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## SCRUTINY BOARD (HOUSING AND REGENERATION)

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Meeting to be held in Civic Hall, Leeds, LS1 1UR on  
Tuesday, 20th January, 2015 at 1.30 pm

*(A pre-meeting will take place for ALL Members of the Board at 1.00 pm)*

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### MEMBERSHIP

#### **Councillors**

C Campbell	Otley and Yeadon;
D Collins	Horsforth;
P Grahame	Cross Gates and Whinmoor;
J Illingworth	Kirkstall;
M Iqbal	City and Hunslet;
D Nagle	Rothwell;
J Procter (Chair)	Wetherby;
J Pryor	Headingley;
A Smart	Armley;
C Towler	Hyde Park and Woodhouse;
G Wilkinson	Wetherby;

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*Please note: Certain or all items on this agenda may be recorded*

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**Scrutiny Unit**  
**Civic Hall**  
**LEEDS LS1 1UR**  
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# A G E N D A

Item No	Ward/Equal Opportunities	Item Not Open		Page No
1			<p><b>APPEALS AGAINST REFUSAL OF INSPECTION OF DOCUMENTS</b></p> <p>To consider any appeals in accordance with Procedure Rule 25* of the Access to Information Procedure Rules (in the event of an Appeal the press and public will be excluded).</p> <p>(* In accordance with Procedure Rule 25, notice of an appeal must be received in writing by the Head of Governance Services Officer at least 24 hours before the meeting).</p>	
2			<p><b>EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC</b></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><b>RESOLVED</b> – That the press and public be excluded from the meeting during consideration of the following parts of the agenda designated as containing exempt information on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information, as follows:</p> <p><b>No exempt items have been identified.</b></p>	

Item No	Ward/Equal Opportunities	Item Not Open		Page No
3			<p><b>LATE ITEMS</b></p> <p>To identify items which have been admitted to the agenda by the Chair for consideration.</p> <p>(The special circumstances shall be specified in the minutes.)</p>	
4			<p><b>DECLARATION OF DISCLOSABLE PECUNIARY INTERESTS</b></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 13-16 of the Members' Code of Conduct.</p>	
5			<p><b>APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTES</b></p> <p>To receive any apologies for absence and notification of substitutes.</p>	
6			<p><b>MINUTES - 9 DECEMBER 2014</b></p> <p>To confirm as a correct record, the minutes of the meeting held on 9 December 2014</p>	1 - 6
7			<p><b>2015/16 INITIAL BUDGET PROPOSALS</b></p> <p>To consider and comment on the Executive's initial budget proposals for 2015/16 in relation to services within this Board's portfolio</p>	7 - 40
8			<p><b>TENANT HOME CONTENTS INSURANCE SCHEME</b></p> <p>To consider a report on the contents insurance scheme for council housing tenants</p>	41 - 46

Item No	Ward/Equal Opportunities	Item Not Open		Page No
9			<p><b>LEEDS HOUSING STANDARD - DESIGN QUALITY (UPDATE) - MEMORANDA TO 'NEIGHBOURHOODS FOR LIVING' (JANUARY 2015)</b></p> <p>To consider and comment on the contents of the draft Memoranda to the Neighbourhoods for Living document</p>	47 - 50
10			<p><b>ACCOMMODATION FOR STUDENTS AND IMPACTS ON RESIDENTIAL NEIGHBOURHOODS</b></p> <p>To note the final report of the Leeds Student Accommodation Working Group</p>	51 - 64
11			<p><b>RECOMMENDATION TRACKING</b></p> <p>To track recommendations from previous scrutiny inquiries</p>	65 - 70
12			<p><b>WORK SCHEDULE</b></p> <p>To agree the Board's work schedule for the remainder of the municipal year</p>	71 - 94
13			<p><b>DATE AND TIME OF NEXT MEETING</b></p> <p>Tuesday 24 February 2015 at 1.30pm (pre-meeting for all Board Members at 1.00pm)</p>	

Item No	Ward/Equal Opportunities	Item Not Open		Page No
			<p><b>THIRD PARTY RECORDING</b></p> <p>Recording of this meeting is allowed to enable those not present to see or hear the proceedings either as they take place (or later) and to enable the reporting of those proceedings. A copy of the recording protocol is available from the contacts named on the front of this agenda.</p> <p>Use of Recordings by Third Parties– code of practice</p> <ul style="list-style-type: none"> <li>a) Any published recording should be accompanied by a statement of when and where the recording was made, the context of the discussion that took place, and a clear identification of the main speakers and their role or title.</li> <li>b) Those making recordings must not edit the recording in a way that could lead to misinterpretation or misrepresentation of the proceedings or comments made by attendees. In particular there should be no internal editing of published extracts; recordings may start at any point and end at any point but the material between those points must be complete.</li> </ul>	

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## SCRUTINY BOARD (HOUSING AND REGENERATION)

TUESDAY, 9TH DECEMBER, 2014

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

Councillors J Chapman, P Grahame,  
R Grahame, J Illingworth, J Lewis, D Nagle,  
J Pryor, A Smart and G Wilkinson

### 48 Chair's Comments

The Chair welcomed John Gittos, the new Chair of the Tenant Scrutiny Board, to the meeting.

### 49 Late Items

There were no formal late items of business to consider. However the Chair agreed to accept the following item as supplementary information:

- Draft comments on the draft Housing Strategy (agenda item 12) (Minute 58 refers)

### 50 Declaration of Disclosable Pecuniary Interests

There were no disclosable pecuniary interests declared to the meeting.

### 51 Apologies for Absence and Notification of Substitutes

Apologies for absence were submitted by Councillors C Campbell, D Collins, M Iqbal and C Towler. Notification had been received that Councillor J Chapman was to substitute for Councillor C Campbell, Councillor R Grahame for Councillor M Iqbal and Councillor J Lewis for Councillor C Towler.

### 52 Minutes - 11 November 2014

**RESOLVED** – That the minutes of the meeting held on 11 November 2014 be approved as a correct record.

### 53 East Leeds Orbital Road

The Director of City Development submitted a report which provided an update in relation to the East Leeds Orbital Road.

The following were in attendance for this item:

- Councillor Peter Gruen, Executive Member for Neighbourhoods, Planning and Personnel
- Martin Farrington, Director of City Development

Draft minutes to be approved at the meeting  
to be held on Tuesday, 20th January, 2015

- Gary Bartlett, Chief Highways Officer

The key areas of discussion were:

- The Council is currently working towards Gateway 1 approval by the West Yorkshire Combined Authority in January 2015
- The Combined Authority processes are a requirement of the government's agreement with the City Region as part of the Strategic Economic Plan
- Confirmation that officers and the Executive Member shared the ambition to deliver this project as quickly as the complexity of the project allowed
- A request for confirmation that all stages due to have been completed by this point were complete. Officers agreed to check and confirm this.
- Potential opportunities for speeding up the construction phases of the project have been identified
- Communication with landowners along the route were not complete. Members were keen to see this progressed as quickly as possible
- Questioning as to whether the chosen procurement route was the most efficient to deliver the road as soon as possible
- Confirmation that the project was taking account of the most up to date relevant public health objectives
- Members of the Scrutiny Board would prefer no further permissions to be granted for further house building in the affected area until the road has been built

The Board decided to continue to monitor progress, and requested an update report in March 2015. This report should clearly highlight any changes in the timetable from the current version of the Gantt chart. It should also include details on the current housing consents in the area, any applications under consideration and the implications of these for the highway network in the interim period..

**RESOLVED** – That a further progress report be brought to the Board in March 2015.

#### **54 2014/15 Quarter 2 Performance Report**

The Director of Environment and Housing and the Director of City Development submitted a joint report which provided a summary of performance against the strategic priorities for the council and city relevant to the Scrutiny Board (Housing and Regeneration).

The following information was appended to the report:

- A summary of performance at Quarter 2 across both City Priority Plan (CPP) and Best Council Plan (BCP) priorities.

The following were in attendance for this item:

- Martin Farrington, Director of City Development
- Simon Costigan, Chief Officer Strategic Housing

Draft minutes to be approved at the meeting  
to be held on Tuesday, 20th January, 2015



- Anna Tansley, Service Manager, Performance & Business Improvement

The main areas of discussion were:

- Plans to introduce one or new indicators on housing decency linked to the new Leeds Housing Standard
- Concern that a high proportion of the housing growth was attributable to empty properties returned to use rather than new build housing, and the actions being taken to respond to this.
- Information on the Housing Growth 'breakthrough' project and membership of the Member Steering Group
- A request to provide members with a breakdown of arrears by area
- A request for further information about under occupancy cases
- Clarification of the support being provided to tenants seeking to downsize
- Concern about the performance levels on adaptations and repairs, and a request that future performance reports provide a breakdown by priority category
- A suggestion that the Tenant Scrutiny Board be provided with similar performance information on repairs
- A request that consideration be given to introducing one or more indicators on energy efficiency measures
- A request for further information about former council houses bought under right to buy legislation and then rented out privately to tenants who claim housing benefit

## **RESOLVED**

- a) That the contents of the report and appendices be noted
- b) That the further information requested be provided to Members
- c) That future performance reports incorporate a breakdown of adaptations and repairs performance by priority category
- d) That consideration be given to introducing one or more indicators on energy efficiency measures

## **55 Financial Position Statement 2014/15 - City Development and Environment and Housing Directorates**

The Directors of Environment and Housing and City Development submitted a joint report which presented a financial update report in relation to services within this Board's portfolio.

The following were in attendance:

- Richard Ellis, Head of Finance (Environment and Housing)

**RESOLVED** – That the Scrutiny Board notes the projected financial position of the Directorates of City Development and Environment and Housing at period 6 of the financial year 2014/15.

## 56 Empty Property Buy Back Scheme

The Head of Housing Partnerships submitted a report which provided information about the Council's approach to buying back former Council homes.

The following were in attendance:

- John Statham, Head of Housing Partnerships.

The main areas of discussion were:

- 16 properties had now been bought
- An underspend on the original scheme meant that a further 2 empty properties would be returned to use
- Members asked for further detail on the costs of the new build housing as a comparator, in particular the costs of meeting the council's specification over and above standard volume house building costs
- Clarification of the assessment process before agreeing to buy back property
- The identification and mapping of long term empty property that might be suitable to buy back
- The potential for purchasing property on the open market
- Options for existing owners who might wish to sell back to the council
- The contribution of empty properties that are returned to use in meeting the housing growth target, with a 5 year target of 2,000 homes to be returned to use

**RESOLVED** – That the Scrutiny Board notes the success of the empty property buy back scheme.

## 57 Delivering Housing on Council Brownfield Land - Quarterly Update

The Director of City Development submitted a report which provided an update on progress to bring forward new housing development on previously developed land within Council ownership.

The following information was appended to the report:

- Council Brownfield Land Update Schedule.

The following were in attendance:

- Mark Mills, Executive Manager (Regeneration).

Members welcomed the progress that had been made since the Scrutiny Board undertook to receive regular monitoring reports.

**RESOLVED** – That the contents of the report and appendices be noted and that the progress made be welcomed.

Draft minutes to be approved at the meeting  
to be held on Tuesday, 20th January, 2015

## **58 Work Schedule**

The Head of Scrutiny and Member Development submitted a report which detailed the Scrutiny Board's work schedule for the current municipal year.

The following information was appended to the report:

- The Scrutiny Board's work schedule
- Minutes of the Tenant Scrutiny Board meeting held on 13 November 2014
- Minutes of the Executive Board meeting held on 19 November 2014
- Draft comments on the draft Housing Strategy

It was noted that the proposal for taking forward the work arising from Mr Hall's request for scrutiny was not yet available.

### **RESOLVED –**

- a) That the work schedule be approved, subject to the inclusion of a progress report on the East Leeds Orbital Road in March 2015;
- b) That the Board's comments on the draft Housing Strategy be agreed; and
- c) That the Chair and the Principal Scrutiny Adviser be authorised to finalise the terms of reference for the scrutiny work arising from Mr Hall's request for scrutiny, following email consultation with all Board Members and the relevant Directors and Executive Members.

## **59 Date and Time of Next Meeting**

Tuesday 20 January 2015 at 1.30pm (pre-meeting for all Board Members at 1.00pm)

(The meeting concluded at 3.40pm)

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Report author: Kate Arscott

Tel: 247 4189

**Report of Head of Scrutiny and Member Development**

**Report to Scrutiny Board (Housing and Regeneration)**

**Date: 20 January 2015**

**Subject: 2015/16 Initial Budget Proposals**

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 type="checkbox"/> Yes <input checked="" 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 present the initial 2015/16 budget proposals relevant to the Scrutiny Board's portfolio.
2. Initial budget proposals were considered at the Executive Board meeting on 17 December 2014. The sections of the report relevant to this Scrutiny Board's portfolio are attached. Members' attention is drawn to Section 8 of the attached Executive Board report, dealing with the Housing Revenue Account, in addition to the specific proposals relating to the Environment and Housing directorate and the Regeneration service within City Development.
3. The Board will have the opportunity to raise any specific questions with regard to budget proposals that fall within its portfolio area. Executive Members and officers from Environment and Housing and City Development will attend the Board meeting.
4. Any comments from this Scrutiny Board will then be forwarded to the Scrutiny Board (Resources and Council Services) in the first instance. Other Scrutiny Boards will undertake a similar exercise in relation to their portfolio areas.
5. Any conclusions, observations and recommendations that are made by Scrutiny Board (Resources and Council Services) will be fed back to Executive Board prior to full Council, and will incorporate the views of each of the Scrutiny Boards within a composite statement, as in previous years.

## **Recommendation**

6. Members are asked to consider the initial 2015/16 budget proposals relevant to the Scrutiny Board's portfolio and agree any comments to be forwarded to the Executive Board through the Scrutiny Board (Resources and Council Services).

## **Background documents<sup>1</sup>**

None used

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

**Report of the Deputy Chief Executive  
Report to Executive Board  
Date: 17<sup>th</sup> December 2014**

**Subject: Initial Budget Proposals for 2015/16**

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 type="checkbox"/> Yes	<input checked="" 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 sets out the Initial Budget Proposals for 2015/16 within the context of the Medium Term Financial Strategy for the period 2015/16-2016/17. It has been developed within the ambition to be the best Council in the best City but recognises that there will be further significant reductions in the level of funding available to the authority.
2. The Council to date has been successful in responding to the challenging reductions to its funding since 2010 which has been in the region of £129m over the past 4 years. Based on the national spending totals announced in the 2013 Spending Review, and a subsequent technical consultation, the Council now anticipates that there will be a further reduction in funding from Government of around £74m over the two years 2015/16 and 2016/17. This reduction in funding is in addition to the need to meet the cost of inflation and continuing spending demands across a range of services.
3. Savings of around £250m have been achieved over the past 4 years and it is very likely that the next few years will bring further challenges and it is therefore important that there is a very clear direction to inform decision making. By the end of 2016/17 the Council will once again be a smaller organisation employing fewer staff. There will be a need to review many of the services we currently provide and consider how they will be provided in future. This may require many challenging decisions to be taken.
4. As such the proposals for next year need to be seen in this context and include significant reductions across a broad range of services totalling £76.1m and includes net reductions in staffing equating to 475 ftes by the end of 2015/16.

**Recommendation**

5. The Executive Board is asked to agree this report as the initial budget proposals and for them to be submitted to Scrutiny and also for the proposals to be used as a basis for wider consultation with stakeholders.

## **1.0 PURPOSE OF THIS REPORT**

- 1.1 In accordance with the Council's constitution, the Executive is required to publish initial budget proposals two months prior to adoption by full Council, which is scheduled for the 25th February 2015. This report sets out the initial budget proposals for 2015/16 in the context of the Medium Term Financial Strategy which was approved by Executive Board in October 2014.
- 1.2 Subject to the approval of the Executive Board, this report will be submitted to Scrutiny for their consideration and review, with the outcome of their deliberations to be reported to the planned meeting of this board on the 11<sup>th</sup> February 2015. It will also be made available to other stakeholders as part of a wider and continuing process of consultation.
- 1.3 In accordance with the Council's Budget and Policy Framework, decisions as to the Council's budget are reserved to Council. As such, the recommendation at 13.1 is not subject to call in, as the budget is a matter that will ultimately be determined by Council, and this report is in compliance with the Council's constitution as to the publication of initial budget proposals two months prior to adoption.

## **2.0 THE NATIONAL AND LOCAL CONTEXT**

- 2.1 The Chancellor of the Exchequer announced the 2013 Spending Review on 26th June 2013. The Spending Review set out the Government's spending plans for central government departments, the NHS and local government for 2014/15 and 2015/16. This confirmed that the Government's initial 4 year deficit reduction plan would continue for a further 3 years to 2017/18 and that the scale of reductions in overall Government spending would be similar to those seen from 2010.
- 2.2 For Leeds, between the 2010/11 and 2014/15 budgets, funding from government reduced by £129m and the Council has also faced significant costs particularly within adult and children's social care as well as reductions in income due to the economic climate. This has meant that savings of around £250m have had to be found over the past 4 years and it is very likely that the next few years will bring further challenges and it is therefore important that there is a very clear direction to inform decision making. By the end of 2016/17 the Council will once again be a smaller organisation employing fewer staff. There will be a need to review many of the services we currently provide and consider how they will be provided in future. This may require many challenging decisions to be taken.
- 2.3 The Local Government finance settlement announced on the 18th December 2013 not only provided a provisional settlement for 2014/15, but also an indicative settlement for 2015/16. For Leeds the indicative settlement for 2015/16 was a cash reduction of 14.7% (£46.0m), compared to the national average reduction of 13.1%. Over the summer of 2014, the government conducted a technical consultation on aspects of the 2015/16 settlement but, in contrast to the previous year's technical consultation, the 2014 exercise has not revealed any further cuts in funding, but has confirmed the 14.7% reduction for the Council. In terms of the Government's preferred measure of Spending Power the figure quoted for Leeds is a 2.2% reduction. However, this includes £50.1m relating to the Better Care



Fund. This Fund does not provide any new money across the Health and Social care sector but it combines it into a pooled fund that will operate from 1<sup>st</sup> April 2015.

2.4 The 2015/16 indicative settlement was based on an assumption that RPI would increase by 2.76%. The actual figure (based on September 2014) is 2.3% which will result in less business rate income and for Leeds the impact is a reduction of £660k from the previously announced figure. The Chancellor’s Autumn statement on 3rd December made no further changes to the overall level of funding in 2015/16 although the inflation-linked increase in business rates will again be capped at 2%. The shortfall in income will continue to be funded by a S31 grant, in addition to the funding received for the 2014/15 cap. The Local Government finance settlement for 2015/16 is expected to be announced later in December 2014.

2.5 Over the lifetime of this Parliament, local government core funding nationally will have fallen by about 40% in real terms. As yet, Departmental Expenditure Limits have not been set beyond 2015/16 which makes financial planning difficult although the direction of travel is clear. The Economic and Fiscal Outlook, published by the Office for Budget Responsibility alongside the recent Autumn Statement, includes projections for public sector expenditure as a whole, which if applied to local government would suggest a funding reduction of 10.4% for 2016/17. For Leeds, this would equate to a cash reduction of £27.7m for 2016/17, as shown in Table 1 below:

Table 1

	2014/15 £m	2015/16 £m	2016/17 £m
<b>Settlement Funding Assessment</b>	<b>313.421</b>	<b>266.736</b>	<b>239.036</b>
Reduction (£m)		-46.685	-27.700
Reduction (%)		-14.9%	-10.4%

### 3.0 Developing the Medium Term Financial Strategy

3.1 The council has already seen its levels of core funding from government (SFA and other grants) reduced by £129m over the last four years, and by the end of 2015/16 this will have increased to around £180m.

3.2 The Council is having to deal with the challenge of improving outcomes with a much smaller envelope of money. This means working differently, within the council as well as with our partners and with the public. We have been successful at doing this already by:-

- Staff reductions of over 2000 FTEs by the end of 2014/15, spending almost £50m less on employees
- Savings of circa £30m through better procurement and demand management

- Increased income of £21m
- Increased income from Council Tax growth of £17.8m
- Reduced building maintenance by £1m
- Reviewing grants to the third sector including 15% reduction in grants to major arts
- New Homes Bonus which will earn £13.6m in 2014/15
- Closure of 7 residential homes, 12 day centres, 14 libraries, 2 sports centres, 2 community centres, 1 one stop centre and 3 hostels
- Reduced office accommodation space by almost 250,000 square feet
- Maintaining a significant Capital programme without increasing debt costs

but we know that we need to do more.

3.3 We have taken a proactive response to the cuts to local government funding, through our work on the Commission for the Future of Local Government which has influenced our strategic and financial planning. This means the Council becoming more enterprising, partners and business more civic and the public more engaged. Throughout this period, we have had some important principles that have guided our approach such as

- Councils should stimulate good economic growth, jobs and homes, so that increased council tax and business rates could offset some of the cuts in central government support and make local government more self-sufficient.
- Councils should work to develop a new social contract between the citizen and the local state whereby public services are provided differently, and co-designed with people.
- Councils should enable the infrastructure and utilities of the smart cities and towns of the 21st Century, such as superfast broadband, low carbon and social networks.

3.4 The strategy for addressing the funding reductions will see all areas of the council continuing to reduce budgets, but where possible frontline services and those for vulnerable children, young people and adults will be protected. What is clear is that whilst we have been successful in responding to the challenging reductions so far, the further reductions required in 2015/16 are a significant milestone for the Council. The level of reductions we have to make will impact on front line services which the Council has worked, and continues to work, extremely hard to protect.

3.5 The policy of 'civic enterprise' will continue with the council becoming smaller in size but bigger in influence, encouraging economic growth and working with business, communities and the third-sector to develop new ideas and ways of working and to deliver services in the best way possible.

#### **4.0 Estimating the Funding Envelope for 2015/16**

4.1 As outlined in Table 1 above, the indicative finance settlement for Leeds is a reduction of £46.7m (14.9%) in the Settlement Funding Assessment, but clearly this is subject to the Local Government Finance settlement which is expected later in December 2014.

4.2 Taking account of other funding sources in the Medium Term Financial Strategy, the forecast funding envelope reduction was £34.6m. The latest assessment is a reduction of £36.9m due to the following assumptions:

#### 4.2.1 Business Rates Retention

The government introduced a new Business Rates Retention Scheme on 1<sup>st</sup> April 2013. The scheme was designed to allow growth in business rates to be shared equally between central and local government, and is portrayed as providing an additional incentive for local authorities to grow their local economies so that their communities can share the financial rewards of that growth.

Sustainable growth in business rates is achieved through new-builds coming on stream which increase the total rateable value. However, there is also a downside. Demolitions and conversions of premises to domestic use reduce rateable values, and businesses can also appeal to the Valuation Office Agency against their rateable values. In Leeds, at any one time around a third of the entire business rates tax base is subject to appeal, and successful appeals can lead to reductions in rateable value that are often backdated to 2010.

In recent months two trends have become clear:

- The gradual economic recovery is not resulting in significant volumes of new-builds in Leeds. Most new or expanding businesses are moving into existing premises that are already subject to empty rate charges, so the overall growth in rateable value is minimal.
- The benefit of any growth that does occur is being largely offset by the effect of demolitions, conversions and successful appeals. In 2013/14 Leeds benefited from the opening of Trinity Shopping Centre and the Leeds Arena, but even after taking those large new assessments into account, over the 20 months since the scheme was introduced the total rateable value for Leeds has grown by less than 0.7%.

For 2014/15, the projection of business rates has been revised downwards resulting in a deficit which will be brought forward to 2015/16. Although the budget provides for the inflationary uplift, this is reduced by a net £1m reflecting the 2014/15 deficit brought forward. It was noted in the Autumn Statement that the national yield from business rates for 2015/16 onwards is lower than forecast at the time of the Budget.

Given the level of appeals currently outstanding and the fact that appeals are backdated, the current estimate of income from business rates is subject to considerable uncertainty. Further work will take place on business rates projections, the outcome of which will be reported to Council in January 2015 as part of the Calculation of the Council Tax and Business Rates Tax bases report, but it is possible that projections included in this report will need to be revised further.

The Government will continue to provide funding for the compensation grant for capping increases to 2% in 2014/15 and 2015/16, the Small Business Rates Relief

scheme and the occupied retail property relief for low rateable value properties which has been increased from £1,000 in 2014/15 to £1,500 in 2015/16.

#### 4.2.2 New Homes Bonus

The government introduced an incentive scheme in 2011 to encourage housing growth across the country; Councils receive additional grant equivalent to the Council Tax for each net additional property each year and is received annually for six years. An additional 2,800 band D equivalent properties per annum has been assumed, including both new builds and properties brought back into use. The Council not only benefits from the additional Council Tax raised from these properties, estimated to be £3.2m in 2015/16, but also through the through New Homes Bonus which is estimated at an additional £4.1m per annum. However, taking account of the shortfall in the net increase in properties in 2014/15, the cash increase is reduced to £3m. It should be noted that whilst the New Homes Bonus is intended as an incentive for housing growth, the funding for this initiative comes from a top-slice of the Local Government funding settlement and the distribution of this funding benefits those parts of the country with the highest level of housing growth and is weighted in favour of properties in higher Council Tax bands. It has been estimated that whilst Leeds has received £44m through New Homes Bonus over the 5 years from 2010/11 to 2014/15 the loss to Leeds through top slicing the Local Government Finance Settlement is around £3.9m greater, equivalent to an additional 2,700 homes.

#### 4.2.3 Council Tax

The Government has provided funding for the on-going effect of previous Council Tax freezes up to 2015/16. This is funding that would have otherwise fallen out of the grant system. The Government has announced that funding will be provided for those authorities who choose to freeze their Council Taxes for 2015/16, equivalent to an annual increase of 1%, or £2.9m for Leeds. In previous years the government has set a limit for Council Tax increases above which a Local Authority must seek approval through a local referendum and this was set at 2%. The referendum ceiling for 2015/16 has yet to be announced; when this information is known the Council will need to make a decision whether to accept the freeze grant or whether to propose a Council Tax increase. The difference between accepting the freeze grant and a 2% Council Tax increase amounts to £1.9m.

The funding envelope reflects an inflationary increase and net growth in the tax base, offset by the fact that the 2014/15 budget indicated a surplus on the collection fund brought forward from 2013/14.

#### 4.2.4 Reserves

In the current year, the budgeted use of General Fund Reserves is £3.5m. In addition, a further £2m has been transferred to the Early Leavers Initiative reserve. This leaves a balance of general reserves at the end of 2014/15 of £21.9m as shown in Table 2.

Table 2

General Fund Reserves	2014/15 £m	2015/16 £m
Opening Balance 1st April	26.0	21.9
Budgeted usage	-3.5	-5.5
Superannuation saving	1.4	
Transfer to ELI reserve	-2.0	
Closing Balance 31st March	21.9	16.4

In order to support the 2015/16 budget it is proposed to increase the use of reserves to £5.5m. This would leave the level of general fund reserves at 31 March 2016 at £16.4m and is considered to be at the minimum level as determined by the risk based reserves policy and in addition it is dependent on achieving a balanced position in 2014/15 which is being closely monitored.

It should be noted that the forecast General Fund Reserves position at the end of March 2016 is very low and this puts the Council at significant risk in the event of overspends arising from slippage on savings planned or unexpected costs. Proportionate to its spend, Leeds has one of the lowest levels of reserves of all local authorities in the country. Further work will be undertaken before the budget is finalised in February in an attempt to enhance the level of General Reserves held.

4.3 The impact of these changes is shown in Table 3 below:

Table 3

Funding Envelope	2015/16 £m
Government Funding	
Settlement Funding Assessment	46.7
New Homes Bonus	-3.0
New Homes Bonus holdback refund	-0.7
Sub-total Government Funding	43.0
Locally Determined Funding	
Council Tax	-5.1
Business Rates reduction in growth	1.0
Change in use of reserves	-2.0
Sub-total Locally Determined Funding	-6.1
Total Funding Reduction	36.9

## **5.0 Developing the Council's Budget Plans - consultation**

- 5.1 The council's approach to consultation on budget proposals has differed in 2014 compared to recent years, in large part due to; the wealth of consultation evidence gathered in recent years on residents' budget priorities; the low level of change in those priorities over time; and the significant involvement of residents and service users in ongoing service-led change projects, as the council commits further to working with communities.
- 5.2 This section of the report highlights the evidence from recent budget priority consultations, and key service-led consultations that have significant impact on priority setting and reducing costs/generating income.
- 5.3 Format of engagement for 2014 - a version of this summary will be widely promoted to the public to coincide with approval of the Initial Budget Proposals. Alongside this will sit a short, accessible summary of the council's budget proposals, with links to the detailed documents, and a range of online and offline feedback methods for residents and partners to have their say on the IBP. Promotion of this consultation will be through a wide range of council and partner-owned channels. The final date for comments will be Jan 18th 2015, and results will inform the final Budget.
- 5.4 What residents have told us so far - in 2012 a 'You Choose' campaign was launched to engage people in the budget challenges and set residents the challenge of balancing a significantly reduced council budget. A total of 2,747 formal responses were received by the council and a number of discussions took place on independent social media sites. This was the highest level of participation in a Leeds budget consultation and the results have provided a useful barometer of public opinion as to council spending priorities for a number of years.

The essential accuracy of the 2012 consultation results was confirmed by residents in the 2013 budget consultation. Residents were asked to consider whether the ten service areas most 'protected' from spending cuts in the YouChoose consultation were still their top priorities for the 2014/15 budget and asked for alternatives if this was not the case. A total of 946 formal responses were received by the council and a number of parallel discussions took place through community groups.

In terms of rank order, there are some differences to the 2012 YouChoose consultation. The most significant changes in rank order are for services for adults with a learning difficulty (higher in 2013) and community safety services (lower in 2013):

Service Area	Rank 2013	Rank 2012
Children's social care services	1	1
Special education needs and disability services for children	2	2
Services for adults (under 65) with mental health needs	3	3
Services for adults (under 65) with a physical disability	4	6
Services for adults (under 65) with a learning disability	5	10
Collecting and disposing of waste	6	9
Housing	7	8
Children's Centres and family support services	8	5
Services for young people and 'skills for life' services	9	7
Community safety services	10	4

Respondents understand that to do this we can't fund all our services at the current levels and are generally in favour of us exploring new ways to bring in money from charges. We have also listened to thousands of young voices to find out what's important to children and young people in Leeds which has led to the top 12 'wishes' they feel will make Leeds a child friendly city.

How people's views shape specific budget priorities - when we make decisions about the future of council services, we take into account evidence from a wide range of sources. Financial information, the law, changes in demand all play a part, as does the views and ideas of people who use local services. We listen to residents and service users both through formal consultations and throughout the year in conversations between staff, councillors and local people.

Key recent consultations include:

- Shaping adult care for the future

Residents have told us it's important we protect social services for adults, especially vulnerable adults, as much as we can. Adult social services make up a large part of our budget, so are under pressure as our funding is reduced, and as more people live longer in Leeds. We've listened carefully to hundreds of people who use residential, day care and other services, and their families and carers too.

As a result we've changed some of the plans to close centres and are exploring new options. We've also worked with local people to design new, fair, charges for support services. Again, what nearly 4000 people told us changed our plans, significantly in some cases.

- Smarter use of our libraries

We reviewed the library service in 2011, and some sites did close. We still need to save money but we know shutting more libraries will affect local communities. So over 7200 people helped us design new reduced opening times for local libraries. The result saves money and keeps the communities library service open when it's most needed.

- Finding new uses for underused facilities

We want to help people live healthy active lives, but some of our facilities are being used by fewer people each year – that means more subsidies to keep them going. We invited residents to explore new ways to use two council-run golf courses, and most people who took part were in favour of setting up new parkland, including 73% of those who play golf. This keeps open space available for local people and saves money at the same time.

- Building school capacity for the future

Even when there's limited budget, we have to plan ahead for things like having enough school places. We've consulted on 70 schemes to expand schools in the last four years over the 4 year course of the Basic Needs programme, delivering over 1200 reception places. We can also point to 6 schemes that did not progress due to feedback from consultations.

- Supporting vulnerable young people

Some children and young people need extra support to take part in education, including specialist school transport. We're working with hundreds of families to understand what impact any changes to these services might have, being honest that we have to save money too. We know the best way to do this is to work together with families to find the best solutions.



## 6.0 INITIAL BUDGET PROPOSALS 2015/16

6.1 This section provides an overview of the initial budget proposals for 2015/16. Table 4 below provides a summary of key costs and savings areas:

Table 4

	£m
Reduction in Resources	36.9
Inflation	8.6
Full Year Effects	-1.5
Demand/Demography	15.0
Grant Fallout	7.4
Capital Charges	-1.0
Other Budget Pressures:	
Adult Social Care	
- Care Act responsibilities	4.2
- Deprivation of Liberty costs	2.0
- other	0.5
Children's Services	
- Fallout of Social Fund income re S17 payments	0.5
- slippage on 2014/15 budget action plans	0.8
- social worker increments/residential review	0.7
City Development	
- income shortfall due to development of Kirkgate Market	0.9
- HS2/South Bank team and related expenditure	0.3
Environment and Housing	
- additional disposal costs & other net pressures	0.1
Citizens & Communities	
- Entertainment licensing	0.1
- Transactional web phase 2 borrowing costs	0.3
WY Transport Fund	0.3
<b>Total Pressures</b>	<b>76.1</b>
Best Council Objectives:	
Dealing effectively with the City's Waste	-1.4
Building a Child Friendly City	-0.1
Delivery of the Better Lives Programme	-0.2
Becoming an efficient and enterprising Council	
Assets	-2.1
Business Improvement	-2.5
Support Services	-3.1
Efficiencies	-23.4
Income Generation	-21.7
Service Changes	-21.6
<b>Total Savings</b>	<b>-76.1</b>

6.2 Further detailed information is provided in Appendix 1 as to how the proposals relate to individual directorates. The key pressures are as follows:

- 6.2.1 General price inflation of £8.6m – provision has been made for the nationally agreed pay award. Despite cost inflation currently running at 2.3% (October 2014), no provision will be made for inflation on running cost budgets, other than where there are specific contractual commitments and in the cost of utilities and landfill tax.
- 6.2.2 A general inflationary allowance has been applied to the level of fees and charges and this is estimated to generate an additional £2.2m.
- 6.2.3 Full Year Effects of previous decisions amounts to a saving of £1.5m. Of this £3m relates to savings through changes to employees' terms and conditions in respect of pay protection and travel arrangements. This saving is partly offset by costs in respect of Children's transport and lower than anticipated numbers following the introduction of charges for equipment services in Adults Social Care.

#### 6.2.4 Demand/Demography

Within Adult Social Care the financial impact of demand and demographic pressures projected to be ongoing in 2015/16 is £14.5m. This takes account of the significant demand pressures experienced during both 2013/14 and 2014/15 over and above the budget provision available. In addition, £0.5m has been provided in Children's Services in 2015/16 to support and enhance those services that work with children and young people who are at risk of child sexual exploitation and those who go missing.

#### 6.2.5 Grant Fallout - £7.4m

Within Children's Services provision has been made for the fallout of a number of grants. There will be a continued fall in the Education Support Grant due in the main to a £200m national reduction in the grant which will have an estimated impact of around £2.4m for Leeds in 2015/16. In addition the initial budget proposals assume further reductions in specific grant funding, e.g. Adoption Reform Grant and the Special Educational Needs and Disabilities implementation grant as well as the impact of non-recurrent funding to support the expansion of early education/childcare for vulnerable 2-year old children, reductions in the ongoing grant for the Troubled Families programme and the fall-out of funding to support the multi-systemic therapy service.

Within Citizens and Communities it is assumed that funding for the Local Welfare Support scheme will not be available from April 2015 with a net impact of £0.85m, although a Government announcement is awaited on a possible replacement scheme. In addition, a significant reduction in funding for the Local Council Tax Support scheme and Housing Benefits Administration grant amount to £0.61m.

- 6.2.6 Capital Charges – the financial strategy assumes a £1m reduction in the cost of the Council's external debt. This assumes that all borrowing is taken short term at 0.5% interest for the remainder of 14/15 and the first 6 months of 2015/16, rising to 0.75% for the remainder of the year and takes account of contributions from directorates towards the cost of invest to save schemes.

## 6.2.7 Other Budget Pressures

Other budget pressures amounting to £10.7m have been included in the proposals, of which £6.5m mainly reflects the ongoing pressures experienced in 2014/15 as described in Table 4 above. In addition, £4.2m has been included for the projected spend in 2015/16 resulting from the new Care Act duties, although it is anticipated that Government funding will be received to offset these costs (see income below).

## 6.3 Savings Proposals

6.3.1 In order to address the identified £76.1m budget gap, a number of savings areas have been identified in accordance with the Best Council Objectives highlighted in the Medium Term Financial Plan:

- Dealing effectively with the city's waste £1.4m

In November 2015 the Energy from Waste facility is expected to start to receive waste for commissioning. In accordance with the signed agreement, PFI grant is receivable from the Government once the facility is ready to accept waste. It is anticipated that we will receive £1.9m in 2015/16 with savings exceeding £6m from 2016/17.

Fall out of temporary staffing arrangements within Waste Management following the introduction of the new management structure will also result in savings.

These savings are partially offset by additional residual waste disposal costs being incurred due to a combination of an increasing number of households in the City and revised projections for savings derived from alternate week collections based on experience of operating the system. There are reductions in the market prices for some recyclable materials.

Provision has been made for the funding of the redevelopment of the Kirkstall Road Household Waste Site so that the facility can offer the same of recycling to members of the public as other re-developed sites across the City.

Income above budgeted levels is being received in 2014-15 for second collections, mainly from multi storey flats. It is assumed this continues in 2015-16.

- Building a child friendly city £0.1m

Leeds aspires to be the Best City for children & young people, a Child-friendly city that safeguards and promotes the well-being of children and young people from across the city. The Council is committed to taking a long term strategic approach to managing increasing demand for services caused by a range of socio-economic factors and demographic changes. By maintaining investment in preventative services and working with families restoratively (under a new "social contract"), the aim is to help more families help themselves and reduce the need for statutory intervention.

Children's Services continues to face significant demand pressures including an increase of approximately 5,000 in the number of children and young people across the city since 2009 as well as a changing demographic mix. These changes have increased demand across all the services that we provide and commission and present significant challenges in respect of the supply of school places, the number of referrals and potentially increase the cost of high level services such as children in need, special educational needs and children in the care of the authority. However, despite this increase in demand and in contrast to the national picture, Leeds has successfully, and safely, stabilised and reduced the number of looked after children.

- Delivery of the Better Lives programme £0.2m

The Better Lives service transformation programme aims to enhance the range, amount and quality of adult social care services available through delivering efficiencies within existing services. These efficiencies have included a reduction in the level of directly provided services where independent sector provision is more cost effective.

Going forward, the newly developed Assisted Living Leeds will facilitate earlier intervention and deployment of equipment, which will reduce the level and timing of home care requirement. Further savings are also included from Physical Impairment services reflecting the full-year effect of the closure of Mariners Resource Centre following the successful relocation of all service users to the Holt Park Active Service

- Becoming an efficient and enterprising council:

Support Services - between 2010/11 and 2014/15 savings of £12.6m were realised from support service budgets. Services have undergone re-design and are now in the process of implementing new and revised ways of working in order to generate further savings of £3.1m in 2015/16.

Better Business Management - the 2014/15 budget includes assumed savings of £3.2m in respect of Better Business Management. There are four areas under review:

- Business administration
- Mail and print
- Intelligence
- Programme and project management

Each of these projects is now in progress and further savings of £2.5m are to be delivered in 2015/16.

Asset Base – a programme of asset review and rationalisation is underway which will deliver significant running cost savings across the Council's asset portfolio. Phase 1 of this work has already seen city centre office accommodation reduced from 17 to 8 buildings, with this figure due to fall

further following the refurbishment and reoccupation of Merrion House in 2017. A saving of £2.1m is forecast for 2015/16.

6.3.2 In view of the severity of the funding reductions described above, the Medium Term Financial Plan indicated that a comprehensive review of the way services are delivered across the Council should be undertaken. These reviews have resulted in wide ranging and challenging proposals across all directorates, over and above the Best Council Objectives and these are detailed below:

### 6.3.3 Efficiencies

A range of efficiency measures totalling £23.4m have been identified. In addition to the savings from becoming an efficient and enterprising Council, directorates have identified savings through organisational redesign. This includes working more closely both within and across directorates and will result in a significant reduction in staffing including reducing the number of senior management posts.

Opportunities for joint working with the West Yorkshire Combined Authority and greater scope for greater efficiencies at City Region level have been identified.

Significant savings can be achieved through improved contract management arrangements which includes reviewing payments made under existing contracts, contract renegotiation and reducing areas of off contract spend.

A number of existing services have been identified which are undertaking public health related activities and are more appropriately charged to the public health function which transferred from the Primary Care Trust to the Council from 1<sup>st</sup> April 2013. This will result in income of £1.25m to the general fund.

In addition, a number of technical accounting measures will achieve savings of £4.7m in 2015/16.

### 6.3.4 Income Generation

Income generation proposals of £21.7m have been identified. Where appropriate, above inflation increases are proposed for fees and charges. Additional sources of income have also been targeted, for example advertising, temporary car parks, new commercial property income and maximising grant income.

The council has worked closely with health colleagues to develop plans for the Better Care Fund, which for 2015/16 will be a pooled budget of £54.9m (including £4.8m capital funding) to reconfigure the health and social care system across Leeds and maximise the value of the "Leeds £". It is recognised across the sector that the scale of the council's financial challenges will make it difficult for the council to fund the demand and demographic pressures outlined above. It is also recognised that without adequately resourced social care, timely hospital discharges will be adversely affected and people's conditions could necessitate more emergency hospital admissions. Government funding for the new Care Act responsibilities, some of which will be received via the Better Care Fund, has not yet been confirmed, although a number of the requirements feature strongly in the

current Leeds offer. The initial budget proposals include £12.3m to reflect the anticipated level of additional health and government funding.

#### 6.3.5 Service Changes

Service changes amounting to £21.6m have been identified in the proposals and include some of the more difficult decisions affecting levels of service.

The initial budget proposals reflect the continued downsizing of the Community Support Services within Adult Social Care.

Within Children's Services, the 2015/16 financial year will see a fundamental re-design of the services that support children, young people and their families. A key principle will be the development and implementation of multi-agency and multi-disciplinary teams based in localities, working in close partnership and co-located with schools and clusters of schools.

There are a number of proposals in respect of those services that support young people. These will include further savings on the Youth Offer as well as proposed reductions in respect of funding for Targeted Information Advice and Guidance which is currently commissioned under the banner 'Connexions Leeds' and which works with priority groups of young people around the NEET (not in employment, education or training) agenda. This level of budget reductions across the Young People and Skills services would necessitate a fundamental change across the Council and partners in the city as to how the Council responds to young people at risk of becoming NEET.

In response to the reduction in the Education Support Grant, the ambition is to retain a 'Leeds Learning Improvement function' through the development and implementation of a business model that would generate an additional £1.7m of income through trading with schools and academies in Leeds and also with other local authorities.

Reduced spend on grants and contracts with the third sector is included within the budget proposals including significant reductions in grants to the Arts and the localisation of locality based grants. This will be delivered through a review of each payment in relation to the Council's priorities and will be implemented in consultation with the organisations affected.

A reduction in opening hours of facilities, e.g. sports centres, household waste sites is proposed to ensure the most cost effective service delivery.

A saving of £109k is proposed by ceasing the grant to Parish Councils (made in 2013/14 and 2014/15) to compensate Parishes for the reduction in their tax base as a result of the introduction of the Council Tax Support scheme in 2013/14.

#### 6.4 Impact of proposals on employees

The Council has operated a voluntary retirement and severance scheme since 2010/11 which has contributed to a reduction in the workforce of 1,900 ftes at the

31<sup>st</sup> March 2014. The Early Leavers scheme, covering the period up to and including March 2016 is continuing and in the current year all services have been requested to maximise the number of staff who can leave under the scheme by 31<sup>st</sup> December 2014.

Many of the costs and savings identified in these proposals have significant implications for staffing, some of the main areas are outlined below:

- Continued downsizing of the Community Support Service in Adults Social Care
- Within Children’s Services, a fundamental re-design of services that support children, young people and their families
- Further reduction in Support Services across the Council and a fundamental review of Business Administration
- Further reduction in JNC management posts
- Transformation programmes including a number of services working closer together

The initial budget proposals provide for a forecast net reduction in anticipated staff numbers of 475 ftes by 31<sup>st</sup> March 2016, as shown in Table 5 below:

Table 5

FTEs	Increases	Decreases	Net Movement
Adult Social care	17	-78	-61
Children's Services	20	-197	-177
City Development	3	-62	-59
Environment & Housing	4	-59	-55
Strategy & Resources	1	-96	-95
Civic Enterprise Leeds	30	-25	4
Citizens & Communities		-30	-30
Public Health		-3	-3
<b>Total</b>	<b>75</b>	<b>-550</b>	<b>-475</b>

Excluding the inflationary impact, staffing reductions of around £17m are included in the 2015/16 initial budget proposals. This includes savings from changes to employees’ terms and conditions which will help reduce the risk of compulsory redundancies as the Council continues to tackle budget cuts and meet increased demand for some services. These changes include the withdrawal of pay protections and changes to travel arrangements.

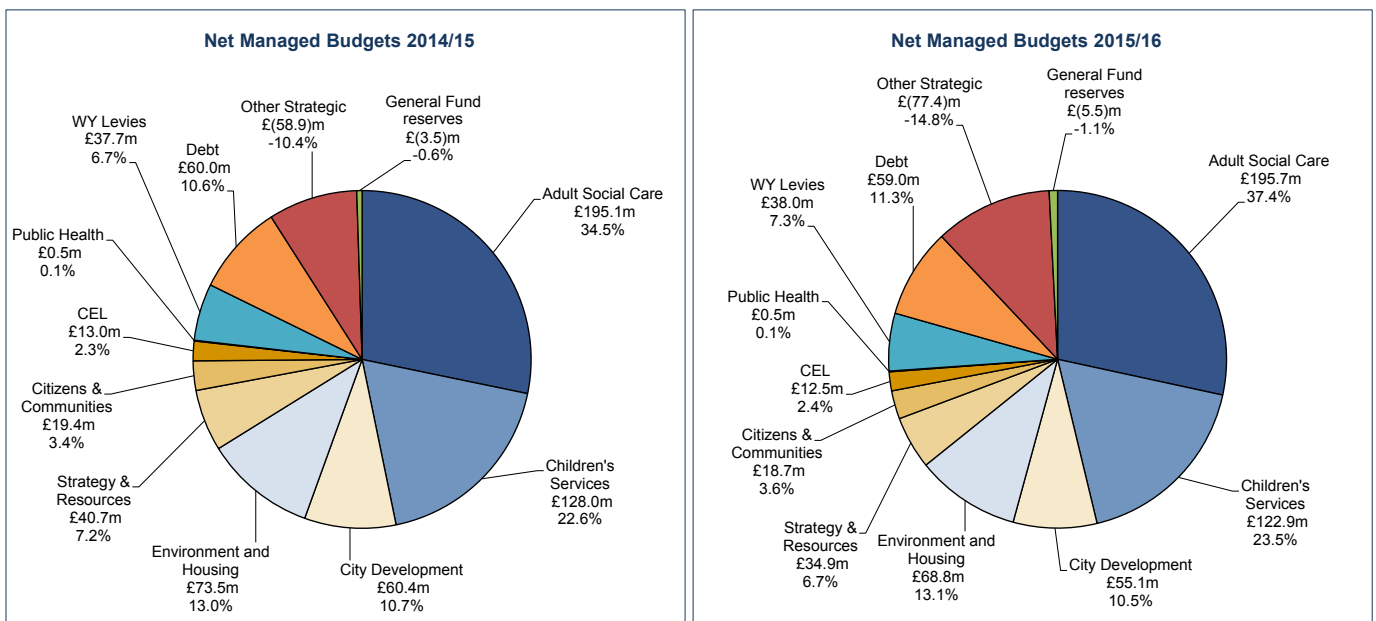
6.5 The proposals outlined above are reflected in table 6 below which gives a subjective breakdown of the Council’s initial budget in 2015/16, compared to 2014/15.

Table 6

	Budget 2014/15 £m	Budget 2015/16 £m	%age Variation £m
Employees	434.2	422.7	-2.6%
Other running expenses	113.5	97.8	-13.8%
Capital Charges	60.0	59.0	-1.7%
Payments to external service providers	321.5	339.5	5.6%
Fees & Charges/Other income	-176.9	-204.1	15.4%
Specific Grants	-183.0	-186.3	1.8%
Use of reserves	-3.5	-5.5	57.1%
<b>Net Spend before grants</b>	<b>565.8</b>	<b>523.1</b>	<b>-7.5%</b>
Funded by:			
SFA/Business Rates	320.6	272.4	-15.0%
Council Tax	245.2	250.7	2.3%
<b>Total Funding</b>	<b>565.8</b>	<b>523.1</b>	<b>-7.5%</b>

6.6 The following pie charts show the share of the Council’s net managed expenditure between directorates over the two years both in cash and percentage terms, although these are subject to amendments due to a number of corporately determined savings which are still to be allocated. Net managed expenditure represents the budgets under the control of individual directorates, excluding items such as capital charges and pensions adjustments. It can be seen that the proportion of the Council’s spend on Children’s Services and Adult Social Care has increased from 57.1% to 60.9% reflecting the Council’s need to continue to prioritise spending in these areas.

Chart 1





## 7.0 THE SCHOOLS BUDGET

7.1 The Schools Budget as has been the case for a number of years is funded by the Dedicated Schools Grant (DSG).

7.2 The DSG for 2015-16 is funded as three separate blocks:

- The **early years block** will be used to fund free early education for 3 and 4 year olds and the early education of eligible vulnerable 2 year olds. For 3 and 4 year olds, the rate/pupil will be protected at the 2014-15 level. Funding for the 2 year old entitlement will be on a participation basis and initial funding will be allocated in June 2015 using January 2015 census data.
- The **high needs block** will be used to fund special schools (including academies and free schools), resourced SEN places in mainstream schools, pupil referral units and alternative provision. Published place numbers for the 2014-15 academic year will be rolled forward and used as the basis for 2015-16 allocations. Leeds has put forward an exceptional case to the Education Funding Agency (EFA) for additional high needs places but the outcome of this and the overall high needs block allocation will not be known until December 2014 at the earliest.
- The **schools block** funds the delegated budgets of primary and secondary schools for pupils in reception to year 11, and a number of prescribed services and costs in support of education in schools. The grant for 2015-16 will be based on pupil numbers in Leeds (including those in academies and free schools) as at October 2014, multiplied by the schools block unit of funding. The 2015-16 rate is expected to be confirmed in December. It is estimated that pupil numbers will increase by approximately 3,300 year on year (with approx. 1,000 of these due to the inclusion of non-recoupment academies and free schools).

7.3 Funding for post-16 provision is allocated by the EFA through a national formula. No changes to the formula are expected for 2015-16 but transitional protection will cease from August 2015.

7.4 Pupil Premium is paid to schools and academies based on the number of eligible pupils aged 5 to 15 on roll in January each year. The only rate change for 2015-16 is for primary pupils, which increases to £1320 (from £1300). An Early Years Pupil Premium (EYPP) will be introduced from April 2015 at a rate of £0.53 per child per hour which must be paid to providers. The initial allocation for Leeds is £0.89m.

The Primary PE grant will be paid in the 2014-15 and 2015-16 academic years to all primary schools at a rate of £8,000 plus £5 per pupil. The Year 7 catch-up premium will be paid in the 2014-15 and 2015-16 financial years at a rate of £500 for each pupil in year 7 who did not achieve at least level 4 in reading and/or mathematics (maximum £500 per pupil) at key stage 2.

7.5 The Government introduced the universal provision of free school meals for all pupils in Reception, Year 1 and Year 2 from September 2014. It is expected that for the 2015-16 academic year, census data from October 2015 and January 2016 will

be used and that the grant allocation will be in the order of £8.27m dependent on the number of pupils.

## 7.6 Schools funding summary

Estimated figures for 2014-15 and 2015-16 are shown below:

Table 7

	<b>2014-15 £m</b>	<b>2015-16 £m (estimated)</b>	<b>Yr on yr Change</b>
Schools Block	440.39	455.62	15.23
Early Years Block (3 & 4yr olds)	31.38	32.43	1.05
Early Years Block (2yr olds)	11.94	10.62	-1.32
High Needs Block	53.95	53.95	0.00
EFA Post 16 Funding *	18.00	16.88	-1.12
Pupil Premium	39.90	42.23	2.33
PE & Sport Grant	1.98	2.06	0.08
Summer Schools Grant	0.53	0.53	0.00
Yr 7 Catch up Premium	0.85	0.86	0.01
Universal infant free school meals	4.89	8.27	3.38
<b>Total Schools Budget</b>	<b>603.81</b>	<b>623.45</b>	<b>19.64</b>

(\* figures include academies/free schools except for Post-16 where funding data is not available)

## 8.0 Housing Revenue Account

- 8.1 The HRA includes all the expenditure and income incurred in managing the Council's housing stock, and, in accordance with Government legislation operates as a ring fenced account.
- 8.2 As part of the June 2013 Spending Review the Government announced a new rent setting formula, to be fixed for ten years, from 2015/16. The formula of Consumer Price Index (CPI) +1% per year is a change from (RPI) +0.5% that was previously used. The September CPI figure, which the Government uses for the calculation of rent and benefit increases for the forthcoming financial year has been announced as 1.2%. Therefore this figure has been used as the basis to determine the rent increase for 2015/16.
- 8.3 Councils are free to depart from the formula detailed in 9.2 but must have a balanced and sustainable HRA. Rent increases continue to be subject to Government control through Limit Rents which is the rent at which the Government will pay the full subsidy for housing benefit. (If the average rent for the Authority is higher than the limit rent then housing benefit receivable is reduced proportionately). In keeping with previous financial years it is anticipated that Limit Rents for 2015/16 will not be announced until January 2015.
- 8.4 Whilst increasing rents by CPI +1% would generate additional income of £4.9m, there remains the option to mitigate the impact of the Government's rent policy by increasing rents to reflect the 2014/15 Limit Rent. This represents an increase of

2.88% and would generate additional income of £6.3m. This income is required to ensure the continued investment in the long term sustainability of the current housing stock, and deliver investment in other priority areas such as older person's housing and improving the environment of estates to ensure that they are safe and clean places to live.

- 8.5 It is therefore proposed that rents are increased by an average of 2.88% in 2015/16 which is less than half the level of increase from the previous two years.
- 8.6 Tenants in multi storey flats (MSFs) and in low/medium rise flats receive additional services such as cleaning of communal areas, staircase lighting and lifts. Since these tenants only pay a notional charge towards the cost of these services, other tenants are in effect subsidising the additional services received. Therefore to reduce this subsidisation and make charging arrangements more transparent, the intention is that consideration will be given to implementing and increasing service charges at a different rate to the proposed rent increase.
- 8.7 The increase in discount available to tenants to buy their own homes through the Government's Right to Buy legislation has resulted in a substantial increase in the number of sales and the subsequent reduction in the amount of rent receivable. Partially offsetting this is the planned £72.8m investment in new homes and the buying up of empty properties.
- 8.8 Savings realised from the transfer of the housing management function from the ALMOs back to the Council from the 1<sup>st</sup> October have been re-invested to resource the delivery of the Council's housing priorities.
- 8.9 The introduction of Universal Credit, as a part of the Government's welfare change agenda is yet to be fully implemented but when it is introduced, and based on the experience of authorities that are piloting it, it could have implications for the level of rent receivable.
- 8.10 All housing priorities are funded through the HRA and any variation in the rental income stream will impact upon the level of resources that are available to support the delivery of these priorities.

## **9.0 Capital Programme**

- 9.1 Over the period 2014/15 to 2017/18 the existing capital programme includes investment plans which total £813m. The programme is funded by external sources in the form of grants and contributions and also by the Council through borrowing and reserves. Where borrowing is used to fund the programme, the revenue costs of the borrowing will be included within the revenue budget. Our asset portfolio is valued in the Council's published accounts at £3.4bn excluding the value of community assets such as highways and parks, and the Council's net debt stands at £1.4bn.
- 9.2 When capital investment is funded from borrowing, there is a cost to the revenue budget both in terms of interest and minimum revenue provision. When capital expenditure is funded by borrowing, councils are required to make an annual

minimum revenue provision (MRP) charge to the revenue accounts. This is the means by which capital expenditure which has been funded by borrowing is paid for by the council tax payer. In recent years the annual MRP charge has averaged around 4% of the amount borrowed to fund capital and for 2014/15 is around £42m.

- 9.3 The Council continues to work towards a funded capital programme which is less than or equivalent to the level of the minimum revenue provision so that the Council's debt is managed at its current level or in fact reduced. However, before this can be achieved there are a number of capital investment plans which are either contractually committed or are of strategic importance to the city which the Council will need to provide for, for example Flood Alleviation, Changing the Workplace, New Generation Transport and the Basic Needs programme in schools.
- 9.4 The financial strategy assumes a £1m reduction in the cost of the Council's external debt. This assumes that all borrowing is taken short term at 0.5% interest for the remainder of 14/15 and the first 6 months of 2015/16, rising to 0.75% for the remainder of the year and takes account of contributions from directorates towards the cost of invest to save schemes.
- 9.5 The strategy allows for capital investment above the MRP of £42m where the investment results in savings or avoids future costs. This capital investment will be subject to robust business cases being reviewed and approved prior to schemes progressing.

## **10.0 Prospects for 2016/17**

- 10.1 The Chancellor of the Exchequer, George Osborne, delivered his Autumn Statement to the House of Commons on the 3<sup>rd</sup> December 2014. The statement sets out "*the next stage of the government's long-term economic plan*", and was accompanied by an update of the OBR's "*Economic and fiscal outlook*" which includes revised predictions for public sector borrowing and debt. The Chancellor stated that departmental budgets would not be reduced further in this parliament, but that in order to meet their target of bring the public finances back into surplus further reductions in public expenditure would be necessary to 2019/20, a further two years beyond the previous forecast. This is borne out by the Departmental Expenditure Limit (DEL) totals included in the statement. Whilst no analysis of spending impacts down to departmental level is provided in the statement, the summary information shows an increase in DEL in 2015/16 of £3.9 billion (presumably due mainly to the £3.5 billion announced additional health funding) then further reductions of 1%, 1.3% and 2% in each year afterwards. Comparing 2019/20 to 2015/16 DEL in the statement there is an overall 10% reduction (or a 3.9% annual reduction) in DEL. However, if as has happened previously some government departments financed from DEL are protected, the impact on local government is likely to be higher than this average cut, and some commentators are predicting that the reductions over the next five years for unprotected services will be at least as much as in the last five years.
- 10.2 Further reductions in government grant of the scale suggested by the Autumn Statement will fundamentally challenge the services provided by the Council. It is clear that if the Council is to meet this challenge, recognising that it will be

considerable smaller than it is now, the Council needs to quickly move forward in shaping what it will look like by 2019/20, developing the Council Plan, its workforce planning as well as its financial plans. This work is a critical priority over the next 12 months. In order for balanced and robust budgets to be delivered it is essential that the Council continues its service review programme and works closely with its partners to ensure the best use of resources available in the city. It is clear that further savings proposals will need to be identified and it is inevitable that these will impact on front line services.

- 10.3 An indicative position for 2016/17, based on updating the assumptions as to funding included in the Medium Term Financial Plan would suggest a reduction in our funding envelope for 2016/17 of around £28.5m taking account of the forecast reduction in government funding for 2016/17 and an assessment of the other locally determined elements of the funding envelope.

Table 8

Funding Envelope	2016/17 £m
Government Funding	
Settlement Funding Assessment	27.7
New Homes Bonus	-1.5
Sub-total Government Funding	26.2
Locally Determined Funding	
Council Tax - growth in taxbase	-3.2
Business Rates growth	0.0
Change in use of reserves	5.5
Sub-total Locally Determined Funding	2.3
Total Funding Reduction	28.5

- 10.4 When unavoidable pressures and the full year effects of savings proposals identified in 2015/16 are included, the total funding gap increases to £29.6m:

Table 9

	£m
Reduction in Resources	28.5
Inflation	9.9
Demand/Demography/Grant Fallout	4.0
Full Year Effects	-15.2
Capital Charges	2.0
WY Transport Fund	0.3
Total Funding Gap	29.6

10.5 The above figures do need to be treated with a high degree of caution, and as such should only be considered as indicative at this stage. It is unlikely that government grant figures for 2016/17 will be firmed up this side of the general election.

## **11.0 CORPORATE CONSIDERATIONS**

### **11.1 Consultation and Engagement**

11.1.1 As explained at section 5 above the initial budget proposals have been informed through the wealth of consultation evidence gathered in recent years on residents' budget priorities. Since 2012 there has been only minor changes to those priorities and, in addition, residents and service users have had significant involvement in on-going service-led change projects. Subject to the approval of the board, this report will be submitted to Scrutiny for their consideration and review, with the outcome of their deliberations to be reported to the planned meeting of this Board on the 11<sup>th</sup> February 2015.

11.1.2 Consultation is an ongoing process and residents are consulted on many issues during the year. It is also proposed that this report is used for wider consultation with the public through the Leeds internet and with other stakeholders. Consultation is on-going with representatives from the Third Sector, and plans are in place to consult with the Business sector prior to finalisation of the budget.

### **11.2 Equality and Diversity / Cohesion and Integration**

11.2.1 The council continues to have a clear approach to embedding equality in all aspects of its work and recognises the lead role we have in the city to promote equality and diversity. This includes putting equality into practice taking into account legislative requirements, the changing landscape in which we work and the current and future financial challenges that the city faces.

11.2.2 As an example of the commitment to equality, scrutiny has confirmed a strong role in challenging and ensuring equality is considered appropriately within the decision making process.

11.2.3 The proposals within this report have been screened for relevance to equality, diversity, cohesion and integration and a full strategic analysis and assessment will be undertaken on the Revenue Budget and Council Tax 2015-16 which will be considered by Executive Board in February 2015. Specific equality impact assessments will also be undertaken on the implementation of all budget decisions as they are considered during the decision making process in 2015-16.

### **11.3 Council Policies and City Priorities**

11.3.1 The initial budget proposals seek to ensure that the policies and priorities of the Council are supported by directing financial resources towards the Council's policies and priorities wherever possible. However, given the severe financial constraints within which the Council is operating, it is clear that the Best Council Plan objectives will need to be reviewed and refreshed.

## **11.4 Resources and Value for Money**

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

## **11.5 Legal Implications, Access to Information and Call In**

11.5.1 This report has been produced in compliance with the Council's Budget and Policy Framework. In accordance with this framework, the initial budget proposals, once approved by the board will be submitted to Scrutiny for their review and consideration. The outcome of their review will be reported to the February 2015 meeting of this Board at which proposals for the 2015/16 budget will be considered prior to submission to full Council on the 25<sup>th</sup> February 2015.

11.5.2 The initial budget proposals will, if implemented, have significant implications for Council policy and governance and these are explained within the report. The budget is a key element of the Council's Budget and Policy framework, but many of the proposals will also be subject to separate consultation and decision making processes, which will operate within their own defined timetables and managed by individual directorates.

11.5.3 In accordance with the Council's Budget and Policy Framework, decisions as to the Council's budget are reserved to Council. As such, the recommendation at 13.1 is not subject to call in, as the budget is a matter that will ultimately be determined by Council, and this report is in compliance with the Council's constitution as to the publication of initial budget proposals two months prior to adoption.

## **11.6 Risk Management**

11.6.1 A full risk assessment will be undertaken of the Council's financial plans as part of the normal budget process, but it is clear that there are a number of risks that could impact upon these plans put forward in this report; some of the more significant ones are set out below.

- Demand pressures in Adult Social care and Children's services could be greater than anticipated.
- Reductions in government grants are greater than anticipated. Specific grant figures for the Council for 2015/16 will not be known until later in the planning period
- The delivery of savings from the Council's transformation agenda and other saving options could be delayed or less than anticipated
- Reductions in staffing numbers from early leaver initiatives and natural turnover could be less than anticipated
- Inflation and pay awards could be greater than anticipated
- Other sources of income and funding could continue to decline
- Increase in the Council Tax base could be less than anticipated
- The business rates base could decline further
- Changes in interest rates could impact upon capital financing charges
- Asset sales could be delayed requiring the Council to borrow more to fund investment

- Failure to understand and respond to the equality impact assessment

11.6.2 A full risk register of all budget risks in accordance with current practice will be maintained and will be subject to quarterly review. Any significant and new risks are contained in the budget monitoring reports submitted to each meeting of the Executive Board, together with any slippage on savings.

## **12.0 CONCLUSIONS**

12.1 This report has shown that the current financial position continues to be very challenging. The Council is committed to providing the best service possible for the citizens of Leeds and to achieving the ambition for the city of being the best in the UK. In order to achieve both the strategic aims and financial constraints, the Council will need to be more enterprising, working with business and partners to be more civic, and working with the public to be more engaged.

12.2 Based on the indicative settlement for 2015/16 there will be a further reduction in the Settlement Funding Assessment of £46.7m which means that core funding from government (SFA and other grants) will have reduced by around £180m by 2015/16. The initial budget proposals for 2015/16 set out in this document, subject to the finalisation of the detailed proposals in February 2015, will, if delivered, generate savings of £76.1m to produce a balanced budget.

12.3 Clearly savings of this magnitude will require many difficult decisions to be taken and these will not be without risk. The level of reductions required for 2015/16 will impact on front line services which the Council has worked, and continues to work, extremely hard to protect. In this context, it is important that risks are fully understood and the final budget is robust. As these proposals rely on the use of £5.5m of general fund reserves, which will leave reserves at the minimum prudent level, it is imperative that budget action plans are fully developed and implemented prior to the start of the financial year.

12.4 Given the significant risks outlined in this report proposals will be brought forward as part of the budget report in February 2015 to strengthen the Council's reporting regime in 2015/16 to ensure that any slippage in these plans is identified at an early stage and remedial action taken.

## **13.0 RECOMMENDATION**

13.1 The Executive Board is asked to agree this report as the initial budget proposals and for them to be submitted to Scrutiny and also for the proposals to be used as a basis for wider consultation with stakeholders.

## **14.0 Background documents<sup>1</sup>**

None

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



## INITIAL BUDGET PROPOSALS 2015/16

### ENVIRONMENT AND HOUSING DIRECTORATE

#### Service Context

The Directorate manages a diverse set of functions which, nevertheless, combine to form some of the key foundations of strong communities. Clean streets, well maintained green spaces which people can use, sound housing which meets people's needs, safe neighbourhoods - these are marks of desirable places to live. At a time of significantly diminishing resources, priority has been given to ensure that these bedrock services are maintained.

The Directorate, beyond its universal duties, also serves some of the most vulnerable in the city. As well as providing advice to the many thousands in housing need, the Department supports many others to sustain their tenancies. The department intervenes in the private sector to tackle some of the worst housing conditions in the city.

There is also a longer term agenda. Work to improve and add to the city's housing stock has importance for many years to come, as do the environmental choices we make today.

#### The Key Outcomes

Based on the above, the Department has a number of key priorities which the budget is designed to support. They are as follows:

- preventing homelessness;
- improving the quality of private sector housing
- reducing crime and anti-social behaviour
- reducing fuel poverty and providing sustainable energy
- providing a reliable refuse and recycling service
- minimising the amount of waste that ends up in landfill by maximising reuse, recycling and energy recovery;
- clean neighbourhoods, reflecting local needs;
- green spaces which people can enjoy

Given this context and against a background of significant reduction in resources, the Directorate's budget submission for 2015-16 will seek to protect services and initiatives which advance these priorities. The Directorate will also seek to consolidate the major efficiencies that were incorporated into the 2014/15 budget. The long term development of a waste strategy for the city will also begin to deliver substantial financial benefits, with £1.9m being received next year in PFI payments.

## **Budget proposals**

### Price increases

There will be price increases in cafes and retail outlets and on chargeable bereavement services. Charges for waste disposal at transfer stations will be reviewed following increases in the rate of landfill tax

### Full year Effect of Previous Decisions

Through the redesign of the Forestry service and the implementation of seasonal working patterns for maintenance staff, savings have been realised by a reduced requirement to employ seasonal staff during the period May to September.

Middleton Park and Gotts Park have ceased to be operated as municipal golf courses. The decision to cease direct delivery of golf will result in lower maintenance costs.

Additional costs for drivers within the Refuse Collection service are being incurred as a result of a job evaluation during 2013-14.

The Victoria Gate development has impacted upon the receipt of both on street and off street car parking income around this site.

### Council Plan Reductions

Additional residual waste disposal costs are being incurred due to a combination of an increasing number of households in the City, anticipated reductions in residual waste volumes not being as significant as expected in some parts of the City where alternate week collections have been introduced and also reductions in the market prices for some recyclable materials.

In November 2015 the Energy from Waste facility is expected to start to receive waste for commissioning. In accordance with the signed agreement, PFI grant is receivable from the Government once the facility is ready to accept waste.

Provision has been made for the funding of the redevelopment of the Kirkstall Road Household Waste Site so that the facility can offer the same level of recycling to members of the public as other re-developed sites across the City.

Fall out of temporary staffing arrangements within Waste Management following the introduction of the new management structure will result in savings.

Income above budgeted levels is being received in 2014-15 for second collections, mainly from multi storey flats. It is assumed this continues in 2015-16.

### Efficiencies

Savings on staffing will be realised through both the deletion of vacant posts and through staff across all services in the Directorate exiting the Authority through the Early Leaver's Initiative. In addition further savings will be realised through a reduction in the number of JNC posts.

Further savings have been realised through the re-tendering and re-design of Supporting People contracts in large part due to the effective intervention of the Housing Options team who have reduced the requirement for temporary accommodation.

Procurement savings have been realised through the re-tendering of both the pest control contract and the fuel contract. In addition waste disposal costs have been reduced from the retendering of waste of residual waste contracts and anticipated reductions in recycling processing costs through new contracts.

Through the anticipated reductions in residual waste disposal costs the kerbside garden waste collection service will be rolled out further to households that are capable of receiving the service.

The continued review and scrutiny of all areas of expenditure will deliver line by line savings.

#### Income

It is proposed to increase charges at Woodhouse Lane Multi Storey Car Park from £5.50 to £6 per day.

In order to sustain activities in priority areas such as tackling domestic violence, dealing with anti-social behaviour, reducing burglary and stopping re-offending, it is proposed to resource these priorities through the application of West Yorkshire Police and Crime Commissioner Grant.

It is intended that there will be admission price increases at Tropical World and the increase will recognise the enhanced visitor facility that will be available at this site

#### Service Changes

There will be a strategic review of the operation of Household Waste Recycling Sites across the City. In addition a resident permit scheme will be introduced which will allow only Leeds residents to access Leeds City Council's Household Waste sites without a charge. This is a scheme that the Council is now having to introduce as a result of all of its neighbouring authorities having implemented similar schemes.

Grants to third sector organisations such as Middleton Equestrian Centre, Groundwork and Meanwood Valley Urban Farm will be reduced by 20%.

#### Other

Reductions in income receivable from both car parking and bus lane offences will be offset by additional income that is being realised from both off street and on street car parking in the City Centre due to increased usage.

Additional disposal costs are being incurred as a result of a combination of higher contamination rates of green bin recyclable materials.

A reduction in the amount of Troubled Families grant receivable has been managed through releasing staff on fixed term contracts and deleting vacant posts.

## **Key Risks**

That assumptions in respect of waste growth and the level of recycling across the City are not realised and there is a consequential increase, over and above the budgeted assumptions, in the amount of waste that is landfilled.

Assumptions in respect of income receivable from Bus Lane and Car Parking enforcement are impacted upon by a reduction in the numbers of offences assumed in the budget assumptions.

That increases in the amount of car parking income receivable from on street and off street parking in 2014-15 aren't sustained.

That activity levels from income generating activities within Parks and Countryside are less than anticipated.

That both the number of staff leaving on ELI and the number of posts becoming vacant is less than assumed in the budget.

That levels of homelessness increase across the City with the subsequently requirement for the City Council to support these individuals in temporary accommodation.

## Environment and Housing

Pressures/Savings	2015-16 £m	FTEs	Is this relevant to Equality & Diversity Y/N
<b>Budget Pressures:</b>			
<b>Inflation</b>			
Pay	0.7		N
Price inc Landfill tax	0.9		N
Income	(0.1)		N
<b>Full Year Effects of previous decisions</b>			
Re-Design of the Forestry service	(0.1)		N
Closure of Middleton Park and Gotts Park golf courses.	(0.2)	(5.0)	N
Re-Design of the Refuse Collection staffing structure	0.1		N
Loss of on street and off street car parking as a result of the Victoria gate development.	0.3		N
<b>Demand/Demography</b>			
<b>Other</b>			
Additional car parking fee income receivable being offset by reductions in income receivable from Penalty Charge Notices (PCNs) and Bus Lane enforcement.	(0.1)		N
Additional disposal costs resulting from a combination of higher contamination rates of SORT (Green Bin) waste and increased volumes from the kerbside garden collection service	0.2		N
Reduction in Troubled Families Grants will be managed through a combination of releasing staff on fixed term contracts and deleting vacant posts	0.0	(8.0)	N
<b>Total Pressures</b>	1.7	(13.0)	
<b>Savings Proposals:</b>			
<b>Council Plan reductions</b>			
Additional residual waste disposal costs due to a combination of increasing number of households, reductions in residual waste volumes not being as high in some parts of the City where alternative week collection has been introduced and falls in market prices for recyclable material	0.7		N
Procurement savings deriving from the re-tendering of recycling and residual waste landfill contracts	(0.3)		N
Receipt of PFI grant following the commissioning of the EFW plant from November 2015.	(1.9)		N
Capital financing costs associated with the planned re development of the Household Waste site at Kirkstall Road	0.3		N
Fall out of temporary staffing arrangements within Waste Management following the introduction of a new management structure	(0.1)		N
Additional income resulting from the provision of an additional collection service to multi storey flats across the city.	(0.1)		N
<b>Efficiencies</b>			
Deletion of JNC posts	(0.1)	(2.0)	N
Staffing reductions across all services within the Environment and Housing Directorate. This will be delivered through both the deletion of vacant posts and the Early Leaver's scheme.	(1.4)	(40.0)	N
Savings will be realised through the re-tendering and re-designing of Supporting People contracts.	(0.8)		Y
Procurement savings resulting from the re-tendering of Pest Control contracts	(0.1)		N
Rollout of Garden bin collections to suitable properties which will be funded by savings in disposal costs	0.0	3.0	N
Line by line reviews of all areas of expenditure across the Directorate	(0.2)		N
Procurement savings resulting from a reduction in fuel costs	(0.3)		N
Procurement savings being realised through the re-tendering of recycling contracts	(0.2)		N
<b>Income</b>			
Increase in car parking fees at Woodhouse Lane Car Park.	(0.2)		N
Increased provision of CCTV and security related functions to multi storey flats across the city.	(0.1)	1.0	N
Utilisation of West Yorkshire Police and Crime Commissioner grant to sustain priorities such as tackling domestic violence, anti-social behaviour, reducing domestic burglary and re-offending.	(1.0)		N
Increase in charges at Tropical World	(0.2)		N
<b>Service Changes</b>			
At Household Waste sites introduce a residents permit scheme that allows only Leeds residents to continue to use the facility without charge.	(0.1)	(4.0)	Y
20% reduction in grants to voluntary sector organisations such as Meanwood Valley Urban farm and Middleton Equestrian Centre.	(0.1)		Y
Strategic review of the operation and incidence of Household Waste sites across the city.	(0.2)		Y
<b>Total Savings</b>	(6.4)	(42.0)	
<b>Overall net Saving</b>	(4.7)	(55.0)	

City Development – Initial 2015/16 Budget Proposals for Regeneration.

	£000's
Regeneration Base Budget 2014/15	580
Inflation (pay and running costs)	13
Staff savings target	-32
Resource adjustment within Asset Management	48
Draft Base Budget 2015/16	609

The proposed Net Rate Charge for the Regeneration service in 2015-16 is £609k which represents an increase on the 2014-15 budget of £29k. This budget allows for 24 FTE's which reflects the recently approved service restructure together with the latest round of ELI approvals. It is an increase of 2.2 FTE's on the 14-15 numbers and is funded from savings elsewhere within Asset Management in line with the approved restructure.

Two of the Townscape Heritage Initiative projects, Chapeltown and West Armley, will conclude leaving Kirkgate as the only remaining active scheme.

The service will be the focus for the recently approved Housing Growth Team, which will draw heavily from resources within the Regeneration service but also from the creation of 6 additional FTE's. These new posts have been initially allocated to the relevant service i.e. Planning, Highways and Asset Management. The team are to be funded from a combination of charges to the Housing Revenue accounts together with an increase in the base budget funded from the Authority's strategy.



Report author: Ben Mallows  
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**Report of Chief Officer, Housing Management**

**Report to Scrutiny Board (Housing and Regeneration)**

**Date: 20 January 2015**

**Subject: Tenant Home Contents Insurance 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes <input checked="" 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**

Leeds City Council currently offers its tenants a Tenant Home Content Insurance Scheme (THCIS). The scheme which is commissioned by Northern Housing Consortium (NHC) provides low cost contents insurance to its tenants and is specifically tailored towards social housing tenants.

Currently 5.6% of Leeds City Council tenants utilise the insurance and while this is typical of other landlords, Housing Leeds is keen to increase the take up of the scheme due to the financial benefits it offers both to tenants and Housing Leeds.

Housing Leeds aims to increase take up of this scheme through a targeted marketing scheme, to be delivered during 2015/16.

**Recommendations**

Scrutiny Board note the contents of the report and the benefits of the Tenant Home Content Insurance Scheme to the Council and its tenants.

That Housing Management design a marketing package to increase the take up of the Tenant Home Content Insurance Scheme.

## 1 **Purpose of this report**

- 1.1 The purpose of this report is to provide Scrutiny Board with an overview of the Tenant Home Content Insurance Scheme and the benefits it provides to the Council and our tenants.
- 1.2 The report considers the current situation of the Council's scheme including its level of take up and the income it provides the Council.
- 1.3 The report seeks approval to implement a marketing package to increase take up of the insurance scheme.

## 2 **Background information**

- 2.1 The Tenant Home Contents Insurance scheme (THCIS) that is offered by Leeds City Council to its tenants is commissioned through the Northern Housing Consortium (NHC), a membership organisation that supports housing providers across the country. The NHC members represent 90% of housing providers in the North and Leeds City Council is represented on the NHC board.

The need to provide a contents insurance scheme was raised by various social landlords who approached the NHC who procured a framework for a low cost insurance scheme. The NHC procure the product every four years to ensure that it provides best value for money and is market tested; NHC members are invited to be part of the tender process. The scheme is designed to spread the risk between multiple landlords to minimise the effects of a large number of claims in an individual area e.g. due to a freak weather event.

This had led to stable premiums – in 2013 they fell and in 2014 they remained the same.

- 2.2 Marsh and McLennan Companies currently provide the insurance scheme and act as the insurance broker, the insurance underwriters are Royal Sun Alliance and the claims are assessed by Direct Group.

The key benefits of the scheme include:

- No discrimination between high and low risk postcodes (no 'blighted' postcodes)
- Low cost of insurance
- No annual contract
- Zero excess
- New for old cover
- No bank account required
- Increased financial inclusion for tenants on low income

- 2.3 In Leeds the scheme is fully delegated to the landlord; i.e. Leeds City Council. This means that all of the customer-facing and the administration functions of the scheme including income collection are carried out by Leeds City Council. In



return for the full delegation, Leeds receives an administration fee of 11% of gross premiums (net of insurance premium tax).

In Leeds we offer two forms of insurance, Simple and Simple Plus. Both schemes cover household contents, and with Simple Plus covering accidental damage. Applicants can choose the level of their cover, between £6,000 and £40,000, and pay the premiums on a weekly basis.

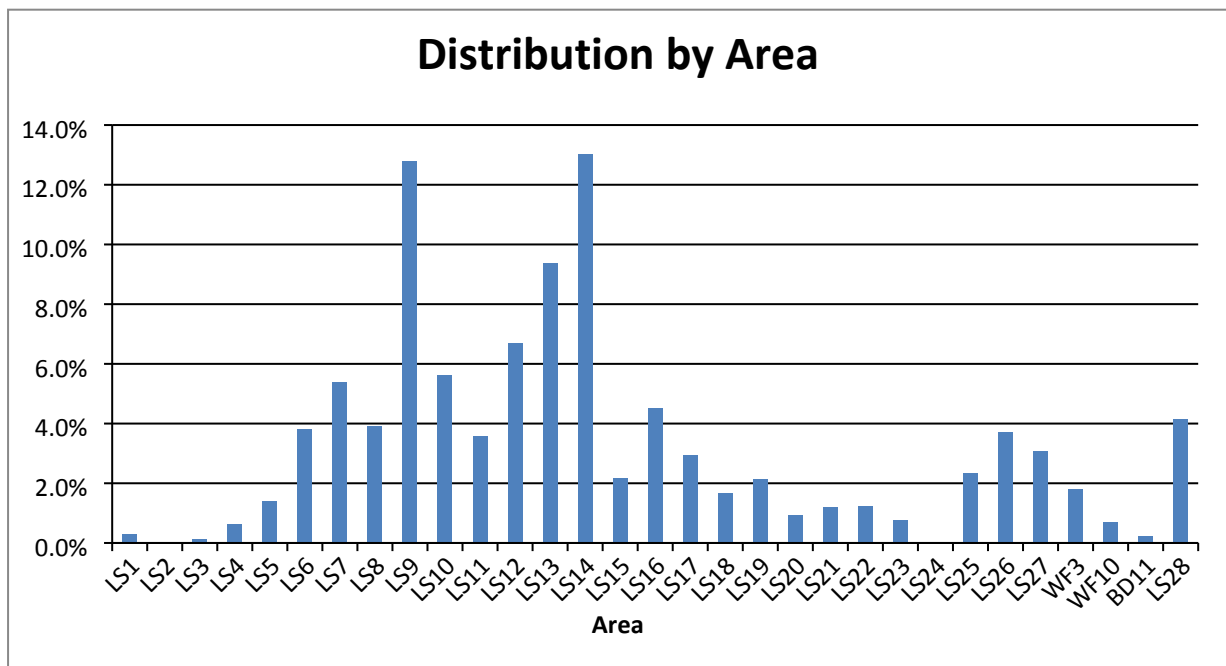
The premium charges are consistent across all LS and BD postcodes, with premiums starting from £0.81 per week. There are lower premiums for WF postcodes, starting at £0.58 per week. This means that tenants are not charged higher premiums for living within higher risk postcodes in Leeds.

### 3 Main Issues

3.1 At present, 3,200 (5.6%) Leeds City Council tenants utilise the tenant home contents insurance scheme. This take up rate is fairly typical of landlords who run this scheme. In 2013-14 Leeds City Council received £36k administration fee for administering the scheme.

### 3.2 Area Take up

The distribution of tenants on the scheme varies across the city (please see below graph). Certain areas, such as LS14 and LS9 are heavily represented, whereas other areas have a very low numbers of tenants on the scheme. This may be due to a number of factors, including inconsistent approaches in different housing offices/areas to promoting the scheme in the past. This will be addressed with the ongoing programme of training and increased awareness amongst both staff and tenants.



### 3.3 Amount Insured

The average amount insured in Leeds is £12,730, and the five most common amounts selected by tenants (representing 70% of all applications) are:

- £10,000
- £9,000
- £6,000 (the minimum amount allowed)
- £15,000
- £20,000

### 3.4 Cover Type

75% of tenants on the scheme opt for the basic “Simple” scheme – this provides comprehensive cover but does not provide accidental cover. The popularity of the Simple Scheme may be due to the lower cost (it is approximately half the cost of the Simple Plus scheme).

### 3.5 Next Steps to Increase Take Up

It is a priority for Housing Leeds to increase the take up of the Tenant Home Insurance Scheme, as it supports the best Council priority to support communities and tackle poverty. It also represents good value for both tenants and LCC.

Over the past twelve months the scheme has been marketed and promoted in a variety of ways including:

- Tenant’s newsletters
- Leeds Homes Flyer
- Posters in sheltered schemes
- Leaflets provided at signup

This general marketing will continue during 2015, but making greater use of social media to also promote the scheme. In addition to this general marketing, analysis will be undertaken to identify area and demographic trends in take up, in order to inform more targeted campaigns. Housing Leeds will also explore potential incentives to tenants who take out the insurance product.

Housing Leeds has already begun a training programme for front line housing staff and staff from the Contact Centre on the insurance scheme. This training will continue during early 2015 in order to ensure that staff are consistently promoting the benefits of the scheme to tenants as part of their day to day work, but particularly at sign up and as part of Annual Tenancy Visits.

Take up will continue to be monitored on a monthly basis throughout 2015 to identify changes in take up levels, and where possible identify whether there are particular marketing campaigns which are more successful than others.

## 4 **Corporate Considerations**

### 4.1 **Consultation and Engagement**

4.1.1 The THCIS is offered to tenants as an additional benefit of being a Council tenant. Tenants are under no obligation to take up insurance, but are encouraged to do so to benefit from the scheme.

4.1.2 Landlord members are involved at periodic intervals in the procurement of the scheme through the Northern Housing Consortium, and tenant and resident groups will be involved as appropriate in this process.

### 4.2 **Equality and Diversity / Cohesion and Integration**

4.2.1 The flexibility of the scheme's terms specifically benefits tenants on low incomes who may otherwise be unable to take up contents insurance.

4.2.2 The Council will undertake a full equality impact assessment of the marketing plan to ensure all equality groups are aware of the benefits of the insurance scheme.

### 4.3 **Council policies and City Priorities**

4.3.1 The Tenant Home Contents Insurance Scheme supports the Council's ambition of being the best city in the UK, which is fair, open and welcoming to all. The links to the best Council outcomes of:

- Improving the quality of life for residents, particularly those who are vulnerable or in poverty.
- Supporting communities and tackling poverty.

### 4.4 **Resources and value for money**

The Tenant Home Contents Insurance Scheme provides the Council an income of approximately £36,000 per annum at present and is not resource intensive.

### 4.5 **Legal Implications, Access to Information and Call In**

4.5.1 Royal Sun Alliance are authorised and regulated by the Prudential Regulation Authority and regulated by the Financial Conduct Authority.

### 4.6 **Risk Management**

4.6.1 All claims for the insurance are the responsibility of the assessors, Direct Group.

4.6.2 If Leeds City Council do not follow the correct procedures when administering an application and this leads to a claim that would otherwise not be accepted, then the Council may be responsible for the payment of the claim. In order to minimise this risk, Housing Leeds has clear procedures for officers to follow when administering claim and an ongoing training programme for officers responsible for administering the scheme.

- 4.6.3 The insurance offered can also help mitigate the impact of risks such as extreme weather or flooding.

## 5 **Conclusions**

- 5.7 The Tenant Home Contents Insurance Scheme represents good value for money both to the Council and our tenants.
- 5.8 At present the take up in Leeds of the scheme is typical of the other landlords running this scheme, however Housing Leeds is making it a priority to increase the take up of the scheme.
- 5.9 This will be realised through further training of Housing Leeds staff and an increased focus on marketing the scheme to tenants.

## 6 **Recommendations**

- 6.1 Scrutiny Board note the contents of the report and the benefits of the Tenant Home Content Insurance Scheme to the Council and its tenants.
- 6.2 That Housing Management design a marketing package to increase the take up of the Tenant Home Content Insurance Scheme outlined in section 3.



Report authors: Mark Burgess  
Tel: 24 78233

**Report of**     **City Planning Officer**

**Report to**    **Scrutiny Board (Housing and Regeneration)**

**Date:**       **20<sup>th</sup> January 2015**

**Subject:**     **Leeds Housing Standard – Design Quality (update) - Memoranda to ‘Neighbourhoods for Living’ (January 2015)**

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 type="checkbox"/> Yes <input checked="" 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 follows on from the last report (of Directors of City Development and Environment and Housing) to this Scrutiny Board (Working Group meeting 28<sup>th</sup> August 2014) recommending that the Explanatory Memoranda supporting the Council’s existing Neighbourhoods for Living is shared/commented on.
  
2. The Memoranda (together with existing Neighbourhoods for Living) represents the Design Quality aspect of the proposed Leeds Standard, and updates/ expands on key issues of layout and design of housing. It builds on the collaborative work between Lead Members, elected Members, officers, partners and representatives of the major house builders.

## RECOMMENDATIONS

Scrutiny Board is asked to consider and comment on the contents of the Memoranda to Neighbourhoods for Living and the new Foreword to the existing main document.

## **1.0 PURPOSE OF THIS REPORT**

- 1.1 To provide Scrutiny Board with the follow up from the last report (of Directors of City Development and Environment and Housing) to this Scrutiny Board (Working Group meeting 28<sup>th</sup> August 2014) recommending that the Explanatory Memoranda supporting the Council's existing Neighbourhoods for Living is shared/commented on.

## **2.0 BACKGROUND INFORMATION**

- 2.1 Following Scrutiny Board (Housing and Regeneration) working group on 28<sup>th</sup> August, Executive Board, at its meeting in September 2014, considered the report on how the Council seeks to achieve appropriate quality standards in support of the delivery of 70,000 houses by 2028, ensuring 'quality' and 'quantity' are achieved in accordance with the draft Core Strategy. The report emphasised the importance of excellent quality housing in supporting the economic growth ambitions of the Council.
- 2.2 The previous report outlined the development of the 'Leeds Standard' to promote and enable excellent quality in the delivery of new homes under three themes; Design Quality, Space Standards and Energy Efficiency Standards. The report also proposed that the Council can use the Leeds Standard in its role as Council landlord through its delivery and procurement approaches. Through its actions the Council can also seek to influence quality in the private sector. Those aspects of the Standard concerned with 'design quality' are planned to be addressed through better application of the Council's Neighbourhoods for Living guidance. The report made it clear that the wider application of other aspects of the standards is contingent on further government guidance, which currently envisages a formal development plan process and implementation through the Building Regulations.
- 2.3 The explanatory Memoranda is aimed at measures to influence housing delivery through the clarification and application of the principles held within the Neighbourhoods for Living document. The Council's approach combines some existing standards and draws on a number of existing Council policies to support and reinforce the standard in addition to some additional specification in respect of the Council's new build programme.
- 2.4 The programme for the development of the Memoranda (to deliver on the 'design quality' aspect of the Leeds Standard) has involved a series of reports/events – including Executive Board, Joint Plans Panels, Scrutiny Board (Housing & Regeneration), and workshops. Notably Executive Board (17-9-14), Joint Plans Panels (27-6-13 & 14-11-13), Scrutiny Board (Housing & Regeneration) working group, Housebuilders/Councillor/Officer workshop (2-10-13), Council House Building programme workshop (29-4-14), Housing & Regeneration (Housing Growth) providers workshop (16-5-14).
- 2.5 Specifically, the Housebuilder workshop in October 2013, attended by members of Plans Panels, representatives of major housebuilders, designers and officers from the Council involved in housing delivery, provided a strong consensus on issues of quality and early collaborative processes. The aim of the workshop was to promote

a greater understanding of how schemes can be designed to better reflect the positive character and identity of adjoining areas to overcome the commonly perceived problems which arise in submitted applications.

- 2.6 In addition, the Housing and Regeneration workshop in May 2014 also provided a strong basis for this more collaborative and forceful direction to improve the design quality of housing and neighbourhoods in Leeds. Participants included representatives from major house builders, Homes & Communities Agency (HCA), Registered Providers, Estate Agents, Home Builders Federation, planning consultants, Civic Trust, Councillors and officers.
- 2.7 The Council House building workshop in April 2014 provided the opportunity to share and explore issues of quality in terms of internal space standards, energy/environmental standards, and external layout & architectural quality. This was followed by inter-disciplinary working groups tasked with developing proposals for each of the 3 themes. The Memoranda associated with this report (for clarity on key current issues) together with the strong use of the Neighbourhood for Living principles also reflects the outcome of that working group.
- 2.8 Further consultation on the draft Memoranda to Neighbourhoods for Living commences following an event entitled 'Leeds Housing Growth' (15-1-15) for key housing providers/decision-makers, including representatives of major house builders, Councillors, Council officers and other stakeholders.

### **3.0 MAIN ISSUES**

- 3.1 The structure of the Memoranda responds to the issues of layout and detailed design (both of which have been cited as key concerns by Plans Panels over recent years).
- 3.2 Key 'Neighbourhoods for Living' principles are underlined and explanatory text (with illustrations) provide information to enable delivery of positive outcomes. The new Memoranda (as NfL) sets out to prompt, steer and assess design quality throughout the design and development process from an early stage.
- 3.3 The expectation of Neighbourhoods for Living is re-emphasised – especially the processes of analysis-concept-scheme-detail which has appeared to be lacking in many recent applications.
- 3.4 Key concerns members (and officers) were raising repeatedly with planning applications in recent years are illustrated (diagrams have been used - not specifically attributable to individual developers) - car parking dominating the streetscene, poor proportions/fenestration, unresponsive to local character and materials. These provide clarity to the issues summarised in the Joint Plans Panel reports in 2013 (with regard to concerns of both layout and detailed character).
- 3.5 During the process of developing the Leeds Standard with colleagues in the Council it has proved appropriate and beneficial to consider the wider objectives and initiatives in Leeds. The Memoranda has received positive input from health representatives and the issues of promoting healthy lifestyles and age-friendly

design are firmly embedded in the principles of Neighbourhoods for Living. These have been used (within the new Memoranda) alongside key 'health and well-being' themes – to provide a good reference point for this work. Similarly 'child-friendly' issues provide a basis for the promotion and use of Neighbourhoods for Living.

- 3.6 The Memoranda also provides an update with regard to the policy basis for NfL – following adoption of the Core Strategy.
- 3.7 The useful addresses are also updated to continue to assist developers to cross refer to helpful organisations/websites etc.
- 3.8 The Explanatory Memoranda and the new Foreword to the existing Neighbourhoods for Living housing design guidance will be forwarded in advance of the Scrutiny Board.

#### **4.0 RECOMMENDATIONS**

- 4.1 Scrutiny Board is asked to consider and comment on the contents of the Memoranda to Neighbourhoods for Living and the new Foreword to the existing main document.

#### **5.0 BACKGROUND PAPERS**

- 5.1 'Neighbourhoods for Living – a guide for residential design in Leeds – Memoranda to 3<sup>rd</sup> Edition 2015'.
- 5.2 New Foreword to existing main document ('Neighbourhoods for Living – a guide to residential design in Leeds'), main document is available for download from Leeds City Council website (searching for 'Neighbourhoods for Living').





Report author: Kate Arscott

Tel: 247 4189

**Report of Head of Scrutiny and Member Development**

**Report to Scrutiny Board (Housing and Regeneration)**

**Date: 20 January 2015**

**Subject: Accommodation for Students and impacts on residential neighbourhoods**

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 type="checkbox"/> Yes <input checked="" 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 Housing and Regeneration Scrutiny Board highlighted concerns about student accommodation while monitoring the recommendations of the Safer and Stronger Communities Scrutiny Board’s investigation into the Private Rented Sector and Empty Properties, which was completed in 2012. Particular concern was expressed about the impact of purpose built student accommodation on the broad “Headingley area”.
2. A working group of key organisations connected with student housing and representatives of local residents, under the chairmanship of the Executive Member for Neighbourhoods, Planning and Personnel, has been working to consider the issues at play in Inner North West Leeds and agree a partnership approach to tackling these. Councillors Procter and Nagle from the Scrutiny Board have been members of the working group.
3. Given the Board’s interest in this topic, a copy of the working group’s final report is attached for the Board’s information.

**Recommendation**

4. Members are asked to note the final report of the Leeds Student Accommodation Working Group.

## **Background documents<sup>1</sup>**

None used

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

## 1.0 Background

- 1.1 There has been an on-going debate about how best to meet the housing needs of students in Leeds. The Council has always been very clear about its commitment to ensuring the continuing expansion of the City's Universities and the continuing attraction of undergraduate and postgraduate students to Leeds to study, and to strive to retain those students to help build and improve the skills base in the city and the development of a thriving high skill and knowledge based economy in the City
- 1.2 Rapid increases in the numbers of students coming to Leeds to study from the late 1990's were not at first met by a commensurate expansion of purpose built accommodation to house those additional students. This led to a rapid expansion of shared private rented housing to meet demand for accommodation from both new and returning students. This expansion spread into areas not previously containing student residents, and increased the concentration of students in areas which had been home to students in the past.
- 1.3 This in turn led to serious concerns amongst existing residential households in areas of increasing student concentration, and new student residence, about the impact of housing in multiple occupation for students on the amenity, appearance and safety of those neighbourhoods.
- 1.4 Research undertaken in 2012 and 2013 (see below) established that following the increase in student numbers and the impact of increasing incidence of shared multi-occupied housing, significant changes in resident patterns had occurred with increasing numbers of students moving to live in the plethora of new Purpose Built Student Accommodation located in or around the city centre, or to shared housing in neighbourhoods adjacent to the Universities. This has led to a situation of transition for some neighbourhoods and concerns about whether alternative demand for housing is present in areas where students have been found to be leaving, that can prevent an increase in empty properties, and difficulties for existing homeowners needing to move.
- 1.5 Currently there is uncertainty about the future levels of student numbers in Leeds given changes to funding regimes and the increases in tuition fees, while demand from students and their parents (who fund their children's accommodation) has also been changing, and becoming an increasing influence on what accommodation is provided. There also remains, a tension between provision of purpose built housing and meeting student demand in shared housing, and in relation to the actual or perceived impacts of accommodating students on the residential neighbourhoods close to the universities.
- 1.6 All of these issues were debated by the Housing and Regeneration Scrutiny Board of Leeds City Council as they monitored the recommendations of the Safer and Stronger Communities Scrutiny Board's investigation into the Private Rented Sector and Empty Properties. Particular concern was expressed about the impact of purpose built student accommodation on the broad "Headingley area"

and it was agreed that the Executive Member for Neighbourhoods, Planning and Personnel would lead a detailed review linking back to the Councils' Housing Strategy and Community ambitions.

- 1.7 A working group of key organisations connected with student housing and representatives of local residents, under the chairmanship of the Executive Member, has been working to consider the issues at play in Inner North West Leeds and agree a partnership approach to tackling these.

## 2.0 Purpose of Report

- 2.1 This report seeks to summarise the issues at play in determining the best means of accommodating students in Leeds, and the issues arising from changing numbers of students in the city, changes in the patterns of student demand and residence and changes in underlying housing market conditions.
- 2.2 It outlines the approach undertaken by the Council in examining these issues and what courses of action could be followed and makes recommendations for action to address the current and likely future impact of changing student residence on residential neighbourhoods in Inner North West Leeds.

## 3.0 The Research Evidence

- 3.1 Two pieces of research have been undertaken to provide some factual basis for decision making on how best to accommodate students and manage the areas where students live. One was commissioned by Unipol Student Homes in 2012 and was undertaken by re'new which considered the changing patterns of student residence between 2007 and 2012 and the underlying housing market conditions in inner North West Leeds. The other was commissioned by Leeds City Council and was also undertaken by re'new which reviewed available evidence on student numbers and supply of accommodation for students, and identify whether there was a clear justification for additional Purpose Built Student Accommodation.

### 3.2 UNIPOL research findings

- 3.2.1 The research undertaken by re'new on behalf of Unipol Student Homes in 2012 <sup>1</sup> is attached as Annexe A to this report. The key findings from the research were as follows:
- 3.2.2 There have been significant migrations of students within and out of the traditional student heartlands since 2007. There has been a marked shift in student demand from Central and Far Headingley and surrounding areas towards the City Centre (where the number of students increased by 870% due to the opening of new Purpose Built Student Accommodation and the movement of students into city centre apartment complexes) and areas adjacent to the universities such as Little Woodhouse, Hyde Park and Woodhouse where the number of students increased by 77% between 2007 and 2012,
- 3.2.3 In **Hyde Park and Woodhouse**, the increasing movement of students from Far and Central Headingley and from the city centre, have added to the already high student population living in the area. Hyde Park also has a very high proportion of Houses in Multiple Occupation with some streets completely dominated by such housing and there is rapid turnover of households in the area. Demand

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<sup>1</sup> Assessment of Housing Market Conditions and Demand Trends in Inner North West Leeds: Huw Jones, Strategy and Intelligence Manager, re'new and Martin Rushall, Unipol - July 2012

from residential households is limited currently mainly to south Asian communities and other new populations. Property types in the area may be unsuitable for families (as few have gardens or secure play-space or are very small back to backs) Opportunities for starter households to buy in the area are limited by high average house prices and the current mortgage finance constraints. There are long term empty properties, but these have reduced over the last two years. The area has had issues with crime, nuisance, anti-social behaviour, refuse disposal and environmental quality, although there are clear signs of improvement.

3.2.4 Adjacent to Hyde Park is Little Woodhouse, itself adjacent to the large-scale building of Purpose Built Student Accommodation along Burley Road. While this accommodation has enabled students to move from shared HMO housing in Hyde Park and Central Headingley, there have been impacts for the people living in Little Woodhouse.

3.2.5 In **Central Headingley** and nearby areas located farther from the Universities, the number of students reduced by 43.2% in the Cardigan Triangle; by 21.4% in Central Headingley, and by 10.2% in the South Headingley area between 2007 and 2012;. However, there is little evidence of sufficient alternative demand for vacated properties from residential households, although there are signs of family residence returning to certain pockets (The Turnways, Dennistead Crescent, Ash Road, Springbanks, Alma Road area) House prices are still high and unaffordable to many potential first time buyers while owners with equity appear to be looking elsewhere in North Leeds for housing options. Many of the properties being vacated by students or that are currently underlet may not be attractive to families, as they mostly have no private garden space, or may be expensive to de-convert from HMO use and refurbish for family occupation. There is also continuing demand for rented and shared rented housing from young professionals who cannot afford self-contained rented housing and who are unable to buy so demand for HMO type accommodation in the area may still be strong and landlords may seek to switch their focus to letting to such potential tenants.

There are a number of long-term empty properties in the area mostly around Headingley Stadium, along with evidence of a significant level of unlet bedspaces which could feed into empty properties in the future. The area has some residual issues with crime, nuisance, anti-social behaviour, refuse disposal and environmental quality which may serve as a deterrent to incoming demand.

3.2.6 In **Far Headingley; Burley and Meanwood**, where there had been traditionally no or little student residence, the number of students reduced by between 5% and 26% between 2007 and 2012. In Far Headingley, there are signs of the local housing market returning to a fundamentally residential one, with increasing numbers of families buying homes in the area. In Burley, there is evidence of replacement of students by young working individuals in the shared housing in the area, while in Meanwood there is increasing demand from young workers/professionals, linked to a perception that the area is 'on the up'.

3.2.7 *Review of Evidence on supply and demand for housing for students*

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<sup>2</sup> Student Housing Demand and Supply: :A review of evidence: Huw Jones, Associate Consultant, re'new - August 2014

The Council also commissioned re'new to undertake a review of available evidence on student numbers and supply of accommodation for students. <sup>2</sup> This is attached to this report as Annexe B. It found that

- i) Statistics from HECA suggest a modest increase in student numbers rather than an increase of the magnitude that necessitated the large scale building of new Purpose Built Student Accommodation previously.
- ii) Virtually all new students can now live in purpose built student accommodation (PBSA). Students (and their parents, who are increasingly influential to students choosing PBSA for the first year accommodation) are increasingly demanding of their accommodation and are seeking a range of facilities (especially in relation to internet access and provision of communal space).

The current extent of provision of PBSA aimed at new (first year) students suggests that little or no new provision is needed in absolute terms aimed solely at new students. With demand from new students only expanding slightly, it is likely that providers (Universities, private providers, Unipol) will target returning students, and while there is evidence that the vast majority of returning students prefer to live in shared off-street housing close to the universities, there is also evidence that an increasing proportion of students living in PBSA are returning students. Further development of large-scale PBSA aimed at new students could also have an impact on existing University run accommodation and may influence decisions on future of accommodation schemes should empty bedspaces ensue.

- iii) There is evidence of speculative interest from developers seeking to attract overseas finance and investment for PBSA developments that are being 'sold' to developers on the basis of past trends in student applications rather than actual admissions. These are not responding to known surges in demand, but are seeking to draw demand from existing PBSA and shared accommodation.
- iv) Despite evidence of under-letting, the size of the off-street shared housing market is likely to be stable over the coming years and many landlords may be seeking to alter the offer they make to students to compete with the providers of purpose built accommodation and retain their current 'market share' of returning students. Some landlords are still investing, whilst others are beginning to sell as the market becomes more fluid. Indications are that landlords are phasing out smaller rooms where possible. More landlords are including Wi-Fi and installing individual door locks.
- v) There is no evidence of any significant increase in the number of students living at home and studying in Leeds during their studies.
- vi) There appears to be a current surplus of accommodation, in the region of 4,700 bed spaces in relation to likely demand, and over the next few years a further surplus of accommodation could become evident, given likely trends in student numbers. There is likely to be a continuing surplus across all provision in comparison to overall housing need even if the supply of private rented shared housing (in LS6 or the city centre) were to reduce as landlords switch to letting to alternative sources of demand.
- vii) Currently, it is assumed by the City Council and the Universities that student accommodation needs across the years of study, will be met through a mix of PBSA and off-street shared private

rented housing. There is no expectation for all students to be accommodated in PBSA. Switching the thrust of policy towards greater accommodation of students in PBSA would clearly have a knock on effect on the neighbourhoods currently containing a large supply of shared private rented housing aimed at students. Should there be a substantial surplus of bed spaces, and possibly of completely empty properties, in the shared housing market, then this would raise issues of what source of demand could or would 'take up the slack'.

- a. While there are signs of more residential families (especially South Asian families) buying or renting homes in Central Headingley, there is little evidence to show that all vacated shared houses in Leeds 6 would easily revert to family occupation, given the type and size of properties that would probably be vacated<sup>3</sup>
- b. There is evidence of increasing demand for shared housing in HMOs from young working individuals and couples who are unable to afford market rents for self-contained private rented housing, and who may not be able to access home ownership until a deposit is accumulated. Landlords may be switching their business focus from students to young workers.
- c. Local Housing Allowance rates for housing benefit payment are currently substantially below the average rental levels in most parts of 'Leeds 6', meaning that benefit claimants rehoused would have to find the unpaid difference from their benefit.
- d. Should landlords decide to 'off-load' surplus properties onto the local market, then this could have implications on property values and confidence in the area.

## **4.0 Issues to address**

4.1 There are a number of key issues emerging from the research undertaken that need to be addressed by the Council and its partners

### *4.1.1 Across the three areas*

- i) How to ensure that there is provision of high quality accommodation for students that offers choice, meet student preferences and is located within easy reach of the University campuses
- ii) How to ensure that any new Purpose Built Accommodation is needed, and is of a type and level of amenity that will add value to the supply of accommodation for students, and potentially for other needs groups in the future; Selective use of small scale PBSA, configured in such a way as to be attractive to returning students, and located in areas close to the Universities may help draw demand further from off-street shared housing. This approach is being promoted by residents groups in Nottingham to support the development of innovative accommodation which will be attractive to returning as well as first year students<sup>4</sup>
- iii) How to ensure that the use of HMO Policy (Policy H6 of the LDF Core Strategy) to limit the conversion of 'family housing' to HMOs takes account of the different housing market conditions in the various parts of Inner North West Leeds and does not either disadvantage homeowners in

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<sup>3</sup>Assessment of Housing Market Conditions and Demand: Trends in Inner North West Leeds *op cit*

<sup>4</sup> *Changing Lenton: Lenton's Housing and a 'Vision for Lenton'* Report of a round table meeting - Friday, 29<sup>th</sup> November 2013.

areas where alternative demand may be limited or limit provision of housing options for young people on low pay;

- iv) Consider how best to ensure that new housing developments in the area contribute constructively to the housing options in the area, including determining how best to use S106 contributions from private housing developments.
- v) Consider opportunities to return long term empty properties into residential accommodation. There are 124 long term empty properties across the area and whilst the rates are lower than the city average, there may be opportunities to bring them back into use.
- vi) How to ensure that shared housing across the city is of a high quality (of condition, amenity and management service).
- vii) Much good work has been done to promote the area, such as that sponsored through the Headingley Development Trust and the Hyde Park Unity Day, but consideration is needed as to how best to continue to address the often negative image of the area, and to promote them as good and vibrant places to live.

#### 4.1.2 *In Hyde Park, Woodhouse and South Headingley*

- i) How best to apply use of HMO Policy (Policy H6 of the LDF Core Strategy) in a way that takes account of the existing high level of concentration of HMOs, and avoids the restriction of opportunities for existing homeowners to sell their properties or, opportunities to meet demand and need for shared housing from other groups;
- ii) How to assist and attract new demand to the area including first time buyers and young 'family building' households, young working households and South Asian households;
- iii) Consider how best to ensure that development at the Leeds Girls High School site contributes to sustainable housing options in the area
- iv) Consider opportunities for bringing long term empty properties back into residential use
- v) How best to deliver neighbourhood management including services to improve the environment, reduce undue noise nuisance, effectively dispose of domestic waste and enhance community safety;
- vi) How to improve the quality, energy efficiency and safety of back to back housing and its streetscape.

#### 4.1.3 *Central Headingley, Cardigan Triangle and Headingley Hill*

- i) How to support, promote and market 'residential enclaves' (Turnways, Denistead Crescent, Ash Road, Spring Banks, Buckingham) for residence by self-contained households including families and 'family builders';
- ii) Consider how best to apply use of HMO Policy (Policy H6 of the LDF Core Strategy) in a flexible way that can limit unnecessary expansion of HMOs while enabling landlords to meet changes in housing demand and avoiding any restriction of opportunities for existing homeowners to sell up and move on should they want, or need to;
- iii) Consider how to bring empty properties back into residential use, including exploring the feasibility of converting surplus large terraced housing without gardens to flats (e.g. in the Estcourts, Headingleys) aimed at long term residential use;



- iv) Consider how to attract young working individuals and couples, who are the ‘family builders’ of the future (some of whom may wish or need to share housing) to live and remain in the area;
- v) Consider how best to encourage the improvement of the safety, energy efficiency and appearance of back to backs and the streetscape in areas where they exist e.g. Ash Road area, Granbys;
- vi) Consider how best to deliver continually improving neighbourhood management.

#### 4.1.4 *Far Headingley (inc Moor Road, Becketts Park, Weetwood)*

- i) Support the current return to residential occupation including marketing and promoting the area to attract incoming households; and through use of HMO Policy (Policy H6 of the LDF Core Strategy) to protect the move back to residential occupation and prevent any return to significant levels of multiple occupation;
- ii) Consider opportunities for bringing long term empty properties back into residential use
- iii) Ensure that new developments (Bodington, Tetley Halls) contribute to local housing options;
- iv) Ensuring that the area provides housing options for young professionals and workers.

## 5.0 **The Council’s approach to addressing issues raised**

5.1 The Council has deployed a range of means to consider and tackle the issues raised by the research undertaken on student accommodation and housing market conditions in Inner North West Leeds.

5.2 The Council established a Working Group chaired by the Executive Member for Housing and consisting of the key organisations involved in the provision of accommodation for students including the Universities, private landlords, Unipol Student Homes and the Student Unions and representatives of local residents groups.

### 5.3 Noise nuisance

The Council has introduced a new procedure for tackling noise nuisance within the three areas. The new procedure agreed with the Universities includes

- 5.3.1 A single point of contact within the Leeds Anti-Social Behaviour Team
- 5.3.2 Community Committee funding to provide a dedicated patrol
- 5.3.3 A pilot exercise, now being evaluated, which provided a dedicated Police patrol from Friday to Sunday
- 5.3.4 The introduction of home visits

### 5.4 Parking

The Council has undertaken work to review policy relating to parking and parking permits in areas where convenience of parking for residents may be compromised by concentrations of HMOs. The Council has proposed implementing a slight relaxation of policy regarding parking spaces per households where HMOs are converted to other dwelling forms, but is not proposing any extensions in the LS6 area in order to balance parking convenience for residents with the need for appropriate parking to support commercial and retail activity in Headingley Town Centre. It was considered that there might be some scope for no parking markings in front of homes in key areas around Burley

railway station. It was also felt that Hyde Park Road might need to have its parking reviewed due to the impact of the amount of parking for the local businesses.

## 5.5 Planning Policy

The Council has also been striving to build sound policy on student housing within the LDF Core Strategy. Policy H6 sets out the basis for agreeing planning applications to change the use of properties from residential to HMO use, and the expectations for development of Purpose Built Student Accommodation where the Council was seeking to require developers of new PBSA to provide evidence of the need for such additional accommodation.

- 5.6 Following an Examination in Public of the Core Strategy, the Council's policy regarding PBSA was not accepted by the Planning Inspector, while the policy regarding HMOs was accepted along with the possibility of landlords being able to switch ( or 'flip') the use of properties from residential to HMO use and back, where housing market and demand conditions justified it.
- 5.7 The Council has invested significant resources to improve the quality of the Private Rented Sector within the area. The implementation and subsequent management of the HMO Licensing Scheme has made a significant difference to property standards. The Unipol Licensing Scheme has also made a significant contribution in this area.
- 5.8 The Council has introduced a localised approach to tackling Environmental issues in the area.
- 5.9 The Council has also supported the formation of a Neighbourhood Forum for Headingley, and the formulation of a Neighbourhood Plan for the area.
- 5.10 The Universities, Student Unions and Unipol have all contributed to increasing communication with students about the expected levels of behaviour when living in the area amongst long standing residents.

## 6.0 **Proposed Actions**

- 6.1 The following measures are recommended to the working group for their approval to take forward action to tackle the housing and neighbourhood management issues in existence in Inner North West Leeds. It is the intention that this report will feed into the Inner North West Community Committee and will be used as evidence within the Neighbourhood Planning process. The key actions as set out below will also be monitored periodically by the Leeds Housing Forum.

### 6.2 **Planning**

- 6.2.1 For the Inner North West Community Committee to ensure a strategic approach is taken towards combining oversight of planning issues, housing development and delivery of neighbourhood based services relating to community safety noise nuisance refuse disposal and environmental condition,
- 6.2.2 For the Inner North West Community Committee to commission a six-monthly review of evidence on student applications and the numbers of students with an accommodation need, student residential patterns and housing market and neighbourhood conditions in the various parts of Inner North West Leeds

- 6.2.3 For the Leeds Planning Service to strategically and operationally manage the application of Core Strategy planning policies including:
- i) Formulation of a Neighbourhood Plan
  - ii) Application of use of HMO Policy (Policy H6 of the LDF Core Strategy) including the ability for HMO landlords to 'Flip' the use of HMOs between letting to families and HMO use
  - iii) Progressing the planning policies relating to new housing developments in the area (Tetley Hall, former Leeds Grammar School)
  - iv) Progressing and advising upon any new applications for PBSA in the area.
  - v) Monitoring any changes in definition of HMOs taking place nationally and advising on implications for planning policy pertaining to Inner North West Leeds.

### **6.3 Housing**

- 6.3.1 For the Director of Environment and Housing to ensure delivery of a six-monthly review of evidence on student applications and the numbers of students with an accommodation need, student residential patterns and housing market and neighbourhood conditions in the various parts of Inner North West Leeds
- 6.3.2 For the Director of Environment and Housing to
- i) Consider options and opportunities for bringing long term empty properties back into use
  - ii) Commission an annual Housing Market Assessment to advise on housing demand and need in the areas concerned
  - iii) Advise on and research the feasibility of converting large properties to flats and broker subsequent initiatives
  - iv) Advise on the potential future use of any surplus PBSA to meet housing needs

### **6.4 Community and Neighbourhood Services**

- 6.4.1 For the Inner North West Community Committee to oversee the strategic approach to provision of community services in the area, through the Environment sub group and monitor effectiveness of delivery and positive service outcomes
- 6.4.2 For the Leeds Students Unions to continue to support effective community engagement and involvement by students and encourage responsible residence amongst students.
- 6.4.3 For the Director of Environment and Housing to complete the pilot refuse collection exercise in the Ash Road area and develop relevant collection options for the area
- 6.4.4 For the Director of Environment and Housing to consider street cleansing "Zonal Teams" to offer an efficient, seamless area-based approach to cleansing working closely with enforcement officers and with waste collection teams to resolve specific issues.
- 6.4.5 For the Director of Environment and Housing to continue to provide an effective low level anti-social behaviour service with a particular emphasis on tackling noise nuisance.

### **6.5 Parking**

6.5.1 Highways Services will investigate measures required to relieve the pressure on local residents living around Burley railway station.

6.5.2 Highways Services will review the parking arrangements on Hyde Park Road.

## 6.6 Marketing and Publicity

6.6.1 For the Inner North West Community Committee to commission a marketing and promotion campaign aimed at positively promoting the area as a good and vibrant place to live and counteracting the negative descriptions that are present on the internet, and could be framing views of the area and frustrating demand. This could involve using a range of tools such as photographs, websites, etc. to change perceptions by better and positive promotion of the area, in order to attract new families to the area, as well as ensuring that graduates who may wish to do so remain in the area. This approach has been proposed in the Lenton area of Nottingham.<sup>5</sup>

## 7.0 Action Plan

Action	Responsible Deliverer	Target Timeframe
Review Market Conditions	Housing Growth Team	June 2015 and thereafter Annually
Review land availability for new family housing	Housing Growth Team	March 2015
Returning long term empty homes into family accommodation	Housing Growth Team	Ongoing to March 2018
Enabling landlords to switch use of HMOs	Chief Planning Officer	Ongoing
Progress planning process for key development sites	Chief Planning Officer	March 2016
Expansion of the Ash Road refuse collection pilot	Waste Management Services	December 2014
Evaluate Ash Road waste collection pilot and bring forward further proposals for the area	Waste Management Services	May 2015
Partnership working with Student Unions to ensure students understand their role in the community	Community Safety University Student Unions	Ongoing
Targeted out of hours noise nuisance work	Community Safety	Freshers week, term starts and year ends and key festival dates
Consideration of a positive publicity	Neighbourhood Planning and	Develop a programme

<sup>5</sup> Changing Lenton op cit

programme	Community Committees	
Consider parking remedies around Burley railway station	Highways Services	June 2015
Consider parking remedies on Hyde Park Road	Highways Services	June 2015

### **Acknowledgements**

The Council would like to thank the following for their commitment to the working group

Garance Rawinsky – Little Woodhouse Community Association

Stephen Blundell – Leeds Federated Housing Association

Frankie O'Bryne - Leeds University Union

Martin Blakey - Unipol  
Ian Robertson – Leeds University  
Mike Leonard – Leeds University  
Chris Town – Resident Landlords Association  
Miles Pickard – Leeds Residential Property Forum  
Richard Tyler – Headingley Neighbourhood Forum  
George Bradley – Leeds University Union  
Amanda Jackson – Leeds University  
Steve Rowley – Leeds Residential Property Forum  
Richard Jones – Leeds Residential Property Forum  
Megan Kearney – Unipol  
Vicki Johnson – Leeds Carnegie University  
Huw Jones – Associate Consultant to Re’new  
Mike Haw – Re’new  
Councillor Peter Gruen  
Councillor Neil Walshaw  
Councillor Elizabeth Nash  
Councillor Sandy Lay  
Councillor David Nagle  
Councillor John Procter  
Councillor Barry Anderson



Report author: Kate Arscott

Tel: 247 4189

**Report of Head of Scrutiny and Member Development**

**Report to Scrutiny Board (Housing and Regeneration)**

**Date: 20 January 2015**

**Subject: Recommendation Tracking**

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 type="checkbox"/> Yes <input checked="" 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. Each Scrutiny Board receives regular reports on any recommendations from previous inquiries which have not yet been completed.
2. This allows the board to monitor progress and identify completed recommendations; those progressing to plan; and those where there is either an obstacle or progress is not adequate. The board will then be able to take further action as appropriate.
3. A standard set of criteria has been produced, to enable the board to assess progress. These are presented in the form of a flow chart at Appendix 1. The questions should help to decide whether a recommendation has been completed, and if not whether further action is required.
4. Attached as Appendix 2 is a progress report on one outstanding recommendation from the board's inquiry report on affordable housing by private developers.
5. To assist board members, the Principal Scrutiny Adviser has proposed a draft status for the recommendation, taking account of the progress reported and the criteria set out in Appendix 1. The board is asked to confirm whether this assessment is appropriate, or to change it if this is not the case.
6. In deciding whether to undertake any further work, members will need to consider the balance of the board's work programme.

**Next Steps**

7. Further recommendation tracking reports will be scheduled as required, enabling the board to judge progress against outstanding recommendations.

### **Recommendation**

8. Members are asked to agree the status of the attached recommendation from the scrutiny inquiry on affordable housing.

### **Background documents<sup>1</sup>**

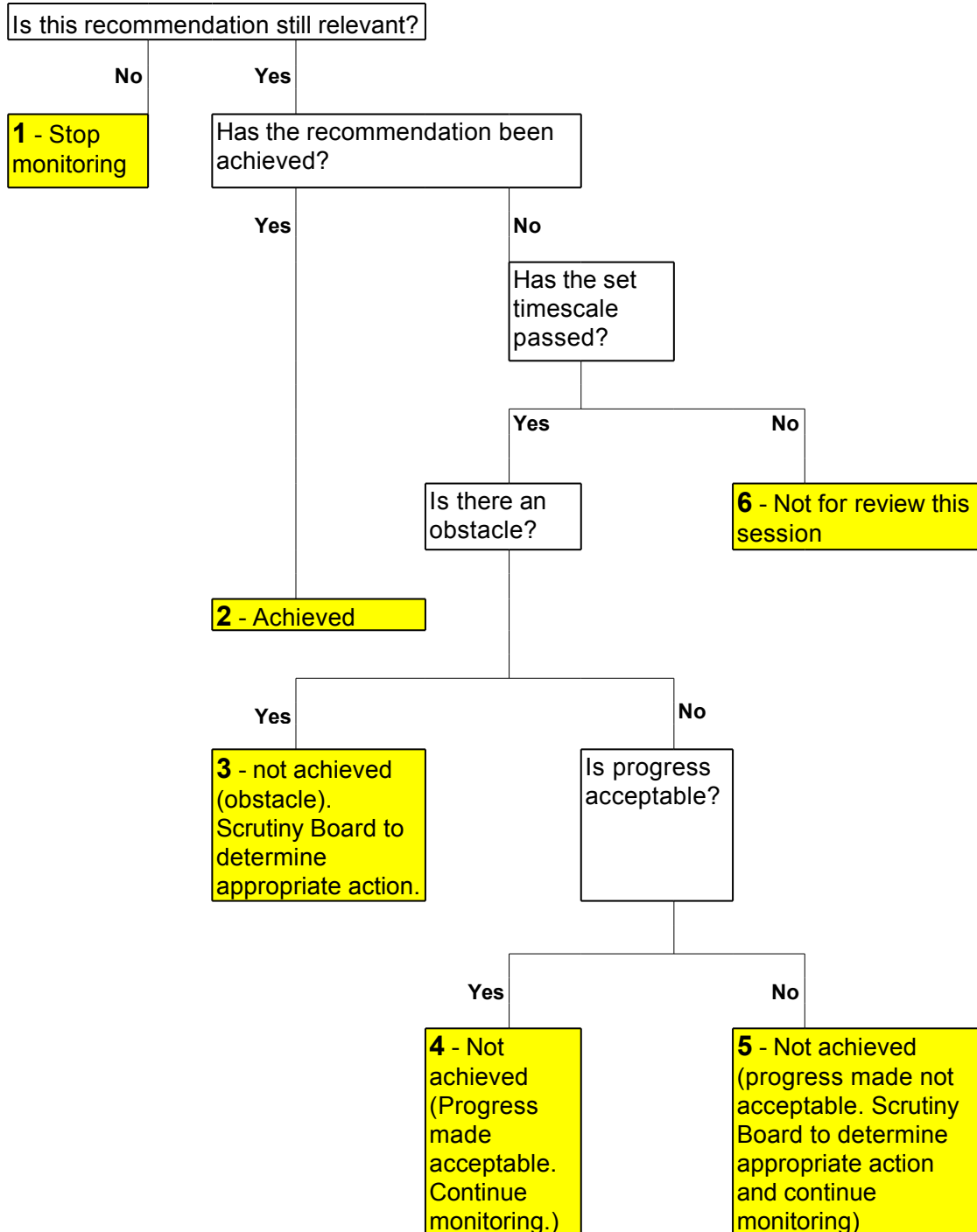
None used

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



**Recommendation tracking flowchart and classifications:**  
**Questions to be Considered by Scrutiny Boards**



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## Affordable Housing by Private Developers

Report published May 2012

Last update September 2014

	Recommendation	Stage	Complete
3 (ii)	<p><b>That the Executive Board request the Directors of City Development and Environment and Neighbourhoods as appropriate to include in that review whether there are any benefits to Leeds adding affordable rents in the tenure split of intermediate and social housing, to determine whether there would be any benefit from the variation of transfer values in the calculations for the provision of affordable homes.</b></p>		
	<p><u>January 2015 update</u>                      The Core Strategy has now been adopted on the 12<sup>th</sup> November 2014. Policy H5 sets out affordable housing policy and this sets out that 40% of affordable housing is for households on lower quartile earnings and 60% of affordable housing is for households on lower decile earnings. This new terminology of lower decile and quartile earners ensures that affordable rent tenure is accommodated whilst ensuring that those in the highest need for affordable housing are the ones who receive affordable housing. Following the adoption of the Core Strategy implementation and monitoring of the Core Strategy policies will be progressed.</p> <p><u>Formal Response (received November 2012)</u>  <i>Affordable rent is a delivery model that is already possible using current affordable housing policy and practice. The City Council would need to be satisfied that rents charged (up-to-80% of local market rents) would be genuinely affordable to households in need. The review will examine how best to use “affordable rent” as a form of affordable housing and set out the circumstances where it would be best employed.</i></p> <p><i>The methodology for establishing “transfer values” used in Leeds was established around 10 years ago through consultation with Registered Providers and housebuilders. Although annual updates have taken place there has not been a full review. As Scrutiny Board has recommended, a review would be worthwhile now. It would need to consider best practice in other local authorities, local evidence of housing need and earnings and the HCA’s rent/affordability models and policies. It would also consider the relationship between rents and transfer rates. This would need to evaluate whether any gains in the number of affordable dwellings delivered are not outweighed by reductions in their affordability to households in need. Consultation with registered providers and housebuilders would take place through preparation of the Supplementary Planning Document on affordable housing.</i></p> <p><u>November 2013 update</u>  <i>Affordable Rent (defined as up to 80% market rent) is commonly used by Registered Providers (housing associations) and properties let at affordable rent are viewed by the Homes and Communities Agency as social housing. Planning policy currently differentiates between social and affordable rent and the latter is seen as an intermediate product with the policy. The benchmark prices or transfer values set within the policy enable RPs to acquire properties and service the borrowing associated with the acquisition, for affordable rents this is set at the higher intermediate product rate. As the Nov 12 update suggests, this could be usefully reviewed as part of the Supplementary Planning Document.</i></p>	<p><b>2</b> <b>(achieved)</b></p>	<p>✓</p>

September 2014 update

*The modifications in the Core Strategy accommodate affordable rent in line with the National Planning Policy Framework NPPF (March 2012). The Core Strategy is set out to allow affordability of affordable housing to be designed to meet identified need of households to ensure that 40% of affordable housing is for households on lower quartile earnings and 60% of affordable housing is for households on lower decile earnings. Transfer values will need to be recalculated to accord with these benchmarks.*



Report author: Kate Arscott

Tel: 247 4189

**Report of Head of Scrutiny and Member Development**

**Report to Scrutiny Board (Housing and Regeneration)**

**Date: 20 January 2015**

**Subject: Work Schedule**

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 type="checkbox"/> Yes <input checked="" 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 Board's work schedule is attached as appendix 1. The work schedule reflects discussions at the Board's December meeting. It will be subject to change throughout the municipal year.
2. The minutes of the Tenant Scrutiny Board meeting held on 18 December 2014 are attached at appendix 2 for the Board's information.
3. The minutes of the Executive Board meeting held on 17 December 2014 are attached at appendix 3 for the Board's information.

**Recommendation**

4. Members are asked to consider the work schedule and make amendments as appropriate.

**Background documents<sup>1</sup>**

None used

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

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## Scrutiny Board (Housing and Regeneration) Work Schedule for 2014/2015 Municipal Year

Area of review	Schedule of meetings/visits during 2013/14		
	June	July	August
Provision of cookers for tenants in need		Visit to furniture re-use organisations 29/7/14	
Requests for scrutiny			
Pre-decision Scrutiny			Leeds Housing Standard WG 28/8/14
Budget & Policy Framework Plans			
Recommendation Tracking			
Performance Monitoring	Quarter 4 performance report SB 24/6/14		

Page 73

## Scrutiny Board (Housing and Regeneration) Work Schedule for 2014/2015 Municipal Year

Area of review	Schedule of meetings/visits during 2013/14		
	September	October	November
<b>Provision of cookers for tenants in need</b>		To consider a report back on proposals discussed with furniture re-use organisations in March and July SB 28/10/14	
<b>Rent Arrears</b>	To consider a detailed report on the management of rent arrears (Requested March 2014) SB 23/9/14		Further report on technical arrears and low-level arrears SB 11/11/14
<b>Housing delivery by the Private Sector</b>			
<b>East Leeds Extension</b>			East Leeds Extension/East Leeds Orbital Road Progress Update SB 11/11/14
<b>Requests for scrutiny</b>	Housing Growth Private Rented Sector Housing SB 23/9/14		Housing Growth – further evidence to support consideration of request SB 11/11/14
<b>Pre-decision Scrutiny</b>		Housing Lettings Policy SB 28/10/14	Housing Strategy WG 25/11/14
<b>Budget &amp; Policy Framework Plans</b>			
<b>Recommendation Tracking</b>	Affordable housing by private developers Housing Growth Private Rented Sector SB 23/9/14		Affordable housing by private developers – recommendation 9(i) SB 11/11/14 (Linked to request for scrutiny)
<b>Performance Monitoring</b>	Housing Management Review Financial Health Monitoring Housing on Brownfield Land Progress Tracking SB 23/9/14	Housing repairs performance monitoring process SB 28/10/14	



## Scrutiny Board (Housing and Regeneration) Work Schedule for 2014/2015 Municipal Year

Area of review	Schedule of meetings/visits during 2013/14		
	December	January	February
<b>Council house building programme</b>	Buyback of Right to Buy properties SB 9/12/14		
<b>East Leeds Extension</b>	East Leeds Orbital Road Progress Update SB 9/12/14		
<b>Insurance</b>		Contents Insurance for Council tenants SB 20/1/15	
<b>Requests for scrutiny</b>		Housing growth – proposed scope and timetable	
<b>Pre-decision Scrutiny</b>	Lettings policy consultation proposals WG 17/12/14	Leeds Housing Standard explanatory memorandum SB 20/1/15	Lettings Policy – Feedback from consultation SB 24/2/15
<b>Budget &amp; Policy Framework Plans</b>		Executive Board's initial budget proposals SB 20/1/15	
<b>Recommendation Tracking</b>		Affordable Housing by Private Developers – rec 3(ii) SB 20/1/15	
<b>Performance Monitoring</b>	<ul style="list-style-type: none"> <li>• Quarter 2 performance report</li> <li>• Delivery of Housing on Brownfield Land quarterly progress report</li> <li>• Quarterly Financial Position Statement SB 9/12/14</li> </ul>	Report of Student Accommodation Working Group SB 20/1/15	Annual Tenancy Visits Outcomes SB 24/2/15

## Scrutiny Board (Housing and Regeneration) Work Schedule for 2014/2015 Municipal Year

Area of review	Schedule of meetings/visits during 2013/14	
	March	April
<b>Private Rented Sector</b>	Scope to be determined SB 24/3/15	
<b>Requests for scrutiny</b>		
<b>Pre-decision Scrutiny</b>		
<b>Budget &amp; Policy Framework Plans</b>		
<b>Recommendation Tracking</b>	Private Rented Sector – recommendation 2(ii) SB 24/3/15	
<b>Performance Monitoring</b>	<ul style="list-style-type: none"> <li>• Quarter 3 performance report</li> <li>• Delivery of Housing on Brownfield Land quarterly progress report</li> <li>• Quarterly Financial Position Statement</li> <li>• East Leeds Orbital Road progress report</li> </ul> SB 24/3/15	Tenant Scrutiny Board inquiry report – Annual Tenancy Visits SB 28/4/15

### Unscheduled

- Repairs contract renewal – timing to be confirmed
- Community Infrastructure Levy – apportionment of spending and spending priorities (representative from Housing & Regeneration SB to join Sustainable Economy and Culture Scrutiny Board)
- Institutional Investment – scope and timing to be determined
- Pre-tenancy training – to be scheduled once programme developed

## TENANT SCRUTINY BOARD

THURSDAY, 18TH DECEMBER, 2014

**PRESENT:** John Gittos in the Chair

Carol Bennett, Roderic Morgan,  
Keith Newsome, Philip Rone,  
Barry Stanley and Maddie Ullah

### 39 Chair's Opening Remarks

The Chair welcomed all in attendance and particularly welcomed back Maddie Ullah to the Board.

### 40 Exempt Information - Possible Exclusion of the Press and Public

There were no exempt items.

### 41 Late Items

There were no late items, but the following additional information was submitted to the meeting:

- Evidence pack for Scrutiny Board inquiry into Annual Tenancy Visits (ATVs)

The above information was subsequently made available on the Council's website.

### 42 Apologies for Absence

Apologies for absence were submitted by Jim Fergusson, Damien Walsh and Jackie Worthington.

### 43 Minutes - 13 November 2014

**RESOLVED** – That the minutes of the meeting held on 13 November 2014 be approved as a correct record.

### 44 Work Programme

The Head of Scrutiny and Member Development submitted a report which invited Members to consider a timetable for the Board's inquiry into ATVs.

The following timetable was proposed:

1. That the Board be asked to review the information contained in the evidence pack for the Board's inquiry into ATVs prior to the January

meeting and submit any questions they had to the Chair or Peter Marrington before 10 January 2015.

2. That at the January Board meeting a final review be undertaken of the information provided and any final outstanding questions be addressed.
3. For the February meeting, each Board Member be invited to submit at least three recommendations to put before the Board for consideration. The Board at this meeting will then collectively agree its final recommendations.
4. The final draft report to be agreed at the March meeting.

The following key points were noted:

- That Councillor Peter Gruen, Executive Member (Neighbourhoods, Planning and Personnel) had been invited to attend the February meeting. He will be invited to the first part of the meeting and will then leave when Board Members discuss their recommendations. Members may also wish to consider potential future areas for Scrutiny and seek Councillor Gruen's views on these.
- Councillor John Procter, Chair of Scrutiny Board (Housing and Regeneration) had accepted an invitation to attend the Board meeting in March to discuss the work programme.

**RESOLVED** – That the timetable for the Board's inquiry into ATV be approved.

#### **45 Board Recruitment**

The Chair invited Members to consider future Board recruitment.

The key areas of discussion were:

- Further work needed to ensure the Board was more representative of tenants from across Leeds.
- Establishing a term of office for tenants serving on the Board.
- Establishing a protocol in relation to persistent non-attendance.
- Suggestion that the start time of Board meetings be altered to accommodate a broader age range, particularly those in employment.
- Use of plain English and avoiding the use of council jargon.
- Utilising the tenant inspection programme to help inform the work of tenant scrutiny and to use tenant inspection as an information gathering tool.
- The acknowledgement of the wider tenant involvement network to gather information.
- Exploring other accessible meeting venues across the city.
- Suggestion to develop a more informal agenda coversheet design.
- Development of an information pack to support future Board recruitment. Sharon Guy, Housing Manger (Scrutiny and Customer Relations), agreed to produce a draft pack for the Board to consider.

**RESOLVED** – That the Housing Manager (Scrutiny and Customer Relations) produces a draft information pack to be presented to the January Board meeting for discussion.

**46 Planning Scrutiny for the future**

Members briefly discussed scrutiny objectives for the future, particularly the potential to undertake more than one scrutiny inquiry at the same time and the benefits of appointing a Board Member to project manage a particular inquiry and report back to the Board.

**47 Any Other Business**

Board Members received a brief update on the proposed visit to Wakefield District Housing to review the use of PDAs by estate officers. Carol Bennett, Keith Newsome and Maddie Ullah volunteered to attend. Guy Close, Governance Officer, agreed to report back with suggested dates and to provide Board Members with a set of proposed questions to take with them on the visit. Sharon Guy, Housing Manager (Scrutiny and Customer Relations) agreed to make the necessary transport arrangements for Board Members.

**RESOLVED** – The Board to receive an update on the proposed visit to Wakefield District Housing at the January Board meeting.

**48 Date and Time of Next Meeting**

Wednesday, 21 January 2015 at 1.30pm in the Civic Hall, Leeds.

(The meeting finished at 3.10pm)

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## EXECUTIVE BOARD

WEDNESDAY, 17TH DECEMBER, 2014

**PRESENT:** Councillor K Wakefield in the Chair

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

**SUBSTITUTE MEMBER:** Councillor J Procter

**121 Substitute Member**

Under the terms of Executive and Decision Making Procedure Rule 3.1.6, Councillor J Procter was invited to attend the meeting on behalf of Councillor A Carter.

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

**RESOLVED** – That, in accordance with Regulation 4 of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the public be excluded from the meeting during consideration of the following parts of the agenda designated as exempt 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 1 and Plan 1 to the report entitled, 'East Leeds Extension: Acquisition of Land between Wetherby Road and York Road', referred to in Minute No. 134 are designated as exempt in accordance with paragraph 10.4(3) of Schedule 12A(3) of the Local Government Act 1972 on the grounds that the information contained within the appendix and plan relates to the financial or business affairs of a particular person, and of the Council. This information is not publicly available from the statutory registers of information kept in respect of certain companies and charities. It is considered that since this information was obtained through initial one to one discussions for the acquisition of the property/land then it is not in the public interest to disclose this information at this point in time.

Also, it is considered that the release of such information would or would be likely to prejudice the Council's commercial interests in relation to other similar transactions in that prospective purchasers of other similar properties would have access to information about the nature and level of consideration which may prove acceptable to the Council. It is considered that whilst there may be a public interest in disclosure, much of this information will be publicly available from the Land Registry following completion of this transaction and

Draft minutes to be approved at the meeting  
to be held on Wednesday, 11th February, 2015

consequently the public interest in maintaining the exemption outweighs the public interest in disclosing this information at this point in time.

- (b) Appendix 1 to the report entitled, 'Design and Cost Report for Playing Pitches and Land at Woodhall Lane, Pudsey', referred to in Minute No. 136 is designated as exempt in accordance with paragraph 10.4(3) of Schedule 12A(3) of the Local Government Act 1972 on the grounds that the information contained within the appendix and plan relates to the financial or business affairs of a particular person, and of the Council. This information is not publicly available from the statutory registers of information kept in relation to certain companies and charities. It is considered that since this information was obtained through one to one negotiations for the purchase of the land/property referred to then it is not in the public interest to disclose this information at this point in time. Also the release of such information would or would be likely to prejudice the Council's commercial interests in relation to and undermine its attempts to acquire by agreement similar properties in the locality in that owners of other similar properties would be aware about the nature and level of consideration which may prove acceptable to the Council. It is considered that whilst there may be a public interest in disclosure, much of this information will be available from the Land Registry following completion of the purchase and consequently the public interest in maintaining the exemption outweighs the public interest in disclosing this information at this point in time.

**123 Declaration of Disclosable Pecuniary Interests**

There were no declarations of Disclosable Pecuniary Interests made during the meeting.

**124 Minutes**

**RESOLVED** – That the minutes of the meeting held on 19<sup>th</sup> November 2014 be approved as a correct record.

**DIGITAL AND CREATIVE TECHNOLOGIES, CULTURE AND SKILLS**

**125 Smart Cities: Delivering a Sustainable City in the Digital Age**

The Deputy Chief Executive submitted a report providing details on the drivers for a Smart Cities approach for Leeds and which recommended a particular strategic approach towards its delivery. In addition, the report also provided an update on what had been delivered to date through temporary and loose arrangements in what has been a "prototype" year. Finally, the report detailed where the Council aimed to be and the main issues to be resolved, whilst also providing practical recommendations in terms of progressing from the current position, including the formalising of a Smart Cities Team.

Responding to an enquiry, emphasis was placed upon the need to ensure that the relevant expertise located throughout the city was fully engaged in the delivery of the Smart Cities approach and how the benefits from the proposed



Capital Innovation Fund could be maximised. As such, acknowledging the consultation events which had already taken place, it was suggested that moving forward, a panel incorporating the relevant expertise could be established as part of the associated engagement process, with a follow up report being submitted to the Board in the next six months on the involvement of the digital community in this area.

Members highlighted how Leeds continued to lead nationally on the development of smart methods in the field of health and wellbeing, the importance of working with schools and young people on this agenda and emphasised the significant opportunities which existed in areas such as future economic growth and job creation.

#### **RESOLVED –**

- (a) That the Smart Cities approach and direction as detailed within the submitted report be endorsed;
- (b) That the formalising of the Smart City Team from existing resources under the leadership of the Chief Information Officer, be supported;
- (c) That support be given to the creation of a Capital Innovation Fund of £150,000 which can be used to support “Civic Enterprise” type prototypes as a basis for informing wider business cases, with spending against this fund to be recommended by the Smart Cities lead and associated sign off from Chief Information Officer and the Executive Member for Digital and Creative Technologies, Culture and Skills;
- (d) That the direction to all managers and services to commit to making all non-person sensitive data open and published on the Leeds Data Mill, be supported;
- (e) That a follow up report be submitted to the Board in the next six months on the involvement of the digital community in this area.

#### **HEALTH AND WELLBEING**

##### **126 Building a 'Mentally Healthy' Leeds**

The Director of Public Health and the Director of City Development submitted a joint report outlining the learning and outputs which had arisen from the 'Mentally Healthy City' event held in June 2014. The report helped to place such outputs into the context of wider ongoing work around health and strategic planning which was currently being undertaken within Leeds, whilst the report also made recommendations for further crosscutting work which could be undertaken in order to promote wellbeing across a growing city.

The Board welcomed the fact that the report highlighted and prompted discussion on the issue of mental health. In addition, Members emphasised the vital role of Ward Councillors in progressing the 'Mentally Healthy' Leeds initiative in their respective areas and reiterated the need to ensure that associated community infrastructure accompanied future housing growth in the city.

Responding to an enquiry, Members received information on the practical elements of this initiative, and how it would impact upon the planning process for example.

**RESOLVED –**

- (a) That the positive outputs and ideas arising from the ‘Mentally Healthy City’ workshop, held with cross city partners in June 2014, be recognised and supported;
- (b) That the extensive work currently taking place to integrate health and wellbeing considerations into future planning for the built environment and housing, be recognised and supported;
- (c) That the benefits identified by this conference of Public Health and planning colleagues, applying a cross-cutting approach to issues in breakthrough projects (such as housing growth, making the City a good place to grow old, and reshaping health and social care), and building on the process of consultation and engagement, as outlined within the submitted report, be recognised and supported.

**FINANCE AND INEQUALITY**

**127 Financial Health Monitoring 2014/15 - Month 7**

The Deputy Chief Executive submitted a report presenting the Council’s projected financial position for 2014/2015 after seven months of the financial year. In addition, the report also highlighted the key issues impacting upon the overall achievement of the budget for the current year and provided details on the measures which had been established to reduce the current level of overspend.

**RESOLVED –** That the projected financial position of the authority after seven months of 2014/2015, be noted.

**128 Initial Budget Proposals for 2015/16**

The Deputy Chief Executive submitted a report which sought approval of the Council’s initial budget proposals for 2015/2016, as detailed within the submitted paper, and also which sought agreement for those proposals to be submitted to Scrutiny and used as a basis for wider consultation with stakeholders.

In presenting the submitted report, the Deputy Chief Executive informed the Board that to date, confirmation of the 2015/16 Local Government finance settlement and also the 2015/16 Council Tax referendum ceiling was still to be received. As part of the development of the proposals, it was also noted that further work would continue to ensure that the proposals were robust, whilst work would also be undertaken with a view to strengthening the Council’s level of financial reserves.

The Board considered the cumulative impact upon the Council arising from the challenging funding reductions it had faced since 2010, with tribute being paid to the key role played by Council employees for their continued efforts throughout this period.

**RESOLVED** – That the submitted report be approved as the initial budget proposals and for such proposals to be submitted to Scrutiny for consideration and also be used as a basis for wider consultation with stakeholders.

(In accordance with the Council's Budget and Policy Framework Procedure Rules, decisions as to the Council's budget are reserved to full Council. As such, the resolution above is not subject to call in, as the budget is a matter that will ultimately be determined by full Council, and the submitted report is in compliance with the relevant Procedure Rules as to the publication of initial budget proposals two months prior to adoption).

(Under the provisions of Council Procedure Rule 16.5, Councillor Golton required it to be recorded that he abstained from voting on the decisions referred to within this minute. Also, in relation to such matters, as Councillor J Procter was in attendance as a non-voting Member, he drew the Board's attention to the fact that if he were able to, he would abstain from voting on the decisions referred to within this minute)

**129 Local Welfare Support Scheme (LWSS) 2015/16**

Further to Minute No. 199, 5<sup>th</sup> March 2014, the Assistant Chief Executive (Citizens and Communities) submitted a report which presented proposals for a Local Welfare Support Scheme from April 2015 and which detailed how the scheme could continue in order to support the Citizens@Leeds approach to tackling poverty and deprivation.

The Board noted that the proposals detailed within the submitted report were based upon there being no Government funding allocated for 2015/16. However, it was highlighted that a Government announcement following a review of local welfare provision funding for 2015/16 was expected imminently, and that should any Government funding be announced, an updated scheme would be developed based upon a minimum budget of £800k or an amount higher than this figure, should specific Government funding be forthcoming which was greater than £800k.

**RESOLVED –**

- (a) That the development of a scheme based on the outline scheme proposals for emergency provision for 2015/16, as set out within the submitted report, be approved subject to the approval of funding;
- (b) That it be noted that the Chief Officer (Welfare and Benefits) will be responsible for the implementation of an approved scheme.

**130 Consultation Outcomes on the Local Council Tax Support Scheme 2015/16**

Further to Minute No. 50, 16<sup>th</sup> July 2014, the Assistant Chief Executive (Citizens and Communities) submitted a report outlining a number of options for a 2015/2016 local Council Tax Support Scheme which reflected both the consultation feedback obtained and also the budget position facing the Council. In addition, the report also invited the Board to consider making a

recommendation to Council to adopt such a scheme prior to 31st January 2015.

**RESOLVED –**

- (a) That the information detailed within the submitted report be noted, and that full Council be recommended to adopt a Local Council Tax Support Scheme that:-
- (i) Continues with the scheme of protection for vulnerable groups as set out in paragraph 2.4 of the submitted report;
  - (ii) Continues the current local scheme of disregarding in full Armed Forces Compensation Payments;
  - (iii) Continues to provide a budget of £49.6m, which is the same budget as provided in 2013/14 and 2014/15;
  - (iv) Reduces from 26% to 25% the amount of Council Tax due from non-protected working age customers eligible for council tax support, and;
  - (v) Introduces new arrangements for non-protected job seekers that requires after a period of 6 months that they take up additional support to help people them into work in order to continue to receive Council Tax Support.
- (b) That support be given to the proposal that a proportion of any Scheme underspend in 2015/16 should be re-invested in activity to support people into work in order to support the successful implementation of this new initiative;
- (c) That should full Council support the adoption of the proposed scheme, it be noted that the decision will be implemented by the Assistant Chief Executive (Citizens and Communities) and will take effect from 1 April 2015. Implementation will commence in the first week of March 2015 as part of the annual billing process in order for the new Scheme to be effective from 1 April 2015.

**131 Calverley Workhouse Allotment Charity**

The City Solicitor submitted a report which sought approval to a modification of the purposes of the 'Calverley Charity – The Workhouse Allotment', so as to enable the charity to be of more use to the residents of Calverley. The report also sought approval in principle to dispose of part of the land owned by the 'Calverley Charity – The Workhouse Allotment', with the proceeds of the sale becoming part of the charity's funds for use in the delivery of the modified purposes of the charity, including the construction of a playground on land retained by the charity.

**RESOLVED –**

- (a) That the contents of the submitted report be noted, and on being satisfied that it is expedient in the interests of the charity for the purposes to be modified, approval be given to the trusts of the charity being modified by replacing the existing purposes of the charity (the prevention or relief of poverty of residents of the former Manor of Calverley) with the new purposes of preventing or relieving need or hardship of persons living within the former Manor of Calverley. Given

this resolution, the City Solicitor be requested to notify the Charity Commission of the resolution within fourteen days.

- (b) That in principle approval be given to the disposal of the charity's land at Dawson's Corner and retaining sufficient land in order to construct a playground, subject to the necessary consultation with the local community and to a report setting out the detailed proposals being submitted to Executive Board in due course. Given this resolution, the City Solicitor and the Director of City Development be requested to liaise with Ward Members as to the exact nature of the proposals and the required consultation, with a view to submitting a further report to Executive Board within the next six months.

### **132 Safeguarding in Taxi and Private Hire Licensing**

The Assistant Chief Executive (Citizens and Communities) submitted a report which provided assurances on the robustness of the Council's existing safeguarding controls for taxi and private hire licensing. In addition, the report provided an overview of the additional measures being taken to improve safeguarding issues in Taxi and Private Hire Licensing and detailed the progress which had been made to date in this area.

In considering the report, the Board highlighted the need to ensure that a consistently robust approach towards taxi and private hire licensing was adopted across all Local Authorities via the establishment of legislation, and it was agreed that representations on such matters should be submitted to Government on behalf of the Board.

Responding to a specific enquiry regarding the checking measures already in place, it was noted that legal advice was currently being sought in relation to the options available to impose more robust procedures in Leeds for applicants newly arrived in the UK. As such, it was agreed that a further report be submitted to the Board in due course following the receipt of related legal advice, which provided further details on proposals around more robust checks, and which responded to the specific enquiries raised during this discussion.

#### **RESOLVED –**

- (a) That representations be made on behalf of Executive Board to Government about the need to establish legislation which will ensure a consistent approach towards taxi and private hire licensing, without reducing the high standards already recognised in Leeds;
- (b) That a further report be submitted to the Board in due course following the receipt of legal advice currently being sought, which provides further details on proposals around more robust checking measures for applicants newly arrived in the UK and which also responds to the specific enquiries raised during this discussion;
- (c) That the direction officers and Members of Licensing Committee are taking with regard to improvements for safeguarding in Taxi and Private Hire Licensing, be endorsed;

- (d) That it be agreed that Elected Members, MPs and senior officer references should no longer be considered as part of taxi and private licensing decision making processes.

## **TRANSPORT AND THE ECONOMY**

### **133 Response to Sir David Higgins report: 'Rebalancing Britain from HS2 towards a national transport strategy'**

Further to Minute No. 162, 22<sup>nd</sup> January 2014, the Director of City Development submitted a report which provided a response to Sir David Higgins' report entitled, 'Rebalancing Britain from HS2 towards a national transport strategy'. The report presented the main principles for the development of the Council's policy in relation to HS2 and HS3 and considered how the Council could realise the regeneration and economic growth benefits of enhanced connectivity.

Members highlighted the significance of the HS2 project when considering the future long term economic competitiveness of the Leeds City Region.

**RESOLVED** – That in noting the in principle support for HS2 provided by Executive Board on 15<sup>th</sup> February 2013, together with the Board's approval of the formal representation to the HS2 Phase Two proposed line of route consultation in January 2014, the following be approved:-

- (i) The Board welcomes the support for the Eastern leg and strategic proposition of HS2 and HS3, provided for by the Sir David Higgins report 'Rebalancing Britain from HS2 towards a national transport strategy';
- (ii) The Board agrees to the Council taking a leading role in the Sir David Higgins Leeds station working group, in order to find the optimum solution for the arrival and integration of, HS2 and HS3 into Leeds City Centre, which supports both the growth of rail through the creation of a major rail interchange in Leeds City Centre, and meets our local connectivity, place making and regeneration ambitions;
- (iii) The Board requests that officers continue to work with the West Yorkshire Combined Authority (WYCA) and district partners to develop an integrated HS2 transport connectivity package, which spreads the benefits of HS2 across the Leeds City Region;
- (iv) The Board requests that officers continue to develop a Masterplan for the area surrounding the HS2 station location, in order to inform the development of the Council's policy position that will maximise both the social, physical and economic benefits from the arrival of HS2;
- (v) The Board requests that officers continue to press HS2 Ltd and the Government on the mitigation of the line of route and to review compensation arrangements for those adversely affected by the line of route;
- (vi) The Board requests that officers work with the Local Enterprise Partnership (LEP) in order to develop a HS2 jobs and skills legacy through the City Region Skills Network;

- (vii) The Board requests that officers work in partnership with Northern City Region colleagues on the development of proposals for formalising co-operation across the North through 'Transport for the North';
- (viii) The Board requests that officers work collaboratively with HS2 Ltd and Central Government in order to develop proposals for a Council led regeneration delivery vehicle that has the appropriate funding powers and flexibilities to deliver the city's vision for HS2;
- (ix) The Board instructs the Director of City Development to co-ordinate the work as resolved above and to submit a progress report to Executive Board in 2015, outlining the progress from the Sir David Higgins Leeds Station working group, subsequent response to the Government's request for HS2 Growth Strategies, together with the Council's next steps.

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

**134 East Leeds Extension: acquisition of land between Wetherby Road and York Road**

The Director of City Development submitted a report which recommended that the Council progressed negotiations for a land acquisition in order to enable the delivery of the Northern Quadrant (NQ) section of the East Leeds Orbital Road (ELOR) within the East Leeds Extension (ELE).

Responding to a specific enquiry, a Member received clarification on the method by which local Ward Members had been notified of the proposals detailed within the submitted report.

Following consideration of Appendix 1 and Plan 1 to the submitted report, both designated as exempt from publication under the provisions of 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 for the Director of City Development to enter into negotiations in order to seek to agree terms for the purchase of the land interest, as defined within the exempt appendix to the submitted report, owing to it forming a strategic interest within the NQ within the ELE that will facilitate the delivery of ELOR;
- (b) That a further report be submitted from the Director of City Development to Executive Board on the terms to be provisionally agreed, at which time an injection into the Capital Programme will be requested together with a request of 'Authority to Spend' the monies for its purchase;
- (c) That it be noted that the Head of Land and Property will be responsible for the implementation of the actions, as set out within the submitted report.

(As Councillor J Procter was in attendance as a non-voting Member, he drew the Board's attention to the fact that if he were able to, he would vote against the decisions referred to within this minute)

**135 Review of Inward Investment in Leeds City Region**

The Director of City Development submitted a report which presented the findings from a Review of Inward Investment into Leeds City Region. Furthermore, the report sought the Board's approval of the conclusions and recommendations arising from the Review.

The Board discussed the background and context to the review being undertaken, highlighted the key role which continued to be played by inward investment within the Leeds City Region economy and in moving forward, considered the principle aims of the proposals detailed within the submitted report.

**RESOLVED –**

- (a) That the recommendations of the Review of Inward Investment in Leeds City Region, as set out within the Final Report of the Review, detailed in Annex 1 to the submitted report, be agreed;
- (b) That approval be given to the transfer of the Leeds and Partners inward investment, and supporting and marketing and communications functions, to be overseen by the Leeds City Region Local Enterprise Partnership (LEP), with the West Yorkshire Combined Authority being the employer of the relevant staff and the legally responsible organisation;
- (c) That the transfer of the Leeds and Partners visitor economy function to Leeds City Council, be approved;
- (d) That support be given to the proposals for considering over the longer term a future city region or cross-boundary approach towards the visitor economy, linked potentially to commissioning of Welcome to Yorkshire;
- (e) That subject to the agreement of the West and North Yorkshire Chamber of Commerce, approval be given to the winding up of Leeds and Partners as a separate organisation;
- (f) That officers be instructed to support the transition process, including dealing with the relevant legal, financial and staffing issues;
- (g) That agreement be given to put in place appropriate resources and capacity within Leeds City Council, in order to enable Leeds to work with the LEP to secure inward investment, to develop growth sectors and market and promote the city;
- (h) That it be noted that the new arrangements will be put in place by April 2015, and that the Chief Economic Development Officer will be responsible for the implementation of such matters.

**136 Design and Cost Report for Playing Pitches and Land at Woodhall Lane, Pudsey**

Further to Minute No. 114, 19<sup>th</sup> November 2014, the Director of City Development submitted a report providing an update on progress made for the proposed disposal of part of the site to Albion Sports. At the previous



meeting in November 2014, the Board approved the acquisition of the various playing pitches and grazing land, as identified on the appended plan to the submitted report, from Bradford University. In addition, the Board also agreed to sell the long leasehold interest of part of the site to Albion Sports Juniors Football Club. The submitted report noted that Albion Sports had subsequently withdrawn from the terms previously agreed, and it was now proposed to fund the acquisition from an alternative source, as detailed within the exempt appendix to the submitted report.

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

**RESOLVED –**

- (a) That it be noted that Albion Sports has subsequently withdrawn from the terms, as previously agreed;
- (b) That the funding of the acquisition, as detailed within the exempt appendix to the submitted report, be approved;
- (c) That it be noted that the necessary authority to negotiate with local football, sports clubs and local schools with regard to the terms for the use of the pitches is delegated to the Director of City Development, in accordance with Part 3 of the constitution;
- (d) That the disposal of the properties, as identified within the exempt appendix to the submitted report be approved, and that approval also be given to ring fencing their capital receipts so that they can be used for funding the acquisition of the Woodhall playing pitches;
- (e) That it be noted that the Head of Asset Management will be responsible for the implementation of such matters, with transactions to complete within six months.

**CHILDREN AND FAMILIES**

**137 Outcomes of statutory notices to increase primary school provision in Roundhay**

Further to Minute No. 64, 17<sup>th</sup> September 2014, the Director of Children's Services submitted a report which contained details of a proposal brought forward to meet the local authority's duty to ensure sufficiency of school places. The report described the outcome of a statutory notice in relation to the expansion of primary provision in Roundhay and also sought a final decision on the proposal to expand Gledhow Primary School from September 2016.

**RESOLVED –**

- (a) That the expansion of Gledhow Primary School, by increasing its capacity from 420 pupils to 630 pupils, and increasing the admission limit in reception from 60 to 90 from September 2016, be approved;
- (b) That it be noted that the responsible officer for the implementation of such matters is the Capacity Planning and Sufficiency Lead.

(The Council's Executive and Decision Making Procedure Rules state that a matter may be declared as being exempt from the Call In process, if it is deemed as being urgent and that any delay would seriously prejudice the Council's, or the public's interests. It has been deemed that the resolutions detailed above are exempt from Call In due the critical nature of the date by which an Executive Board decision must be made. Executive Board must make a decision within two months of the expiry of the statutory notice period, otherwise the proposal must be referred to the School Adjudicator for a final decision. The statutory notice period closed on 24 October and therefore a final decision must be made by 23 December 2014, and if a decision is not made, then the additional school places required for 2016 would not be secured).

## **NEIGHBOURHOODS, PLANNING AND PERSONNEL**

### **138 Holt Park District Centre Planning Statement**

Further to Minute No. 49, 17<sup>th</sup> July 2013, the Director of City Development submitted a report providing a summary of the responses arising from the associated consultation exercise for the Holt Park District Centre Planning Statement, outlining the changes made to the Statement and which sought approval of the Statement. In addition, the report also sought approval to enter into discussions with Asda in order to explore the company's interest in acquiring Council owned land to enable the redevelopment of the existing Holt Park supermarket.

#### **RESOLVED –**

- (a) That the draft Planning Statement for the Holt Park District Centre, be approved.
- (b) That officers be authorised to enter into discussions with Asda in order to explore the company's interest in acquiring Council owned land to enable the redevelopment of the existing Holt Park Asda supermarket. In the event of Asda and the Council not being able to agree redevelopment proposals that achieves best consideration for the Council, then officers be requested to advertise sites C and E, as presented within the submitted report and appendices, for sale on the open market;
- (c) That the Director of City Development, in consultation with the Executive Member for Transport and the Economy, bring forward proposals for the development and disposal of the brownfield residential sites in order to identify the most appropriate use;
- (d) That it be noted that the Head of Land and Property will be responsible for the implementation of resolution (b) above, in consultation with the Executive Member for Transport and the Economy.

## **CLEANER, STRONGER AND SAFER COMMUNITIES**

### **139 Low Emission Zone (LEZ) Feasibility Study**

The Director of Environment and Housing, the Director of City Development and the Director of Public Health submitted a joint report presenting the background to, and the key findings arising from a study undertaken into the

feasibility of introducing a Low Emission Zone (LEZ). The study considered air quality in Leeds, the main contributors and scenarios to bring about reductions of key pollutants and the associated health and economic implications. In addition, the report also presented the initial response to the study, describing measures which were currently being taken to improve air quality and pointing to further areas where progress could be made.

Responding to a Member's enquiry, further context was provided to the Board around the short term actions proposed within the submitted report which would look to develop a strategic approach towards the improvement of air quality. Members noted the intention to submit a further report on this matter to Executive Board in the summer of 2015.

Emphasis was placed upon the need for the level of public transport emissions to be improved, and it was acknowledged that Quality Bus Contracts was one of a number of potential options available which could help improve such emission levels.

The Board highlighted how the devolution of greater powers to the Local Authority would enable the development of a truly strategic approach on such issues, and with this in mind, it was suggested that the Council's 'wider ambition' for the improvement of air quality form part of the report to be submitted to the Board in summer 2015.

**RESOLVED –**

- (a) That dialogue with key interest groups in the transport sector be commenced in order to agree a range of practical measures with timescales for their introduction that will bring about improvements to air quality and health. The aim being to deliver changes by dialogue where possible, but with the clear understanding that improvements could be achieved ultimately via a Low Emission Zone.
- (b) That the findings of this work be shared regionally with the other West Yorkshire Authorities and the Combined Authority in order to assist in providing a regional solution to the air quality challenge that the whole of West Yorkshire faces. In addition, it be noted that air quality is a trans-boundary issue and can only be effectively addressed across West Yorkshire by all partner authorities and organisations working together, and wherever possible it be recommended that any measures introduced reflect the regional situation rather than dealing with issues in isolation.
- (c) That the key findings of the LEZ study be used to influence future funding bids as they become available (for example the Office for Low Emission Vehicles (OLEV) Green Bus Fund);
- (d) That any future decision to introduce a Low Emission Zone be taken in the context of a wider Leeds Low Emission Strategy that is expected in 2015;
- (e) That an update report on this matter be submitted to the Board in summer 2015, which also provides further information on the Council's 'wider ambition' for the improvement of air quality.

**DATE OF PUBLICATION:** FRIDAY, 19<sup>TH</sup> DECEMBER 2014

**LAST DATE FOR CALL IN  
OF ELIGIBLE DECISIONS:** 5.00PM, TUESDAY 6<sup>TH</sup> JANUARY 2015

(Scrutiny Support will notify Directors of any items called in by 12.00noon on Wednesday, 7<sup>th</sup> January 2015)

Draft minutes to be approved at the meeting  
to be held on Wednesday, 11th February, 2015