
Has alternative development potential of the site been considered?			
Would the proposal have no significant impact on the capital programme?			
Would this transfer be supportable when considered alongside other proposals approved recently and currently proposed?			
Will transfer of the asset achieve costs savings for LCC?			
Other Considerations	Yes	No	Comments
Will the project avoid State Aid issues?			
Has an equality, diversity, cohesion and integration impact assessment been carried out?			
Does the organisation have an open access policy that welcomes access for all sections of the community and that will applied at the subject property?			
Does the organization have a safeguarding policy?			
Has the property been registered as an asset of community value under the Assets of Community Value provisions?			

Appendix 2

Total Count Yes/No			
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Report of Directors of City Development and Environment & Neighbourhoods

Report to Executive Board

Date: 5th September 2012

Subject: Stimulating growth in affordable housing

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

Summary of main issues

To achieve Leeds' ambitions of growth and prosperity, the city needs a functioning housing market which meets the needs of its citizens and which underpins a thriving economy. These ambitions are set against a backdrop of change particularly within the public sector. The resources available to deliver new housing have severely reduced in recent years and commercial investment in new housing has slowed considerably. In light of this, the Council is responding with a new approach. There are opportunities, in the form of new financial freedoms, including the New Homes Bonus, Housing Revenue Account reform and the ability to utilise Right to Buy receipts. These provide a route for new investment through which the Council, with the support of its partners, can take a lead role in stimulating the supply of new housing. This report proposes an investment approach which provides new housing in the city in an innovative and cost effective way.

Recommendations

Executive Board is recommended to:

- i) approve the development of an investment programme as illustrated in the report, through a contribution of £9.5m over three years from the HRA, a one year contribution of £1.5m from the New Homes Bonus and the ongoing use of Right To Buy receipts, currently estimated to be £1.9m over three years.
- ii) approve an injection of £1.5m and £800k for 2012/13 into the capital programme from New Homes Bonus and Right To Buy receipts respectively.

- iii) delegate the detailed development of the investment programme, in consultation with the Executive Member for Development and the Economy, to the Directors of City Development and Environment & Neighbourhoods.

1 Purpose of this report

- 1.1 This report provides Executive Board with a proposed approach to housing investment, combining a range of funding sources and investment models. It also demonstrates the extent to which investment in new housing supply through these models is one of the most innovative ways that new housing supply, including social housing, can be provided for the City that is very cost-effective for the Council.

2 Background information

- 2.1 The recent Commission on the Future of Local Government set out the challenge facing local councils and their partners in stimulating the delivery of homes, jobs and growth. It recognises the unique position held by local councils who, by being enterprising in the use of their own resources and by influencing others to invest, can help deliver growth. In Leeds, the Council's role in leading and developing ways of encouraging and enabling investment in the city is well recognised. There is a history of effective collaboration amongst partners who are committed to achieving the best for Leeds and this puts the city in a strong position to take advantage of new opportunities.
- 2.2 The approach proposed in this report to invest in new affordable housing shows how Leeds can develop innovative and creative solutions, maximise resources and the supply of the new homes which the city needs in partnership with housing associations, developers and voluntary sector organisations.
- 2.3 Leeds' investment needs are determined by the City Priority Plan (CPP) and the Leeds Housing Investment Plan (LHIP). The CPP priority is to maximise regeneration investment to increase housing choice and affordability within sustainable neighbourhoods demonstrated by the following headline indicators:-
 - increase the number of homes built per year;
 - increase the number of affordable homes built each year;
 - increase the number of long term empty properties brought back into use.

The LHIP identifies the following categories of investment need:-

- new housing provision including mixed tenure and affordable housing;
 - council stock decency;
 - private sector renewal;
 - housing for specific groups incl. housing for older people;
 - empty properties;
 - energy efficiency and sustainable construction.
- 2.4 Given the pressure of population growth and anticipated demographic changes (for example an increase in older people), coupled with unmet need for social and

affordable housing, it is clear that Leeds needs more housing of appropriate quality and type to meet people's needs and aspirations. The draft Core Strategy estimates that 1,158 affordable homes a year are required in order to meet predicted need, whilst the target for returning empty homes to use is 3000 per annum.

- 2.5 The sources of investment the city has relied on in the past to meet housing needs have either significantly reduced or are funding streams which have come to an end. These include grant funding to housing associations through the Homes and Communities Agency (HCA) which continues at a much reduced rate and is predicated on the expectation that housing associations will charge higher rents and borrow to fund new build. The Decency programme for existing council stock is now largely completed, and housing renewal funding has also ceased. The delivery of affordable housing through the market (via s106) has reduced in line with the slow down in the housing market as a whole.
- 2.6 In order to meet the ambitions set out in the City Priority Plan and build up the city's resilience to economic forces it is important to take advantage of new opportunities in a creative and innovative way. Bringing together the resources of the Council and its partners, will be a catalyst to further investment and add momentum to further growth.
- 2.7 The recent housing strategy for England "Laying the Foundations" (published in December) sets out the Government's expectation that local councils will plan for growth and seek to align their resources and available funding to deliver growth and unlock the housing market across tenures. New flexibilities in respect of the Housing Revenue Account, plus new funding sources including the New Homes Bonus and the Reinvigorated Right to Buy, are seen as tools for growth available to local authorities. This report shows how we can maximise these resources along with those of our partners, not only to ensure that housing choice and quality meets residents' expectations but also to boost the confidence of residents and businesses and make Leeds a city of choice to live and work.
- 2.8 The Vision for Leeds established the Council's objective of being the Best Council in the country and a strong working relationship with people, businesses and organisations is at the heart of this objective. It also sets out the ambition of being the Best City in the country with a good quality of life for Leeds residents. Delivering new housing through working with others is one way in which the Council can start to reach this goal.

3 Main issues

- 3.1 Leeds has experience of developing innovative new models to support the housing market and help people access good quality housing. Working with developers, housing providers and lenders, the Council has developed schemes such as equity share and rent to mortgage and has used its land and assets to enable new housing to be built. Most recent is the Leeds Local Authority Mortgage Scheme approved by Executive Board earlier in the year and soon to be launched. Described below are models of new affordable housing provision (by building new properties or returning empty properties to use), which are either formulated to produce an income for the Council or to be funded on the basis of cash being recycled. Given budget pressures, models have been explored which have the

facility to generate resources or allow investment to be recycled and therefore represent good value for money and an effective use of resources.

3.2 New Build Affordable Housing

3.3 *Build or purchase directly*

To increase housing supply the Council could decide to build new houses itself and has recent experience of delivering new build housing using HCA grant. An investment programme could fund the construction of either general needs housing or specialist elderly accommodation.

3.4 Alternatively, the Council could purchase properties off the shelf from developers; although numbers would need to be sufficient to negotiate a purchase price which represents value for money. In either case management would be via an ALMO in the normal way.

3.6 A third route would be to select a partner housing association to develop and deliver new homes. The Council can grant fund a housing association who would then use their borrowing abilities to add to the resources available. Properties would be owned by the housing association although the Council would be able to specify the type and location of properties. Properties would be let at an Affordable Rent (defined by government as up to 80% market rent level) and the Council would have nomination rights on the new units. Leeds has the benefit of a committed housing association sector who are well placed to use seedcorn funding from the Council, combining it with their own resources to maximise the production of affordable housing.

3.7 *Equity Loan*

Equity loan is a model which has been successfully used in Leeds through schemes developed in conjunction with housebuilders. Equity loan can both increase demand by making homes more affordable and support sales on sites where construction has stalled. Similar to the HCA's equity loan scheme ("Firstbuy"), it helps to bridge the gap between the cost of properties and the mortgages potential buyers could secure by providing a loan to the purchaser which is secured against the property.

It allows for the funding to be recycled since the loan is repayable when people sell their house as a charge against the property (or can be time limited), with an interest rate payable say after 5 years.

3.8 Bringing empty properties back into use

3.9 Leeds has a number of empty properties across the city, primarily in the private sector, which is a wasted resource at a time when the demand for housing is increasing. The Council has strong working relationships with housing associations and voluntary sector organisations and recently worked together with a range of partners as part of a "Call to Action" to look at practical solutions to bring properties back into use. The HCA have also supported a bid for resources from a consortia of organisations (Connect, LATCH and Canopy) to undertake works to empty

properties in poor condition. The Council has an established approach and uses a range of measures, working with property owners.

3.10 *Repairing & returning empty properties to use*

The provision of an interest free loan facility to bring private sector empty homes back into use. The loan facility will be made available on the basis that repayment will be made over a specified timescale (say 10 years)

3.11 *Acquisition and resale*

Private sector empty properties can be acquired for refurbishment and rent or sale on the open market to an owner occupier. The Recycling Empties project has proved to be a successful initiative in bringing empty properties back into use.

3.12 *Providing additional staff resources*

The key to resolving many of the properties which remain empty in the city is effective enforcement and advice for owners (where for example a property has been inherited). The work is largely demand led but additional resources would enable proactive enforcement work on an area basis. It is proposed that increasing capacity within existing teams would be self funding in that it will accelerate the number of properties which can be brought back into use.

4 Funding Sources

There is a range of new funding sources which could be used to support investment in the supply of housing and these are described below. Together they provide a flexible resource which can be used to support a range of approaches. The programme described at section 5 illustrates how they can be combined to deliver a cost effective investment strategy.

New Homes Bonus

4.1 The NHB was introduced by government as an incentive to boost housing delivery and bring long term empty properties back into use. For each additional new unit built, the Government pays a sum equivalent to the national average for the council tax band over six years. For each affordable home provided, an enhancement of £350 per year per home will also be paid. For empty properties brought back into use NHB is calculated in a different way to the provision of new build units. It is payable on the basis of the level of long term empty properties recorded on the Council Tax Base Form, with more NHB being paid if the number decreases and less if the number increases.

4.2 The provisional allocation for Leeds for 2012/13 is £5.4m and this has been incorporated into the 2012/13 base budget.. As an unringfenced grant, the bonus could be spent on a wide range of measures and the use of the resources shown in the illustrative programme demonstrates that this could be an effective use of some of this resource.

HRA Reform and the Right to Buy

4.3 Housing Revenue Account reform gives local authorities control over rental income for new homes and other investment, The Leeds HRA Business Plan has identified

three strategic priorities – the sustainability standard for council owned stock, the delivery of older people’s housing and the supply of affordable housing.

4.4 The Government introduced what it has called the “Reinvigorated” Right to Buy (RTB) earlier this year which allows local authorities to retain an element of RTB receipts for the reprovision of social housing stock. There are a number of constraints associated with this funding (explained in detail in a May 2012 report to Executive Board), but in summary the receipts can only fund 30% scheme development costs and if spend is not committed may be required to be returned to government. A way of mitigating this risk and maximizing the resources could be to route this funding through a housing association who could use their normal borrowing to produce the 70% match funding required.

Commuted Sums

4.5 A parallel piece of work has been undertaken which allows for investment in additional affordable housing which utilises commuted sums. This has already included contributions towards bringing a number of empty properties back into use and some equity loans. There remains the potential to make a contribution to new build housing provided it is for additional affordable housing, available in perpetuity. Incorporating a contribution into a larger programme offers an effective way of delivering new homes, although for the purpose of the illustration in the appendix this has not been included.

4.6 The table below is a summary of the interventions described above to support housing investment and the ways in which they can generate resources back to the Council.

Priority	Tool	Recycle	Generates Income	Generates council tax	Generates NHB
Affordable Housing / Housing Growth	New build council houses		*	*	*
	New build via housing association			*	*
	Equity Loan	*		*	*
Empty Properties	Repayable loan	*		*	*
	Refurb and sell	*		*	*
	Enforcement			*	*

5 Proposed programme

5.1 An investment programme is proposed which could deliver around 325 new homes. The programme, which is for illustration, shows a three year investment programme showing the costs and income (such as rents) modelled over ten years. It is comprised of a contribution of £1.5m New Homes Bonus, the use of Right to Buy receipts over 3 years estimated at 1.9m and a contribution from the Housing Revenue Account over 3 years of £9.5m . It shows a gross cost of £12.9m which, when the income from rents, loan repayment and New Homes Bonus generated (approx £2.8m), is taken into account is a net cost of £5.9m over ten years.

5.2 Appendix 1 illustrates how an investment programme could work, showing how each of these resource streams could be utilised and the income each generates. The programme could result in new supply of around 325 units (this includes an estimated net 150 empty properties brought back into use).

5.3 The illustrative programme at Appendix 1 is based on the following assumptions:

- a) a contribution of New Homes Bonus of £1.5m. This could be used to support the empty homes strategy by funding an additional enforcement team and by providing an amount of capital for addressing disrepair or complex cases such as those requiring CPO. It is also proposed that NHB could support a modest programme of equity loans targeted at new build properties. The illustrative financial model (Appendix 1) uses a NHB mix of models and it shows, assuming for the purpose of the model, that equity loans are repaid at the end of 10 years, that a net income stream of £1.1m is generated. The model shows a contribution for one year although the approach could be extended should additional resources become available and the approach prove to be cost effective.
- b) the estimated level of RTB receipts for the years 2012 - 2015 is £1.9m based on a projected level of sales and net of the deductions required by Government.

These resources could be maximised by grant funding a housing association enabling it to borrow additional development funds. If the grant is used to support 30% of the development programme (the maximum proscribed by central government), the remaining 70% which the housing association would fund represents an additional resource of around £3.8m levered in to the programme. Together this would be an investment of approximately £5.8m producing a programme of about 49 units.

The legislation requires that receipts are used for replacement stock and this can be provided at either affordable or social rents. The properties would belong to the housing association who would collect the rental stream. The Council would have nomination rights over the properties and could incorporate requirements such as local labour and training into the scheme. The model shows the use of RTB receipts for three years by way of illustration. The actual receipts received will be used to support the construction of new homes although it is difficult to predict the level of sales and an estimate has been used in the model

On the basis of estimated RTB receipts over the next 3 years shown in the model, the net cost of this proposal would be £1.3m as illustrated in Appendix 1.

An alternative would be to use the RTB receipts to increase Council housing new build, which would maintain the Council's long term stake in the property and provide a way to replenish the Council's housing stock with new high quality council housing. This would provide approximately 25 units, and would be subject to the ability to find the remaining 70% cost of provision from the HRA.

The optimum delivery route will be drawn up in consultation with the Executive Board Members for Development and Economy and Neighbourhoods, Planning and Support Services.

- c) a contribution from the Housing Revenue Account of £3m p.a.

The HRA is able to support an indicative three year programme at £3m per annum which could deliver 105 units in total (using an average construction cost of traditional family housing). There are currently sufficient uncommitted HRA capital resources available without impacting upon other housing investment priorities. Rent levels could be either social or affordable rent and for modelling purposes a split is proposed (however, a policy decision would be required if there is to be a split between social housing rent levels in this way). The programme could fund the construction of either general needs housing or specialist elderly. Delivery would be through procurement of a contractor which could include the requirement to incorporate a local labour and training programme. HRA funding could also be used to purchase off the shelf properties although unit costs would be higher.

The financial model (Appendix 1) shows that the net cost of this proposal is £5.9m after 10 years. The cost of management and maintenance has been included within the calculation.

- 5.4 The overall cost of the proposed investment programme over the 10 year period is £5.9m and the implications for both the General Fund and the HRA are set out in Table 1 below.
- 5.5 In addition consideration also needs to be given to the fact that 325 new properties would generate an additional £284k per annum in Council Tax.
- 5.6 The effectiveness of the investment approach will be evaluated and if proven to be effective, could present an ongoing opportunity to add to housing supply in a cost effective way.

Table 1

Funding Source:	No. of Units	Impact on General Fund £000	Impact on the HRA £000	Net Cost of Proposals over 10 years £000
New Homes Bonus	171	(1,109)	0	(1,109)
Right to Buy (RTB) receipts	49	(528)	1,900	1,372
HRA Capital Resources	105	(921)	6,569	5,648
Total	325	(2,558)	8,469	5,911

- 5.7 If approved, the next steps would be:

- a) to identify sites for the new build programme, agree the type of new housing to be built, secure planning permission and let a construction contract. It will also be necessary to establish a procurement approach to finding a housing association partner to deliver that element of the programme. If a start on site for the new build projects could be achieved in Autumn 2013. With an approximate construction period of about a year, following lettings, the Council will begin to see income from this investment from 2014;
- b) Establish the additional empty properties team. The empty property strand could begin generate income from NHB from 2014;
- c) Establish how and where to target the equity loan scheme. Interest would be paid to the Council on each loan from year six as shown in the model.

6 Corporate Considerations

6.1 Consultation and Engagement

6.1.1 As the investment approach is still being formulated consultation with individual Ward Members or communities is not yet appropriate. As the programme moves into implementation phase and specific sites are identified, local consultation will take place and a consultation plan will be prepared..

6.2 Equality and Diversity / Cohesion and Integration

6.2.1 Due regard has been given to equality through the analysis of the potential impacts of the programme and the completion of a screening form. The main outcomes of the screening were that the delivery of affordable housing through this programme could have positive implications for equality groups who are economically disadvantaged. The potential impact of the Programme for a range of equality groups and the number of separate elements it contains, suggest that there is a need for project specific screening and assessment to ensure that equality issues can be addressed for each element.

6.3 Council Policies and City Priorities

6.3.1 The project seeks to address priorities in the City Priority Plan by providing affordable housing.

6.2 Resources and Value for Money

6.2.1 The programme could be funded through the resources described above and the income associated with each model are set out in the illustrative model in Appendix 1.

6.3 Legal Implications, Access to Information and Call In

6.3.1 There are no specific legal implications associated with this report. Section 1 of the Localism Act 2011 grants councils a general power of competence whereby a local authority has power to do anything that individuals generally may do and this power

covers most of the activities described in this report. However Section 25 of the Local Government Act 1988 is a pre-commencement statute that imposes certain limitations on the council's general power to provide financial assistance to a Registered Provider without the consent of the Secretary of State.

6.3.2 The Secretary of State has issued a number general consents under the Local Government Act 1988 (Local Authority Assistance for privately let housing) Order. Consent A of this Order permits a local authority to provide a Registered Provider (housing association) with any financial assistance or gratuitous benefit of land for development as housing accommodation.

6.3.3 This consent is given subject to the aggregate value of the financial assistance or gratuitous benefit provided by the disposal or grant and any financial assistance or gratuitous benefit provided previously by the local authority under this consent in the same financial year shall not exceed £10 million.

7 Risk Management

7.1 A risk log will be included in the project mandate which will be drawn up subject to Executive Board approval.

8 Conclusion

8.1 Housing investment is central to the prosperity of the city and new financial opportunities exist for the Council and its partners to drive housing growth and to shape the future of the city. Committing the resources and expertise of the housing sector is one of the ways the Council and its partners can meet its ambitions towards being the Best City and the Best Council in the UK.

8.2 The new resources provided through the New Homes Bonus, HRA Reform and the Reinvigorated Right To Buy are a significant opportunity to increase the supply of affordable housing by funding the construction of new homes and providing the resources to bring empty properties back into use.

9 Recommendations

Executive Board is recommended to:

- i) approve the development of an investment programme as illustrated in the report, through a contribution of £9.4m over three years from the HRA, a contribution of £1.5m from the New Homes Bonus and the use of Right To Buy receipts, currently estimated to be £1.9m over three years .
- ii) approve an injection of £1.5m and £800k into the capital programme from New Homes Bonus and Right To Buy receipts respectively.
- iii) delegate the development of the investment programme, in consultation with the Executive Member for Development and the Economy, to the Directors of City Development and Environment & Neighbourhoods.

10 Background Papers¹

10.1 Equality Impact Assessment Screening Form

Appendix 1 – Housing Investment Programme for illustration

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

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Housing Investment Programme

APPENDIX 1

	Number of new units	Year 1 £000	Year 2 £000	Year 3 £000	Year 4 £000	Year 5 £000	Year 6 £000	Year 7 £000	Year 8 £000	Year 9 £000	Year 10 £000	Year 11 £000	Total £000	Memo - Council Tax (pa)				
														£000	£000			
New Homes Bonus																		
1) Empty Properties capital (net)	150	250											250					
Empty Properties add staff		242											242					
New Homes Bonus earned		(220)	(220)	(220)	(220)	(220)	(220)	(220)	(220)	(220)	(220)	0	(1,320)			(131)		
	492	(220)	(220)	(220)	(220)	(220)	(220)	(220)	(220)	(220)	(220)	0	(828)			(131)		
Note 2																		
2) Equity Loan	21	1,008											1,008					
Repayment of Loan													(1,008)					
Interest on Loan		(31)	(31)	(31)	(31)	(31)	(31)	(31)	(31)	(31)	(31)	(19)	(95)					
New Homes Bonus Earned		(31)	(31)	(31)	(31)	(31)	(31)	(50)	(19)	(19)	(19)	(19)	(1,027)				(18)	
	1,008	(31)	(31)	(31)	(31)	(31)	(31)	(50)	(19)	(19)	(19)	(19)	(281)				(18)	
Total - New Homes Bonus		1,500	(251)	(251)	(251)	(251)	(251)	(270)	(19)	(19)	(19)	(19)	(1,027)				(1,109)	
RTB receipts																		
Payments to Housing Association	49	800	600	500									1,900					
New Homes Bonus earned		(37)	(65)	(65)	(88)	(88)	(88)	(88)	(51)	(23)	(23)	0	(528)				(43)	
	800	563	435	435	(88)	(88)	(88)	(88)	(51)	(23)	(23)	0	1,372				(43)	
Using HRA Capital Resources																		
New Build Social rents	54	1,620	1,620	1,620									4,860					
New Build Affordable Rents	51	1,530	1,530	1,530									4,590					
Rental Income - Social		(60)	(121)	(121)	(181)	(181)	(181)	(181)	(181)	(181)	(181)	(181)	(1,627)					
Rental Income - Affordable		(94)	(94)	(187)	(281)	(281)	(281)	(281)	(281)	(281)	(281)	(281)	(2,530)					
Management & Maintenance		47	47	95	142	142	142	142	142	142	142	142	1,276					
New Homes Bonus Earned:		(26)	(26)	(53)	(79)	(79)	(79)	(75)	(53)	(26)	(26)	(26)	(474)					
Social Rent		(25)	(25)	(50)	(75)	(75)	(75)	(75)	(50)	(25)	(25)	(25)	(447)					
Affordable rent																		
	105	3,150	2,992	2,834	(474)	(474)	(474)	(474)	(422)	(371)	(320)	(320)	5,648				(92)	
TOTAL PROGRAMME	325	5,450	3,304	3,018	(813)	(813)	(813)	(832)	(492)	(413)	(339)	(1,347)	5,911				(28.4)	

Assumptions

Note 1: Assumes balance of 150 empties brought back into use net & band B

Note 2: Costs based on Gipton equity loan scheme say £160k x 30% = 48k unit (or if we match Firstbuy would be 15%); interest from yr 5

Note 3: Cost based on purchase price new build Gipton - £130k per unit

Housing Associations - grant payment of 30% of new build

Note 4: Cost based on council housing pilot new build project - £90k per unit

Note 5: Assumes average market rent £133 per week (affordable rents at 80% £106 pw)

Note 6: Assumes social rents of £69.75 per week

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Report of Director Environment and Neighbourhoods

Report to Executive Board

Date: 5th September 2012

Subject: Gypsy and Travellers Site Options

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

Summary of Main Issues

1. The Executive Board in December 2011 gave approval for officers to assess available and potentially available Council owned sites, against agreed criteria, to determine suitability for use as Gypsy and Traveller accommodation.
2. The conclusion of officers is that none of the sites are currently suitable for such use.
3. In light of this given the pressing need to resolve the immediate issues associated with the cycle of encampment and eviction approval is sought to the recommendation that work is undertaken to determine how Cottingley Springs can be expanded.
4. Any expansion of Cottingley Springs would be complemented by a programme of modernisation to improve the housing offer made to existing residents.
5. Subject to approval a further funding bid will be made to the Homes and Communities Agency (HCA) to part fund the modernisation programme.
6. It is proposed that Cottingley Springs is included within the Housing Revenue Account (HRA) Business Plan so that HRA funding can be used to 'match fund' any further HCA award and to finance long term investment at Cottingley Springs.

7. Work with the Cottingley Spring's residents and other Council/voluntary sector services is proposed to improve the service offer made to residents The review will include; Health, Adult Social Care and Children's Services.
8. A Gypsy and Traveller Lettings Policy, which will be a satellite policy of the Leeds City Council Lettings Policy, will be developed in partnership with the Gypsy & Traveller Community.

1.0 Purpose Of This Report

- 1.1 To set out the findings of officers involved in the assessment of Council owned sites for potential use as Gypsy and Traveller accommodation provision.
- 1.2 To propose an alternative solution involving the expansion of the current provision at Cottingley Springs.

2.0 Background Information

- 2.1 In December 2011 Executive Board gave approval for officers to carry out assessments, using prescribed criteria, on the suitability of using Council owned land as Gypsy and Traveller accommodation.
- 2.2 The report submitted to the December 2011 Executive Board placed an emphasis on addressing the housing needs of the Leeds based 'roadside' Gypsy and Traveller families. The 'roadside' families are invariably encamped on land (principally Council owned land) in the city without the consent of the landowner. A cycle of eviction and further encampment has persisted. The absence of sufficient Gypsy and Traveller accommodation sites and pitches, means the families must resort to trespassing on land that they have no legal interest in occupying.
- 2.3 The Council has secured funding from the Homes and Communities Agency (HCA) of £1.074m to develop twelve new pitches for Gypsies and Travellers. This funding has to be drawn down by the end of March 2015.
- 2.4 A multi disciplinary project team, utilised the site assessment criteria set out in the December 2011 Executive Board report. The criteria reflects and responds to government guidance relating to the planning and development of Gypsy and Traveller accommodation sites.

Site Type and Status

- 2.5 Executive Board agreed in December 2011 that only Council owned sites would be assessed as no funding had been identified to purchase land. The Council has secured £1.074m from the HCA to develop twelve new pitches and the expectation is that the Council would complement this funding with the release of land for the development. Executive Board agreed that the priority should be the assessment of land that is available or likely to be available within the next twelve months.
- 2.6 The December 2011 Executive Board report prioritised brownfield residential sites (paragraph 3.3).

Site Assessment

- 2.7 The site assessment process consisted of four elements: housing, planning, technical and asset management.
- 2.8 The housing assessment criteria related to whether a site option would be sustainable, safe and easy to manage/maintain and whether it would promote good community relations between the Gypsies and Travellers and the settled community.
- 2.9 The planning assessment criteria focused on a site's designation on the Unitary Development Plan Review, site type (brownfield/green belt), flood risk rating, accessibility to services, facilities and public transport.
- 2.10 The technical assessment criteria centred on vehicle and pedestrian access to a site, land contamination, noise pollution, capacity to alleviate or mitigate lower levels of flood risk, size of site, likely costs, delivery times and utility infrastructure provision.
- 2.11 The Asset Management criteria considered site value and alternative options for site usage.
- 2.12 The site assessment process was further supplemented by contributions from Regeneration Services.

Site Assessment Programme

- 2.13 In December 2011, the Executive Board approved the general criteria by which sites would be considered. An initial list was compiled comprising sites and properties from the Capital Receipts programme, regeneration sites identified by Environment and Neighbourhoods, and other miscellaneous sites that were known to be potentially available. The 224 sites/properties were put into the following categories of "currently available", "being prepared for marketing in the next 12 months", "allocated/earmarked for other Council initiatives" and "occupied/tenanted". Of these sites/properties 87 were within the category of "currently available" and "being prepared for marketing in the next 12 months" and were given further consideration on a 'desk top' basis using the criteria approved by Executive Board. This desk top assessment to determine the potential suitability of the sites reduced the list down to 65 and site inspections of these were then undertaken.
- 2.14 In considering these sites Officers had regard to Government DCLG guidance and also the comments from the Traveller Liaison Team. Whilst much of the Government guidance can be seen to equate to the criteria for a site to a "social housing site" it was clear to Officers that there are additional elements to identifying an appropriate permanent site. These include identifying a location with appropriate access for traveller vehicles, sites offering a degree of privacy where caravans, vehicles will not be obtrusive and locations where there is the opportunity for Traveller families to carry out their business activities and also contain

unauthorised overspill, refuse collection and live stock grazing and at the same time promote harmonious relations between Gypsies and Travellers and the local community. The general thrust of Government guidance favours sites being predominately located in residential areas.

- 2.15 Following the site inspections 35 of the 65 were considered as potential sites and were given further detailed consideration in line with the site assessment criteria listed above.

3.0 Main Issues

- 3.1 Following the application of the prescribed assessment criteria, the conclusion is that none of the 35 assessed sites are currently suitable for use as accommodation provision for Gypsies and Travellers. The table in Appendix A sets out the reasoning for reaching this conclusion for each of the 35 sites.
- 3.2 Officers advise that this exercise was undertaken with a view to identifying a site or sites suitable for occupation in the very near future. The Council will need to provide for longer term (up to 2028) Gypsy and Traveller site need within the Site Allocations Development Plan Document.
- 3.3 The conclusion that none of the 35 assessed sites are currently suitable for use as Gypsy and Traveller accommodation provision leaves the Council with the unresolved challenges associated with the cycle of encampment and eviction which leads to adverse impact on local communities, ongoing unmet housing need of Gypsies and Travellers and the costs of legal action.

Alternative Options

- 3.4 Officers are therefore seeking Executive Board approval to the following alternative course of action:
- 3.4.1 To identify how Cottingley Springs can be expanded.
- 3.4.2 Any expansion of Cottingley Springs to be complemented by a programme of modernisation to improve the housing offer made to existing and new tenants.
- 3.4.3 A further funding bid is made to the HCA to part finance the modernisation programme.
- 3.4.4 Cottingley Springs to be included within the Housing Revenue Account (HRA) Business Plan to enable 'match funding' of any further HCA grant and to finance longer term investment at Cottingley Springs.
- 3.4.5 Work to be undertaken with the Cottingley Spring's residents and other Council/voluntary sector services to improve the service offer made to residents. including a review of access to facilities and services which will specifically include Health, Adult Social Care and Children's Services.

- 3.4.6 Development of a Gypsy and Traveller Lettings Policy, which will be a satellite policy of the Leeds City Council Lettings Policy, in partnership with the Gypsy & Traveller Community.

Expansion of Cottingley Springs by 12 pitches

- 3.5 An initial assessment of the Cottingley Springs site has indicated that approximately twelve new pitches could be delivered on the site and adjacent land that is owned by the Council.
- 3.6 The HCA has awarded Leeds £1.074m grant funding to develop twelve new pitches. The Council submitted a funding bid on the expectation that the pitches would be developed on new sites. Discussions have taken place between Council officers and representatives from the HCA and they have indicated that they would be content with a proposal to expand Cottingley Springs.
- 3.7 Officers acknowledge that a report to the July 2011 Executive Board, in response to a Scrutiny Board recommendation, set out a view that the expansion of Cottingley Springs was not a preferred option at that point in time and it was appropriate to explore other options first. There are issues associated with this option: government guidance states that sites should not exceed more than 20 pitches and there remain concerns, relating to management of an expanded site. There are also challenges associated with Cottingley Springs being located in the Green Belt and the flood risk status which require resolution.
- 3.8 Government Planning policy for Gypsy and Traveller sites issued in March 2012 has the following to say about locating sites in the Green Belt:
- 3.8.1 *Inappropriate development is harmful to the Green Belt and should not be approved, except in very special circumstances. Traveller sites (temporary or permanent) in the Green Belt are inappropriate development.*
- 3.8.2 *Green Belt boundaries should be altered only in exceptional circumstances. If a local planning authority wishes to make an exceptional limited alteration to the defined Green Belt boundary (which might be to accommodate a site inset within the Green Belt) to meet a specific, identified need for a traveller site, it should do so only through the plan-making process and not in response to a planning application. If land is removed from the Green Belt in this way, it should be specifically allocated in the development plan as a Traveller site only.*
- 3.9 Whilst it is a matter for the Council as planning authority to consider (or the Secretary of State in the event that a planning application is called in for his consideration), the fact that a site search has not identified suitable alternative sites coupled with the pressing need to address unmet need can amount to the very special circumstances justifying what will be inappropriate development' in the Green Belt. The pressing need to progress also means that it is simply not practicable to seek to allocate the site through the development plan process and the only realistic option would be to submit a planning application.

- 3.10 The Council has recently lost an appeal against an enforcement notice relating to the development of a small Gypsy and Traveller site, located in the Green Belt, in Allerton Bywater. Planning permission was granted for three years. Although the land is in the Green Belt, the Planning Inspector felt that the substantial unmet need for Gypsy and Traveller sites within the Leeds district, and the absence of a 5 year supply plan, amounted to very special circumstances there was justifying inappropriate development and an exception to the presumption against Gypsy and Traveller site development in the Green Belt.
- 3.11 The flood risk status of Cottingley Springs, surrounding land that the Council owns and for access roads will be of critical importance to the expansion proposal. Any development proposals will fully assess all the risks.
- 3.12 Officers are of the view that the design of an expanded site is capable of being managed effectively and sensitively and site expansion can amount to an effective and sustainable option and be regarded as a positive development.

Modernisation of Cottingley Springs including funding options

- 3.13 Linking the expansion to the modernisation of the existing site is a positive development for both new and existing residents. Discussions have taken place with the HCA regarding the possibility of securing further grant funding to modernise Cottingley Springs. The pitches, amenity blocks and communal space at Cottingley Springs require substantial investment to meet a standard which ensures housing provision for Gypsies and Travellers is commensurate to that enjoyed by social housing tenants. The HCA has advised that there will be an opportunity from September 2012 for the Council to bid for a further round of £13m funding for Gypsy and Traveller accommodation provision. Priority will be given to bids delivering new pitch provision so a bid to refurbish existing pitches would in all likelihood be considered more favourably if it included complementary plans for new pitch provision.
- 3.14 A provision within the 2008 Housing and Regeneration Act was implemented in April 2011 that strengthened the tenancy rights of Cottingley Springs residents. The residents of Cottingley Springs have security of tenure that means they cannot be evicted without the Council securing a court order on the grounds of a specific breach of the tenancy agreement. This security of tenure is commensurate to that enjoyed by council tenants, and given the tenancy relationship is between a site occupant(s) and the Council, then the Cottingley Springs' residents are essentially Leeds City Council tenants¹. Officers are investigating the feasibility of including Cottingley Springs within the Housing Revenue Account (HRA) Business Plan and sourcing investment to modernise the site through this route. Site rental income, forecast to be £265k in 2012/13, would be included in the HRA Business Plan. The HCA has advised that any refurbishment funding bid would need to be 'match funded' and the HRA could be the source of this investment.

¹ Residents of Cottingley Springs do not have the same right of succession or assignment enjoyed by council tenants.

- 3.15 Securing funding to modernise Cottingley Springs will be one element of a wider plan to improve the service offer made to residents. Council services, including Childrens Services and Adult Social Care Directorates, will draw up a service improvement plan with the residents, advocates and other voluntary sector services to look at how appropriate services can be delivered and targeted at residents.

Site Development Process

- 3.16 The development of the site is, of course, subject to planning permission being granted.

Pitch Allocation

- 3.17 Available pitches at Cottingley Springs are let in accordance with the Leeds City Council Lettings Policy. The development of a new policy will be undertaken in partnership with the residents to support the management of the site.

Core Strategy

- 3.18 The Planning Act 2004 permits government to intervene if it is believed that a local authority is not adequately addressing site requirement in its area. The Council is currently in the process of developing a Core Strategy and Site Allocation Development Plan Document (DPD) with the latter document setting out the need for Gypsy and Traveller pitches up to 2028. The Core Strategy and DPD is not likely to be adopted before 2014 and the intention would be to expand Cottingley Springs before the adoption of these plans.
- 3.19 It is therefore intended that the DPD will cater for the longer term housing needs of Gypsies and Travellers after the immediate housing need of the current 'roadside' Gypsies and Travellers is met. Consideration will be given to the housing needs of all Gypsies and Travellers who wish to live on pitch based provision. Nevertheless, greater consideration will be given to those Travellers who are predominantly Leeds based, live on the 'roadside', who are over-occupying pitches at Cottingley Springs and new households formed out of any these groups.

4.0 Corporate Considerations

4.1 Consultation and Engagement

- 4.2 Preliminary consultation has been undertaken on the proposal to expand Cottingley Springs with the 'roadside' Gypsies and Travellers, those living at Cottingley Springs and GATE: Gypsy and Traveller advocacy service. Views have been sought, through face to face interviews on expanding Cottingley Springs.
- 4.3 The consultation gained 7 responses from 'roadside' Travellers, and 24 from residents at Cottingley Springs.
- 4.4 The view of the 'roadside' travellers was mixed with half happy to move to the existing Cottingley Springs site, the others stating they would move to Cottingley if the new

pitches were separate from the existing site and the overall site was well managed. Two respondents stated they would not wish to live at Cottingley Springs.

- 4.5 The responses from Site A Cottingley Springs showed a higher level of concern regarding the proposal for expansion, with the majority of respondents not wanting an expansion of Site A but suggesting that there was potential to expand Site B and on the boundaries of the current site.
- 4.6 On Site B 70% of respondents were in favour of expansion but wanted to see improved facilities and greater influence over the management of the site and lettings. The remaining 30% were not in favour of expansion.
- 4.7 Subject to Executive Board approval the development process will be led by a project team involving lead members, residents of Cottingley Springs and roadside travellers. The process will include continuing consultations with local ward members.
- 4.8 Local Ward members for Farnley & Wortley have been consulted, the Green Party councillors concerns were regarding the size of the development and potential tensions within the community. The Labour Councillor is prepared to support the proposal subject to the site and service improvements being undertaken.

5.0 Equality and Diversity / Cohesion and Integration

5.1 An equality, diversity, cohesion and integration screening exercise has been carried out. This has affirmed that equality, diversity, cohesion and integration considerations have been effectively considered in relation to developing proposals to better meet the housing needs of Gypsies and Travellers. The distinct housing needs of Gypsies and Travellers (that a nomadic lifestyle is part of many Gypsy and Traveller's cultural expression), the need to ensure that accommodation options for Gypsies and Travellers are commensurate with the standard of housing offered to social housing tenants in conventional accommodation and the need to promote harmonious relationships with settled communities have been highlighted in this report.

6.0 Council Policies and City Priorities

6.1 Action to address the housing needs of Gypsies and Travellers in the city specifically reflect two of the aims of the Vision for Leeds: 'Leeds will be fair, open and welcoming' and 'All Leeds' communities will be successful'. This work will especially contribute to the 'Safer and Stronger' Communities Plan priority around 'Increasing a sense of belonging that builds cohesive and harmonious communities' and those relating to reducing crime and anti-social behaviour.

7.0 Resources and Value for Money

From a resources perspective, the expansion and modernisation of Cottingley Springs will be dependent upon HCA funding being released. No alternative Council funding has been identified or has been requested if the HCA funding is not released.

Between 2003 and 2010, the Council incurred costs of £1.994m in responding to unauthorised encampments. A more positive engagement with the Gypsy and Traveller community has reduced activity over the last two years.

It is forecast that rental income of £265k will be generated from the current provision at Cottingley Springs in 2012/13. A pro rata calculation suggests that approximately £77k income could be additionally generated through the provision of 12 more pitches.

8.0 Legal Implications, Access to Information and Call In

There is no legal requirement for the Council to provide sites for Gypsies and Travellers although the Council does have a duty to consider and make reasonable provision for the accommodation needs of this group.

If the option to expand Cottingley Springs is approved by Executive Board, then a planning application will need to be made. On the assumption that it is not called in by the Secretary of State for his determination, any planning application will be considered on its merits by the Council in its role as planning authority. This is a separate and distinct role and will not be influenced by any decision made by the Executive Board to support the proposals.

The report does not contain any exempt or confidential information.

The report is open to call-in.

9.0 Risk Management

There is a significant likelihood that a planning application to expand Cottingley Springs could result in objections. There is a risk that planning approval will not be forthcoming. There is also a risk that the planning application will be called in by the Secretary of State for his determination given the fact that the proposal would be in conflict with government planning policy as it would represent inappropriate development in the Green Belt.

10.0 Conclusions

The site assessment process has not identified any sites that are suitable to provide accommodation for the roadside families within an appropriate timescale. The challenges associated with the cycle of encampment and eviction (cost, impact on communities and unmet housing need), remain. Officers therefore believe that the most appropriate option is to expand the existing Cottingley Springs site. Initial discussions with government have indicated that agreed funding can be used to expand Cottingley Springs. Officers intend to submit a further bid to the HCA to try to secure additional funding to start the modernisation of Cottingley Springs.

11.0 Recommendations

Members are requested to support the following:

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

12.0 Background documents 1

12.1 Equality Diversity, Cohesion and Integration Screening Document.

12.2 Appendix A: Table of site assessment findings.

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

Appendix A: Table of site assessment findings.

Address	Ward	Comment
Ralph Thoresby Holt Park (Site F)	Adel and Wharfedale	Exposed and prominent location close to busy roads not considered suitable for a traveller site. The site is limited in size and there are difficult access issues.
West Leeds Family Centre Whingate Rd	Armley	Closely surrounded by residential properties. The existing property would need to be demolished which impacts on viability. Children's Services have expressed an interest for primary school provision on the site.
Gassy Fields New Wortley	Armley	Within West Leeds Gateway regeneration area. There is a risk of containment due to the potential for encroachment of use beyond the site boundaries. Development for a traveller site at this stage may affect the potential for comprehensive regeneration and development of the wider area.
Mistress Lane Armley	Armley	Within West Leeds Gateway regeneration area. Highly visible and exposed gateway site adjacent to Armley town centre. A Townscape Heritage Initiative is being undertaken in this area to preserve character and support local businesses and creation of a traveller site in this location would not be compatible with these aspirations for the area.
Former Liberal Club New Wortley	Armley	Site within West Leeds Gateway regeneration area. Small site which would only accommodate 3 pitches so considered too small.
Park Lees St Anthony's Road Beeston	Beeston and Holbeck	Cleared site close to school and in residential area. The site is very exposed and is in close proximity to both the school entrance and vehicular entrance to a large commercial site. The site is currently being brought forward for disposal for residential development as part of the capital receipts programme with a planning application to be submitted in due course.
Matthew Murray (Site A and B) Holbeck	Beeston and Holbeck	Site A – playing fields. Development would require additional funding and site for relocation of playing pitch which would impact on viability. Site B - Former school and playing fields, large site, therefore there is a risk of containment due to the potential for encroachment of use beyond boundaries of a traveller site and development as a traveller's site at this stage could prejudice a more comprehensive

Appendix A: Table of site assessment findings.

		redevelopment of the whole.
Barkly Rd Beeston	Beeston and Holbeck	Building still on site which would require demolition which would impact on viability. Site is small and could probably only accommodate 2 pitches so considered too small. Offers have recently been received for the disposal of this building.
Hillside Reception Centre 602 Leeds and Bradford Rd Bramley	Bramley and Stanningley	Large prominent site in residential area. Demolition of existing buildings would be required. Demolition costs and topography of site mean that the cost of developing the site would be high impacting on viability of this site
Former Copperfields College Site A and B Knowsthorpe Crescent	Burmantofts and Richmond Hill	Site A –The land has been committed to Wade’s charity as replacement for land used for road improvements so no longer available. Site B - The site is a prominent site at the entrance to the Leeds City Region Enterprise Zone, which is seeking to stimulate major investment to support economic growth in this part of the City. There is a risk of containment due to the potential for encroachment of use beyond site boundaries of a traveller’s site and the development of a traveller site at this stage could prejudice a more comprehensive redevelopment opportunity.
St Gregory’s School Stanks Gardens	Crossgates and Whinmoor	Former school and playing fields, large site, therefore there is a risk of containment due to the potential for encroachment of use beyond site boundaries of a traveller’s site. Development of a traveller site at this stage could prejudice a more comprehensive redevelopment of the site.
Swarcliffe Ave Swarcliffe	Crossgates and Whinmoor	Very exposed site close to new parade of shops and new regeneration/housing development. Site is within an established Council PFI Regeneration area. Currently being considered for new build residential development and a planning application is currently being prepared for this use so that the site can be sold as part of the capital receipts programme.
Wortley High School (Site B) Swallow Crescent Wortley	Farnley and Wortley	Former school site. Part of larger site therefore there is a risk of containment due to the potential encroachment of use beyond the site boundaries of a traveller’s site. Development of a traveller site at this stage could prejudice a more comprehensive redevelopment of the site.

Appendix A: Table of site assessment findings.

Wortley High School (Site C) Swallow Crescent Wortley	Farnley and Wortley	Playing pitch for former school. Alternative pitch provision would be required which would require additional funding and impact on viability. There is a risk of containment due to potential encroachment of use beyond site boundaries of a traveller site. Development of a traveller site at this stage could prejudice comprehensive development of the whole site.
Primrose High School Site (sites A and B) Lincoln Rd Leeds	Gipton and Harehills	Site A - This site is at a lower level to site B and furthest removed from the hospital to the east. It provides the opportunity for health related development and is in a mixed residential/commercial area. Site B - is close to St James's Hospital and initial discussions have taken place with a developer, regarding the progression of health related developments. This would secure a potential capital receipt and generate jobs given the proximity to St James's Hospital.
Asket Drive North (Site 1) Seacroft	Killingbeck and Seacroft	Exposed site. Steep drop to northern boundary which presents health and safety issues. Pre-existing contractual relationship in place with the Homes and Community Agency (HCA) to bring forward housing development here.
Baileys House Baileys Hill Seacroft	Killingbeck and Seacroft	Building still on site which would require demolition the cost of which would impact on viability. Offers have now been received for this site as part of the capital receipts programme.
Ramshead Approach Seacroft	Killingbeck and Seacroft	Mixed council housing/commercial area. Site exposed and sloping. There is a risk of containment due to the potential for encroachment of use beyond the site boundaries of a traveller's site. The majority of the site is currently allocated as green space.
Broom Court Middleton	Middleton Park	Site adjacent to a school and may be required for school expansion programme. Demolition costs would impact on the viability of delivering the site.
Merlyn Rees School Middleton Rd Belle Isle (site A and B)	Middleton Park	Former school and playing fields, large site, therefore there is a risk of containment due to the potential for encroachment of use beyond the site boundaries. Development of a traveller site at this stage could prejudice a more comprehensive redevelopment of the site.
Middleton Rd	Middleton Park	Prominent site between Middleton and New

Appendix A: Table of site assessment findings.

(site J) Middleton		Forest development not all in the Councils ownership. Large sprawling site and therefore there is a risk of containment due to the potential for encroachment of use beyond the site boundaries. Development of traveller site at this stage could prejudice a more comprehensive redevelopment of the site.
Ilkley Rd Otley	Otley and Yeadon	Green Belt site. Land in private ownership therefore acquisition of land would make development expensive and uncertain in terms of timescales. Part of the site is on public highway.
Intake Rd Pudsey	Pudsey	Site too small could only accommodate 2 pitches.
Swinnow Green Swinnow Rd Pudsey	Pudsey	Former bus turnaround site. Exposed and near to main road. Small site that would only accommodate 2 pitches so not considered suitable.
Butcher Lane Barraclough Yard Rothwell	Rothwell	Small site in conservation area and a traveller site would be out of character in this location. Existing house on part of the site would require demolition and therefore impact on viability. Part of the site is currently used as car parking. Significant tree cover on part of site.
Brooksbank , Brooksbank Drive, Halton	Temple Newsam	Cleared site located in a built up area close to housing residential home, adjacent to the shopping centre in Halton. Presence of trees on site would restrict potential development. A planning application is to be submitted shortly for housing and the site sold as part of the capital receipt programme.
Osmondthorpe Primary School Wykebeck Ave Osmondthorpe	Temple Newsam	Originally this site was included in the EASEL joint venture. This area requires regeneration and further financial investment to assist with economic growth in the area. Large site and therefore risk of containment due to the potential for encroachment of use beyond the site boundaries. Development as a traveller site at this stage could prejudice a more comprehensive redevelopment.
Wykebeck Mount Osmondthorpe	Temple Newsam	Originally this site was included in the EASEL joint venture. This area requires regeneration and further financial investment to assist with economic growth in the area. Open and exposed site which is on a slope so not considered suitable.
Whitebridge Primary School Halton Moor	Temple Newsam	Adjacent to East Leeds Leisure Centre. There is a strong community view to retain this building in community use. Development of

Appendix A: Table of site assessment findings.

		the adjacent site as a traveller site at this stage could prejudice this or any other comprehensive redevelopment.
Halton Moor South (Site 10) Halton Moor	Temple Newsam	Large site therefore there is a risk of containment due to the potential for encroachment of use beyond the site boundaries. Pre-existing contractual relationship in place with the Homes and Community Agency (HCA) to bring forward housing development.
Rathmell Rd Halton Moor	Temple Newsam	Three separate cleared housing sites. Area included in the EASEL Joint Venture for market housing development. Sloping and exposed site.

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