



EXECUTIVE BOARD

Meeting to be held in Civic Hall, Leeds on
Wednesday, 19th April, 2023 at 1.00 pm

MEMBERSHIP

Councillors

S Arif	A Carter	S Golton
D Coupar		
M Harland		
H Hayden		
J Lewis (Chair)		
J Pryor		
M Rafique		
F Venner		

To note: Please do not attend the meeting in person if you have symptoms of Covid-19 and please follow current public health advice to avoid passing the virus onto other people.

Note to observers of the meeting: To remotely observe this meeting, please click on the 'View the Meeting Recording' link which will feature on the meeting's webpage (linked below) ahead of the meeting. The webcast will become available at the commencement of the meeting.

<https://democracy.leeds.gov.uk/ieListDocuments.aspx?CId=102&MId=11828>

CONFIDENTIAL AND EXEMPT ITEMS

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

9.0 Confidential information – requirement to exclude public access

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

9.2 Confidential information means

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

10.0 Exempt information – discretion to exclude public access

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

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

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

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

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

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

A G E N D A

Item No K=Key Decision	Ward	Item Not Open		Page No
1			<p>APPEALS AGAINST REFUSAL OF INSPECTION OF DOCUMENTS</p> <p>To consider any appeals in accordance with Procedure Rule 15.2 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 15.2, written notice of an appeal must be received by the Head of Governance Services at least 24 hours before the meeting)</p>	
2			<p>EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC</p> <p>1 To highlight reports or appendices which officers have identified as containing exempt information within the meaning of Section 100I of the Local Government Act 1972, 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 the recommendation is accepted, to formally pass the following resolution:-</p> <p>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 those 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 press and public were present there would be disclosure to them of exempt information.</p>	

Item No K=Key Decision	Ward	Item Not Open		Page No
3			<p>LATE ITEMS</p> <p>To identify items which have been admitted to the agenda by the Chair for consideration</p> <p>(The special circumstances shall be specified in the minutes)</p>	
4			<p>DECLARATION OF INTERESTS</p> <p>To disclose or draw attention to any interests in accordance with Leeds City Council's 'Councillor Code of Conduct'.</p>	
5			<p>MINUTES</p> <p>To confirm as a correct record the minutes of the meeting held on 15th March 2023</p> <p><u>PUBLIC HEALTH AND ACTIVE LIFESTYLES</u></p>	9 - 16
6			<p>THE MARMOT CITY APPROACH</p> <p>To consider the report of the Director of Public Health summarising the progress made towards Leeds becoming a Marmot City. The report outlines the two year programme of work agreed in partnership with the Institute of Health Equity (IHE) and includes the key milestones for that journey.</p>	17 - 28

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7			<p><u>RESOURCES</u></p> <p>FINANCIAL HEALTH MONITORING 2022/23 - PROVISIONAL OUTTURN MONTH 11 (FEBRUARY)</p> <p>To consider the report of the Chief Officer (Financial Services) providing an update on the financial health of the Authority including the provisional outturn position in respect of both the General Fund revenue budget and the Housing Revenue Account as at month 11 of the 2022/23 financial year.</p> <p><u>INFRASTRUCTURE AND CLIMATE</u></p>	29 - 72
8 K	Beeston and Holbeck	10.4(3) (Appendix 2 only)	<p>THE ENGINE HOUSE, SOUTH BANK LEEDS</p> <p>To consider the report of the Director of City Development regarding the continued regeneration of the South Bank Leeds. Specifically, the report outlines an opportunity to continue the momentum achieved by securing the future refurbishment of the Grade II listed Engine House which is located within the centre of the Tower Works site.</p> <p>(Please Note: Appendix 2 of the report is designated as being exempt from publication under the provisions of Access to Information Procedure Rule 10.4 (3))</p>	73 - 100

Item No K=Key Decision	Ward	Item Not Open		Page No
9 K	Cross Gates and Whinmoor; Harewood	10.4(3) (Appendix 3 only)	<p>EAST LEEDS EXTENSION UPDATE AND PROGRESS ON LAND DISPOSAL FOR THE SOUTHERN QUADRANT PRIMARY SCHOOL</p> <p>To consider the report of the Director of City Development on the progress made to date on the construction of the East Leeds Orbital Route (ELOR), the development of East Leeds Extension (ELE) and the next steps in relation to the proposed disposal of Council owned land at Leeds Road/Smeaton Approach for use as a new primary school and the related delivery of new community infrastructure in the Middle and Southern Quadrants.</p> <p>(Please Note: Appendix 3 to this report is designated as being exempt from publication under the provisions of Access to Information Procedure Rule 10.4 (3))</p>	101 - 144
10 K	Killingbeck and Seacroft	10.4(3) (Appendix 2 only)	<p>KINGSDALE COURT AFFORDABLE HOUSING AND REGENERATION SCHEME</p> <p>To consider the joint report of the Director of City Development and Director Communities, Housing and Environment which sets out the progress made regarding the acquisition and regeneration of Kingsdale Court in the Boggart Hill Priority Neighbourhood, Seacroft and related to this, provides details of the emerging case for the possible use of compulsory purchase powers to enable the delivery of new affordable housing on the site.</p> <p>(Please note: Appendix 2 to this report has been designated as being exempt from publication under the provisions of Access to Information Procedure Rule 10.4 (3))</p>	145 - 164

Item No K=Key Decision	Ward	Item Not Open		Page No
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Third Party Recording

Recording of this meeting is allowed to enable those not present to see or hear the proceedings either as they take place (or later) and to enable the reporting of those proceedings. A copy of the recording protocol is available from the contacts named on the front of this agenda.

Use of Recordings by Third Parties– code of practice

- a) Any published recording should be accompanied by a statement of when and where the recording was made, the context of the discussion that took place, and a clear identification of the main speakers and their role or title.
- b) Those making recordings must not edit the recording in a way that could lead to misinterpretation or misrepresentation of the proceedings or comments made by attendees. In particular there should be no internal editing of published extracts; recordings may start at any point and end at any point but the material between those points must be complete.

Webcasting

Please note – the publically accessible parts of this meeting will be filmed for live or subsequent broadcast via the City Council’s website. At the start of the meeting, the Chair will confirm if all or part of the meeting is to be filmed.

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EXECUTIVE BOARD

WEDNESDAY, 15TH MARCH, 2023

PRESENT: Councillor J Lewis in the Chair

Councillors S Arif, D Coupar, S Golton,
M Harland, H Hayden, J Pryor, M Rafique
and F Venner

APOLOGIES: Councillor A Carter

SUBSTITUTE MEMBER: Councillor B Anderson

119 Substitute Member

Under the provisions of Executive and Decision Making Procedure Rule 3.2.6, Councillors B Anderson was invited to attend the meeting on a non-voting basis on behalf of Councillor A Carter, who had submitted his apologies for absence from the meeting.

120 Director of Resources

At the commencement of the meeting, the Chair, on behalf of the Board paid tribute to Neil Evans, Director of Resources, given that this marked his final Executive Board meeting prior to his forthcoming retirement.

121 Exempt Information - Possible Exclusion of the Press and Public

There was no information contained within the agenda which was designated as being exempt from publication.

122 Late Items

There were no late items of business submitted to the Board for consideration.

123 Declaration of Interests

There were no interests declared at the meeting.

124 Minutes

RESOLVED – That the minutes of the previous meeting held on 8th February 2023 be approved as a correct record.

ADULTS AND CHILDREN'S SOCIAL CARE AND HEALTH PARTNERSHIPS

125 Refresh of the Children and Young People's Plan

The Director of Children and Families submitted a report which, informed by a formal consultation exercise, presented a refreshed version of the Children and Young People's Plan for the Board's consideration, and which sought the Board's approval for the submission of the plan for the period 2023 to 2028 to Full Council with the recommendation of formal adoption.

Draft minutes to be approved at the meeting
to be held on Wednesday, 19th April, 2023

In introducing the report, the Executive Member provided an overview of the key proposals within the refreshed plan, with the comprehensive consultation exercise which had informed the review process being highlighted. Specific reference was made to the plan's consideration at Children and Families Scrutiny Board, the Leeds Children and Young People's Partnership and also the engagement which had taken place with children and young people themselves, which it was noted, had been key to the formation of the refreshed 12 Child Friendly 'Wishes'. It was also noted that the plan set out the vision and objectives for the Council and the wider partnership in terms of working with children and young people, and that the refresh was being undertaken in order to acknowledge the significant changes and challenges which had occurred in recent years.

In response to a Member's comments regarding the proposed format of the plan, it was noted that whilst the plan was comprehensive and reflected the wishes of children and young people, it was felt that it was succinctly presented.

Responding to a Member's comments, the Board received further detail on the plan's objectives, and how the work streams that lay beneath the plan were consistent with the ongoing actions taking place to manage the financial, resource and demand based challenges which continued to be faced in this area.

RESOLVED –

- (a) That following the associated consultation exercise undertaken in late 2022 (a summary of which is presented in Appendix 2 to the submitted report) the proposals for a refreshed Children and Young People's Plan, as presented, be noted;
- (b) That approval be given for the refreshed Children and Young People's Plan 2023 to 2028 (as presented in Appendix 1 to the submitted report) to be submitted to Full Council on 12 July 2023, with a recommendation of formal adoption.

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

126 Outcome of statutory notice on a proposal to change the age range of Wykebeck Primary School from 3-11 to 2-11 with effect from September 2023

Further to Minute No. 93, 14th December 2022, the Director of Children and Families submitted a report regarding a proposal to lower the age range of Wykebeck Primary School from 3-11 years to 2-11 years and create Free Early Education Entitlement (FEEE) provision for 24 eligible 2-year-olds in the

area. Specifically, the report also invited the Board to consider and note the outcomes from the statutory notice process and recommended approval of the proposal, as presented.

RESOLVED –

- (a) That the outcome of the statutory notice period, as detailed within the submitted report, be noted;
- (b) That the recommendation to permanently change the age range of Wykebeck Primary School from 3-11 to 2-11, with effect from September 2023, be approved;
- (c) That the resolutions within this minute be exempted from Call In for the reasons of urgency, as set out in paragraph 31 of the submitted report;
- (d) That it be noted that the responsible officer for the implementation of such matters is the Head of Learning Systems.

(The Council's Executive and Decision Making Procedure Rules state that a decision may be declared as being exempt from the Call In process by the decision taker if it is considered that the matter is urgent and any delay would seriously prejudice the Council's, or the public's interests. In line with this, the resolutions contained within this minute were exempted from the Call In process, as per resolution (c) above, and for the reasons as detailed above and as set out within section 31 of the submitted report)

ECONOMY, CULTURE AND EDUCATION

127 Ad:Venture and Digital Enterprise Programme Update

The Director of City Development submitted a report which provided an update on the Ad:Venture programme and Digital Enterprise Business Support programme which had been delivered by the Council on behalf the Leeds City Region since 2016. The report outlined the efforts made by the Council in developing new funding packages for these programmes and sought approval to enter into a series of contracts and funding agreements with the principal funder – West Yorkshire Combined Authority (WYCA) and delivery partners.

In presenting the report, the Executive Member provided an overview of the support and opportunities which had been delivered as a result of both programmes since 2016, and the role of such programmes in contributing towards the growth of the local economy.

Responding to a Member's enquiry, the Board received further details on the actions which were being taken, and which continued to be developed, in order to proactively market and promote the programmes across all communities. It was noted that whilst such an approach would focus upon West Yorkshire moving forward, it was anticipated that proposed developments in the marketing approach would further improve how the programmes targeted their services in future.

Also in response to a Member's enquiry, the Board received further detail on the processes in place to monitor and measure the outcomes arising from the programmes, with it being noted that there was an established evaluation procedure in place, and that the outcomes from that process were considered by WYCA, as appropriate.

RESOLVED –

- (a) That the progress and success of Ad:Venture and Digital Enterprise which has been achieved to date in supporting businesses and individuals across the Leeds City Region, be noted;
- (b) That the necessary authority be delegated to the Director of City Development in order to enable the Director to enter into contract with West Yorkshire Combined Authority for the Ad:Venture and Digital Enterprise Business Support Programmes;
- (c) That the necessary authority be delegated to the Director of City Development in order to enable the Director to enter into funding agreements with delivery partners and take all necessary actions to ensure that the Ad:Venture and Digital Enterprise programmes continue to support businesses and individuals across West Yorkshire;
- (d) That the authority to spend up to £5m of Gainshare funding on the Ad:Venture Programme, and up to £4,676,147 of UK Shared Prosperity Fund (UKSPF) on the Digital Enterprise Programme, be approved.

RESOURCES

128 Financial Health Monitoring 2022/23 - Month 10 (January)

The Chief Officer (Financial Services) submitted a report presenting the financial health of the Authority in respect of both the General Fund revenue budget and the Housing Revenue Account as at Month 10 of the 2022/23 financial year.

It was noted that recommendation (b) in the submitted report should be amended to read as follows: '*Savings actions identified to date are included in the reported overspend position and actions will continue to be identified for receipt at the April meeting of this Board*'.

In presenting the report, the Executive Member for Resources provided an overview of the key information within it, which included reference to the fact that an overspend of £13.7m was projected for the Authority's General Fund services, as at month 10 of 2022/23, and that a balanced budget was expected to be achieved by the year-end, via a range of actions including the delivery of savings, the utilisation of reserves and the application of Government funding.

Responding to a Member's enquiries, the Board received further information on the work which had been undertaken to date and which continued to

ensure that the budget available within the Children and Families directorate was appropriate and sustainable moving forward. It was noted that this included a review undertaken as part of the 2023/24 budget setting process on the monitoring of key areas such as levels of demand for services. In addition, the work undertaken by a cross-directorate 'task and finish' working group and the establishment of a cross-directorate delivery board were also highlighted.

Also in relation to the Children and Families directorate, responding to a Member's enquiry, the Board received clarification on the funding which had been confirmed by Leeds Health and Care Partnership Executive Group (PEG) from 2023/24 in relation to the provision of new and existing services, with it being undertaken that the Member in question would be provided with a further briefing on such matters, as appropriate.

Responding to an enquiry regarding the increased costs experienced in relation to the provision of fleet vehicles, the Board received an update on the approach being taken towards the management of the Council's current vehicle fleet, together with the ongoing review to inform the medium to longer term strategy. It was noted that the approach to such matters would contribute towards the target of achieving net zero emissions for the city by 2030.

Regarding an enquiry on the projected reduction in the level of recycling income received by the Council from the Green Bin waste due to a fall in market prices, it was noted that currently there was no significant impact projected on the 2023/24 Communities, Housing and Environment directorate budget, however, it was undertaken that this issue would continue to be monitored and that Executive Members would be kept informed, as appropriate.

RESOLVED –

- (a) That it be noted that at Month 10 of the financial year (January 2023) the Authority's General Fund services are forecasting an overspend of £13.7m and that the Housing Revenue Account is forecasting a balanced position;
- (b) That it be noted, that where an overspend is projected, directorates, including the Housing Revenue Account, are required to present action plans to mitigate their reported pressures, in line with the Revenue Principles agreed by Executive Board in 2019; with it also being noted that savings actions identified to date are included in the reported overspend position and (as referenced in the correction detailed above), actions will continue to be identified for receipt at the April 2023 meeting of Executive Board;
- (c) That it be noted that known increased inflation and known impacts of the rising cost of living, including the agreed 2022/23 pay award, have been incorporated into this reported financial position, with it also being noted that these pressures will continue to be assessed, with the latest

position being incorporated into future reports to be received by this Board.

INFRASTRUCTURE AND CLIMATE

129 Climate Emergency Annual Report

The Director of Resources submitted a report which presented the Council's Climate Emergency Annual Report for Members' consideration. The Annual Report provided an update on the progress being made at both a Council and a citywide level towards the target set by the Council when declaring a Climate Emergency in 2019 of achieving net zero emissions for the city by 2030. The report also reflected upon wider changes relevant to the city's decarbonisation that have occurred both regionally and nationally.

In presenting the report, the Executive Member provided an overview of the key areas of work which had been undertaken over the past year in response to the Climate Emergency and in progressing towards the target of achieving net zero emissions for the city by 2030. In doing so, it was highlighted that in 2022 Leeds City Council had been recognised as one of 122 city authorities across the world leading the way on climate action by the Carbon Disclosure Project. In conclusion, the Executive Member, on behalf of the Board extended her thanks to the Sustainable Energy and Air Quality team for the progress that was being made in this area, and also to the Environment, Housing and Communities Scrutiny Board for the role it continued to play.

In response to a comment, the Board received further information on and discussed the compatibility between the planning system and the Council's net zero emissions target. Members also considered the funding which had been secured by the Council from Government to date and the process by which such funding was secured, whilst the Board also discussed the progress being made both as a Council and as a city towards the Council's 2030 net zero emissions target.

Specifically in response to an enquiry relating to transport contributing around a third of the city's emissions, it was confirmed that the emissions from Leeds Bradford Airport were not included within that, which it was noted was consistent with the Government's approach to such matters.

Responding to a Member's concerns regarding the statistics presented in the submitted report and the rate of progress being made across the Council's directorates towards achieving net zero emissions, it was undertaken that such matters would be followed up with the Member in question in order to gain further detail.

RESOLVED –

- (a) That the Net Zero Housing Plan for the Council, as presented at Appendix 1 to the submitted report, be adopted;
- (b) That the consultation responses regarding the Leeds Food Strategy, as detailed within Appendix 2 to the submitted report, be noted; and that

Draft minutes to be approved at the meeting
to be held on Wednesday, 19th April, 2023

approval be given to the adoption of the updated Leeds Food Strategy, as presented at Appendix 3 to the submitted report;

- (c) That approval be given for Leeds City Council to be a signatory of the Yorkshire and Humber Climate Commission's 'Climate Action Pledge';
- (d) That the next Climate Emergency Annual Report to Executive Board be submitted in September 2024 (and every 12 months thereafter), in order to improve transparency by aligning the Annual Report with the Council's Carbon Disclosure Project submission.

(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)

COMMUNITIES

130 Cost of Living - Update Report

Further to Minute No. 73, 19th October 2022, the Director of Communities, Housing and Environment submitted a report which provided an updated position on the cost-of-living situation in Leeds, and which reflected upon national policy interventions and the actions being taken by the Council and partners in response to such matters from a welfare and financial inclusion perspective.

The Executive Member introduced the report highlighting the key aspects within it, which included an update on the related training which had recently been provided by the Financial Inclusion Team to Members and Group Office staff. An update was also provided on the current position regarding the receipt of external funding via the Household Support Fund, whilst specific reference was also made to the appended Cost of Living Action Plan and the report on the Council's State of the City event, which had focussed upon the cost of living situation. In conclusion, the Executive Member extended her thanks to officers for the work which they continued to undertake in this area, to frontline staff for the valuable service that they provided to residents across the city and also to third sector partners for their collaborative approach.

In considering the report, Members highlighted the value of the December 2022 State of the City event. The Board also emphasised the importance of cross-party working in this area and the need to ensure that a localised and inclusive approach continued to be taken.

Responding to comments, it was undertaken that both the Executive Board and the Environment, Housing and Communities Scrutiny Board would continue to be kept informed and involved in this area of work moving forward.

RESOLVED –

- (a) That the contents of the submitted report, be noted; and that the approach being adopted, as detailed within the submitted report, be endorsed;

- (b) That it be noted that the Director of Communities, Housing and Environment is responsible for overseeing and implementing any actions arising from the submitted report.

DATE OF PUBLICATION: FRIDAY, 17TH MARCH 2023

**LAST DATE FOR CALL IN
OF ELIGIBLE DECISIONS:** 5.00 P.M., FRIDAY, 24TH MARCH 2023

The Marmot City Approach

Date: 19 April 2023

Report of: The Director of Public Health

Report to: Executive Board

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

During 2022, a proposal for Leeds to become a Marmot City was endorsed by key strategic partnerships including the Health and Wellbeing Board, Partnership Executive group and Adults, Health and Active Lifestyles Scrutiny Board.

Becoming a Marmot City will provide Leeds with opportunities to: strengthen shared commitments to addressing inequalities and inspire action across sectors; better align efforts to reduce inequalities based on evidence and what communities say is important to them and improve the way in which outcome monitoring informs action.

It will support the strategic direction set out in the Best City Ambition and the Healthy Leeds Plan - by further embedding a shared approach to health inequalities across the city that puts equity at its heart, so that we build 'a fairer Leeds for everyone'

This paper summarises progress towards Leeds becoming a Marmot City. It outlines the two-year programme of work agreed in partnership with the Institute of Health Equity (IHE) and key milestones.

Recommendations

It is recommended that Exec Board:

- Notes the progress towards Leeds becoming a Marmot City.

1 What is this report about?

This paper summarises progress towards Leeds becoming a Marmot City. It outlines the two-year programme of work agreed in partnership with the Institute of Health Equity (IHE) and key milestones.

Health Inequalities

In Leeds, people who live in the poorest neighbourhoods are dying earlier than people in the wealthiest areas – over 13 years earlier for women and 11 years earlier for men. They also spend more years of their lives in poor health. Such inequalities are shaped by the social, economic, and environmental conditions in which people live their lives.

To create a city where everybody can thrive, all the right building blocks for health need to be in place. This includes the best start to life, good education, stable and well-paid jobs, homes that are affordable and safe, and clean air. It also means that people live free from racism and discrimination and prioritising environmental sustainability.

However, these building blocks for health are not equally available to everyone.

It is vital that partners across the city continue to work together to strengthen the building blocks for health. There are large and growing inequalities in health and wellbeing and both the pandemic and cost-of-living crisis have put extra pressure on both communities and organisations

The Institute of Health Equity

The Marmot review in 2010 revealed the scale of inequality in the UK and identified recommendations for action. Since then, Professor Michael Marmot and the team at the Institute of Health Equity (IHE) have worked in partnership with cities and regions across the country to act on the ‘building blocks’ or social determinants of health.

Leeds has a long history of working to address health inequalities and has now committed to become a Marmot city. This involves working in partnership with the IHE to take a strategic, whole-system and structured approach to improving health equity.

The proposal for Leeds to become a Marmot City received strong support from strategic boards including the Council’s Corporate Leadership Team and Executive Board, Partnership Executive Group, Adults, Health and Active Lifestyles Scrutiny Board and the Health and Wellbeing Board

A Marmot approach for Leeds has subsequently been developed. This includes key principles – which align with the unique context in Leeds, and initial ideas regarding ‘ways of working’ - which will embed the approach on a long term, sustainable basis.

The approach is intended as a starting point for wider conversations across the city and with the IHE; it will be developed as the work progresses over the coming year and first phase of the programme. A key focus of will be to engage widely in further developing the Leeds approach to being a Marmot City and to tackling health inequalities.

A Marmot Approach for Leeds

Vision

Our vision is to build *A fairer Leeds for everyone*

We will do this by:

- Increasing everyone’s opportunity to have all the right building blocks of good health
- Developing approaches for everyone but at a different scale or intensity depending on the needs of different communities
- Focusing on every stage of life from birth through to death

Principles

1. Strategic alignment with the Best City Ambition and the Healthy Leeds Plan
2. Community voice – working with communities in a meaningful way to recognise the impact of power imbalances on health inequalities
3. Building on existing commitments – recognition of ongoing work to address inequalities locally
4. Whole-city and whole-system – but with specific priority areas of focus
5. Solution-focussed approach – building on assets and strengths
6. Outcome focussed - Maintaining a city-wide 'line of sight' on the combined efforts to reduce inequalities in the local population

Ways of working

- Improving workforce capability - Improving knowledge, awareness and skills of staff across the city to address inequalities
- Embedding structured approaches - Applying a quality improvement/theory of change approach in priority areas of work and including robust assessment and evaluation, e.g. Health Equity Assessment Tools
- Working collaboratively - with both communities and partners

Leadership and resourcing

Significant progress has been made in relation to ensuring there is leadership for this programme of work within Public Health. While there is no new funding, resource has been identified to engage IHE and capacity and through recruitment to the Deputy Director of Public Health, Head of Public Health (Inequalities and Core Work Programmes) and Advanced Health Improvement Specialist posts.

2 What impact will this proposal have?

Two-year programme with IHE

The outline of a two-year programme has been agreed with the IHE. Public Health are currently in the process of negotiating the final specification and cost which will be met from within existing Public Health budgets.

It will build upon the 8 Marmot Principles:

1. Give every child the best start in life
2. Enable all children, young people and adults to maximise their capabilities and have control over their lives
3. Create fair employment and good work for all
4. Ensure a healthy standard of living for all
5. Create and develop healthy and sustainable places and communities
6. Strengthen the role and impact of ill-health prevention
7. Tackle discrimination, racism and their outcomes
8. Pursue environmental sustainability and health equity together

Phase 1 will run through 2023/24 and Phase 2 through 2024/25. Throughout the two-years there will be five large partnership events. There will also be several focussed workshops on key policy areas. It is expected that there will be reports published at the end of both Phase 1 and Phase 2.

A partnership launch event is being planned to formally and publicly launch Phase 1 of the work. It is proposed that this be held in June 2023 once the local elections have been completed.

Details of the two phases are set out below

Phase 1 (April 2023 – March 2024)

This includes four focused pieces of work:

- Assessment of health inequalities in Leeds
- Engagement across the city to further develop the Leeds approach to health equity/addressing health inequalities.
- Production of a monitoring framework, building on existing work in the city
- Action on two priority areas: Best Start and Housing & Health

Phase 2 (April 2024 – March 2025)

The second phase will focus on roll-out of the Leeds Marmot approach to the other priority areas from the Marmot framework. There will be flexibility to tailor the focus based on findings from phase 1.

Becoming a Marmot City will add additional profile, coordination and focus to the existing commitment across the city to reduce health inequalities and improve the health of the poorest the fastest.

Expected benefits include:

- Strengthening our shared commitment to addressing inequalities and inspiring action across the city
- Improved partnership and coordination to align our efforts to reduce inequalities
- Applying evidence on what works more effectively to build on current approaches and to go further, faster.
- Improving the monitoring of health inequalities across the city to inform action
- Embedding equity in decision-making across the whole system

3 How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

The Marmot approach for Leeds will support each of the three pillars of the Best City Ambition and the Healthy Leeds plan by enabling detailed understanding of health inequalities at a whole-system level. The action plans underpinning the Housing and Health and Best Start priorities in the revised Health and Wellbeing Strategy are being jointly developed to align approaches and embed Marmot principles in local strategic frameworks.

Accountability for the Marmot City work is to the Health and Wellbeing Board.

The governance arrangements will be kept under review ahead of the formal launch of the programme in May/June 2023.

Consideration is being given, as part of the wider development of the programme, to working with communities in a meaningful way. This work will be scoped during January – March 2023 and is expected to build on existing and established structures.

4 What consultation and engagement has taken place?

Wards affected:
Have ward members been consulted? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

The Executive lead member for Public Health and Executive lead member for Children’s and Adults Social Care/Chair of Health and Wellbeing Board are part of a core Marmot City leadership group and are briefed regularly.

Health Champions were consulted in March 2023.

Significant consultation and engagement has happened across strategic forums including Leeds Health and Wellbeing Board, Leeds Policy Network and internal leadership groups . Both Voluntary Action Leeds and Forum Central (the umbrella organisations for Third Sector groups in Leeds) are members of the cross-sectoral Marmot City working group and actions under the ‘Community Voice’ element of the Marmot programme will be developed as the two -year programme progresses.

5 What are the resource implications?

For information, the contract/specification with the Institute of Health Equity will cost a total value of £130,350 over two years, which has been approved under delegated powers. Funding is being provided via the Public Health ring-fenced grant.

6 What are the key risks and how are they being managed?

Accountability for the Marmot City work programme is through the Health and Wellbeing Board. City-wide partners are regularly informed regarding developments.

7 What are the legal implications?

This is an update report. There are no legal implications.

Options, timescales and measuring success

8 What other options were considered?

The IHE are leading national and international experts in addressing health inequalities.

Whilst external consultancy regarding data monitoring could have been purchased from alternative academic or private sector providers, working with the IHE to become a Marmot City brings additional benefits.

- The high profile of Professor Michael Marmot brings added value and has the potential to further galvanise partners outside of health and social care – to build a ‘Healthy Equity’ system in the city that puts fairness at the centre of all decisions.
- There is a developing national health equity movement, with many towns, cities and regions committing to becoming ‘Marmot places’. This also affords Leeds the opportunity to draw on and share learning across the country as part of the national IHE Health Equity network.

9 How will success be measured?

Measures of success for the programme will be developed in partnership with communities, partners and the IHE. The aim of the programme overall is to address health inequalities. Given the current trajectories and extremely challenging socio-economic context, discussion will be had as part of the development of the monitoring framework whether success will be determined by improvement in key metrics or indications that the current negative trends have been mediated.

10 What is the timetable and who will be responsible for implementation?

The contract will begin with the IHE in April 2023 with a formal, public launch event in June 2023. The timetable for delivery will be set out in the specification.

The Deputy Director of Public Health will be responsible for implementation along with the cross-sectoral working group and accountability will be via the Director of Public Health as the Senior Responsible Officer on behalf of the Leeds Health and Wellbeing Board.

11 Appendices

- Equality Assessment.

12 Background papers

- None

Equality, Diversity, Cohesion and Integration Screening

As a public authority we need to ensure that all our strategies, policies, service and functions, both current and proposed have given proper consideration to equality, diversity, cohesion and integration.

A **screening** process can help judge relevance and provides a record of both the **process** and **decision**. Screening should be a short, sharp exercise that determines relevance for all new and revised strategies, policies, services and functions.

Completed at the earliest opportunity it will help to determine:

- the relevance of proposals and decisions to equality, diversity, cohesion and integration.
- whether or not equality, diversity, cohesion and integration is being or has already been considered, and
- whether or not it is necessary to carry out an impact assessment.

Directorate: Adults and Health	Service area: Public Health
Lead person: Tim Fielding Sarah Erskine	Contact number: 07891 278 569 07712 214 862

1. Title: The Marmot City Approach
Is this a:
<input type="checkbox"/> Strategy / Policy <input type="checkbox"/> Service / Function <input checked="" type="checkbox"/> Other
If other, please specify: Contract to provide specialist expertise and capacity to address health inequalities in Leeds

2. Please provide a brief description of what you are screening
<p>This report outlines the implications of Leeds becoming a Marmot City.</p> <p>A specification for a two-year work programme has been developed in partnership with local stakeholders and the Institute of Health Equity. This will directly support the Best City Ambition by increasing focus upon and capacity to address health inequalities in Leeds.</p>

3. Relevance to equality, diversity, cohesion and integration

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

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

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

Questions	Yes	No
Is there an existing or likely differential impact for the different equality characteristics?	X	
Have there been or likely to be any public concerns about the policy or proposal?		X
Could the proposal affect how our services, commissioning or procurement activities are organised, provided, located and by whom?		X
Could the proposal affect our workforce or employment practices?		X
Does the proposal involve or will it have an impact on <ul style="list-style-type: none"> • Eliminating unlawful discrimination, victimisation and harassment • Advancing equality of opportunity • Fostering good relations 	X	

If you have answered **no** to the questions above please complete **sections 6 and 7**

If you have answered **yes** to any of the above and;

- Believe you have already considered the impact on equality, diversity, cohesion and integration within your proposal please go to **section 4**.
- Are not already considering the impact on equality, diversity, cohesion and integration within your proposal please go to **section 5**.

4. Considering the impact on equality, diversity, cohesion and integration

If you can demonstrate you have considered how your proposals impact on equality, diversity, cohesion and integration you have carried out an impact assessment.

Please provide specific details for all three areas below (use the prompts for guidance).

• **How have you considered equality, diversity, cohesion and integration?** (think about the scope of the proposal, who is likely to be affected, equality related information, gaps in information and plans to address, consultation and engagement activities (taken place or planned) with those likely to be affected)

Becoming a Marmot City will add additional profile, coordination and focus to the existing commitment across Leeds to reduce health inequalities and improve the health of the poorest the fastest. Poorer health outcomes are experienced by people living in deprived communities. Whilst complex, there is also evidence that different equality groups also experience differential health outcomes and that intersectionality plays a role in compounding risk(s) for poor health.

Expected city-wide benefits include:

- Strengthening our shared commitment to addressing inequalities and inspiring action across the city
- Improved partnership and coordination to align our efforts to reduce inequalities
- Applying evidence on what works more effectively to build on current approaches and to go further, faster.
- Improving the monitoring of health inequalities across the city to inform action
- Embedding equity in decision-making across the whole system

The focus of the emerging work programme will be to highlight inequalities and make recommendations regarding how best to address them. This will include consideration of equality, diversity, cohesion and integration. One of the key principles of the Marmot work is 'addressing racism, discrimination and its outcomes' - this provides an important lever for influencing wider strategies and programmes.

The Third Sector – who often work the most closely with marginalised communities and groups - are involved in the Marmot City Working group. The Third Sector representatives will provide regular check and challenge as the programme develops.

'Community Voice' (meaningful consultation and engagement) is a key principle of the work.

As such, issues of equality, diversity, cohesion and integration are woven through the programme in the approach the project team hopes to adopt. There is also a specific strand of the work that will address these issues directly.

- **Key findings**

(**think about** any potential positive and negative impact on different equality characteristics, potential to promote strong and positive relationships between groups, potential to bring groups/communities into increased contact with each other, perception that the proposal could benefit one group at the expense of another)

The Marmot City work programme – delivered in partnership with the IHE - is a strategic programme that will enable the city to be assured that resources are focused on populations and communities with the greatest need,

It is unlikely that there will be interventions developed that will result in challenge or a perception that one group is being disadvantaged as the programme itself will not directly fund or deliver interventions.

However, it will support decisions that the city makes to ensure fair distribution of resources dependent upon need – as defined by both communities and data/intelligence.

- **Actions**

(**think about** how you will promote positive impact and remove/ reduce negative impact)

The project team intends to build further partnerships with equality and diversity forums both within LCC and across the city to ensure that the needs of people with protected characteristics form an important component of the programme as it develops.

5. If you are *not* already considering the impact on equality, diversity, cohesion and integration you *will need to carry out an impact assessment*.

Date to scope and plan your impact assessment:	
Date to complete your impact assessment	
Lead person for your impact assessment (Include name and job title)	

6. Governance, ownership and approval

Please state here who has approved the actions and outcomes of the screening

Name	Job title	Date
Date screening completed		

7. Publishing

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

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

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

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

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

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Financial Health Monitoring 2022/23 – Provisional Outturn Month 11(February)

Date: 19th April 2023

Report of: Chief Officer - Financial Services

Report to: Executive Board

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

Recommendations

1. The purpose of this report is to inform the Executive Board of the financial health of the Authority in respect of both the General Fund revenue budget and the Housing Revenue Account. At Month 11 (February) this Provisional Outturn position reflects an overspend of £16.3m on the Authority's General Fund services.
2. Where Directorates are projecting an overspend, any savings actions implemented to mitigate these pressures are included in the reported overspend position.
3. Any adverse variation to a balanced budget position at the 2022/23 year-end will require the use of Strategic Contingency Reserve balance. Ongoing pressures identified in the current year have been built into the 2023/24 budget.
4. In 2021/22 the Council received Government funding towards the costs of COVID-19. This was fully utilised in 2021/22 with no balance of funding available for 2022/23.
5. Any Collection Fund income shortfall arising in 2022/23 will impact on the Revenue Budget in 2023/24.
6. This report comments on financial performance against the 2022/23 budget, which has targeted resources towards the Council's policies and priorities as set out in the Best City Ambition.
7. The current and future financial climate for local government represents a significant risk to the Council's priorities and ambitions. The position remains challenging and the budget for 2022/23 requires delivery of £16.5m of savings. At Month 11 Provisional Outturn it is anticipated that the majority of budgeted savings will be delivered or mitigating actions found.
8. Where known, increased inflation and the rising cost of living, including the 2022/23 agreed pay award, have been incorporated into this reported financial position.
9. This report provides the Board with information on the monitoring of the decision to freeze non-essential spend as one of the measures to balance the 2022/23 budget. Expenditure to Month 11 on a range of financial codes in scope shows that spend is 14.4% lower than over the same period in 2021/22. This reduction in expenditure has been included in the forecasts for the year being reported by Directorates.
10. At Provisional Outturn (Month 11) the Housing Revenue Account is forecasting a balanced position, by the use of the major Repairs reserve.
11. Further, this report explains the intention to apply the remaining balance of the Merrion House capital receipt to redeem debt in 2022/23, to reduce the MRP budget by a corresponding amount and then to contribute the resulting revenue saving to an earmarked revenue reserve.

Executive Board are asked to:

- a) Note that at Month 11 (February) the Authority's General Fund services are forecasting an overspend of £16.3m and that the Housing Revenue Account is forecasting a balanced position.
- b) Note that where an overspend is projected Directorates, including the Housing Revenue Account, are required to present action plans to mitigate their reported pressures, in line with the Revenue Principles agreed by Executive Board in 2019. Savings actions identified to date are included in the reported overspend position and actions will continue to be identified which will contribute towards improving this projected financial outturn position.
- c) Note that known increased inflation and known impacts of the rising cost of living, including the agreed 2022/23 pay award, have been incorporated into this reported financial position. These pressures will continue to be assessed, with the final position being incorporated into Final Outturn position for 2022/23 to be received by this Board in June.
- d) Note that the report 'Financial Performance – Outturn financial year ended 31st March 2023', which will be received at this Board in June 2023, will recommend that the final overspend at Outturn is balanced through use of the Strategic Contingency Reserve.
- e) Approve the application of the remaining balance of the Merrion House capital receipt to redeem debt in 2022/23, to reduce MRP by the same amount and to contribute the resulting revenue saving to an earmarked revenue reserve.

What is this report about?

- 1 This report updates the Board on financial performance against the Council's 2022/23 General Fund and Housing Revenue Account budgets for the first eleven months of the financial year. At Month 11, the Provisional Outturn position reflects an overspend of £16.3m on the Authority's General Fund while the Housing Revenue Account is forecasting a balanced position. The adverse variation to a balanced budget position for the General Fund at the 2022/23 year-end will require the use of Strategic Contingency Reserve balances.

What impact will this proposal have?

- 2 The budget proposals contained in the 2022/23 Budget have, where appropriate, been the subject of the Council's Equality Impact Assessment process and mitigating measures put in place or planned where appropriate. As such, an Equality Impact Assessment was provided at Appendix 6 to the 2022/23 Revenue Budget and Council Tax Report.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing Inclusive Growth Zero Carbon

- 3 The Best City Ambition is the strategic plan which sets out the ambitions, outcomes and priorities for the City of Leeds and for the Local Authority. The Three Pillars of health and wellbeing, inclusive growth and achieving zero carbon underpin this vision and these can only be delivered through a sound understanding of the organisation's longer-term financial sustainability which enables decisions to be made that balance the resource implications of the Council's policies against financial constraints. This is the primary purpose of the Medium Term Financial Strategy which provides the framework for the determination of the Council's annual revenue budget.
- 4 This report needs to be seen in the context of the requirement for the Council to be financially sustainable and deliver a balanced budget position in 2022/23 so that resources can continue to be targeted at the Council's priorities.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted? Yes No

- 5 This is a factual report and is not subject to consultation. Public consultation on the 2022/23 Revenue Budget was carried out between December 2021 and January 2022 and is detailed in the 2022/23 Revenue Budget and Council Tax report presented to this Board in February 2022.

What are the resource implications?

- 6 This is a revenue financial report and as such resource implications are detailed in the report and appendices.

What are the key risks and how are they being managed?

- 7 The reported budget position is considered in the context of risk to both the in year financial position and the potential impact on the Council's Medium Term Financial Strategy. These risks are included on the Council's corporate risk register.
- 8 Budget management and monitoring is undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget judged to be at risk such as the implementation of budget action plans, those budgets which are subject to fluctuating demand and key income budgets. To reinforce this approach, specific project management based support and reporting around the achievement of key budget actions plans is in place for 2022/23.
- 9 This position reflects the agreed 2022/23 pay increase. Further this position reflects the latest projections with regard to known inflationary pressures in respect of the increased cost of electricity, gas, fuel and the impact of the cost of living pressures on our residents or businesses which has significantly affected the cost of goods and services the Council procures, demand for support and welfare services the Council provides, and the activity levels that support a wide range of income streams.
- 10 The final position for 2022/23 will be reported to this Board in the report 'Financial Performance – Outturn financial year ended 31st March 2023', in June 2023. Should an overspend position be confirmed at final Outturn, it will be recommended that this be balanced through use of the Strategic Contingency Reserve. Whilst this will achieve the required balanced position for 2022/23, it will reduce the resources available to support the Council's financial position in future years.
- 11 However, this report seeks Executive Board's approval to apply the remaining balance of the Merrion House capital receipt to redeem debt in 2022/23, to reduce MRP by the same amount and to contribute the resulting revenue saving to an earmarked revenue reserve. Once established, this new reserve will be available to fund future unforeseen budget pressures and to ensure the Council continues to become more financially resilient, particularly given the likely use of the Strategic Contingency Reserve to balance the 2022/23 position.

What are the legal implications?

- 12 There are no legal implications arising from this report.

Options, timescales and measuring success

What other options were considered?

13 Not applicable

How will success be measured?

14 Not applicable

What is the timetable and who will be responsible for implementation?

15 Not applicable.

Appendices

16 The following appendices are attached to this report:

- **Appendix 1** – background information, detailed narrative regarding the projected financial positions for directorates, Dedicated Schools Grant (DSG) and the Housing Revenue Account HRA, update on Council Tax and Business Rates including collection performance.
- **Appendix 2** – Individual financial dashboards for directorates, DSG and the HRA.
- **Appendix 3** – Directorate Budget Action Plans.

Background papers

17 None

Financial Health Monitoring 2022/23 – Provisional Outturn Month 11 (February)

1. Purpose of this report

- 1.1. This report sets out for the Executive Board the Council's projected financial health position for 2022/23 at Provisional Outturn (Month 11).
- 1.2. Budget monitoring is a continuous process throughout the year, and this report reviews the position of the budget and highlights potential key risks and variations at Month 11.

2. Background information

- 2.1 Executive Board will recall that the net budget for the general fund for 2022/23 was set at £521.9m.
- 2.2 Following the closure of the 2021/22 accounts, the Council's general fund reserve stands at £33.2m. The 2022/23 budget assumes no contribution to this reserve during the current financial year.
- 2.3 The 2023/24 Revenue Budget and Council Tax report, received by the Executive Board in February 2023, assumed a balanced budget position for 2022/23 after the application of Government funding, the delivery of savings and the utilisation of earmarked reserves and the Council's share of the additional funding announced at the Final Local Government Finance Settlement in February 2023 relating to the surplus on the national Business Rates Levy Account. Any adverse variation to a balanced budget position at the 2022/23 year end will require the use of Strategic Contingency Reserve balances. Any ongoing pressures identified in the current year have been built into the 2023/24 budget.
- 2.4 Financial monitoring continues to be undertaken on a risk-based approach where financial management resources are prioritised to support those areas of the budget that are deemed to be at risk, for example to the implementation of budget action plans, those budgets which are subject to fluctuating demand and key income budgets. This is reinforced through specific project management based support and reporting around the achievement of key budget actions plans.

3. Main Issues

- 3.1 At Provisional Outturn an overspend of £16.3m is projected across directorates (an adverse change of £2.6m or 18.7% from the Month 10 position). As discussed in this report, this position encompasses the impact of the agreed national employers pay offer for 2022/23, increased energy costs and the impact of the Government's Energy Relief Bill and other inflationary rises and the wider impact of rising cost of living pressures.
- 3.2 Any Collection Fund income shortfall arising in 2022/23 will impact on the Revenue Budget in 2023/24.
- 3.3 Directorate positions are summarised in **Table 1**.

Table 1: Summary Position Financial Year 2022/23 Month 11 (February)

Directorate	Director	(Under) / Over spend for the current period				Previous Reported Position
		Staffing	Total Expenditure	Income	Total (under) /overspend	
		£000	£000	£000	£000	£000
Adults & Health	Caroline Baria	953	9,469	(9,468)	0	0
Children and Families	Julie Longworth	1,201	18,380	(87)	18,294	16,545
City Development	Martin Farrington	(989)	1,605	(1,491)	115	0
Communities, Housing & Environment	James Rogers	3,267	1,056	225	1,283	762
Resources	Mariana Pexton	4,859	10,010	(6,118)	3,892	3,662
Strategic	Victoria Bradshaw	(232)	3,953	(11,244)	(7,292)	(7,249)
Total Current Month		9,060	44,473	(28,183)	16,291	13,720

Previous reported (under)/over spend	9,198	36,808	(23,089)	13,720
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Managing the Overspend

As noted in **Table 1**, at Month 11 the Council is projecting an overspend of £16.3m for the financial year 2022/23.

3.4 As requested at September’s Executive Board, directorates have been required to identify action plans to both address reported overspends and absorb the financial impact of the national employers pay offer for 2022/23. These actions include, with a small number of exceptions, a freeze on recruitment (including on agency staff and overtime), and a freeze on non-essential spend. Exceptions to this may include expenditure needed for health and safety reasons, to meet a statutory service requirement, to prevent further costs, or that helps generate income that more than outweighs the cost of recruiting to these roles.

3.5 Cross-directorate Task and Finish working groups have worked with services projecting overspends to support them to reduce cost pressures. In order to monitor and identify progress on these working groups, savings action plans were developed to record pressures and proposals and to monitor improvement. The Provisional Outturn position includes the savings attributed to the actions identified and progressed by the Task and Finish groups.

Directorate Positions

3.6 The major Directorate variations in Table 1 are outlined below, with additional detail provided on the Directorate dashboards at Appendix 2 of this report.

3.6.1 Adults & Health – At Provisional Outturn, Adults & Health Directorate is projected to deliver a balanced budget, although there are remaining risks around demand and income targets outlined below. The Net Managed Budget (NMB) for 2022-23 is

£197.30m, comprised of £384.03m of gross expenditure offset by £186.73m of gross income. Reflected in the 2022-23 budget are Budget Action Plans totalling £6.994m.

Two provisions have been identified that are no longer required and these have been written back into the Adults & Health 2022-23 revenue budget; £1.15m for Ordinary Residence provision and £0.492m for COVID grant funding to cover any repayment to the Department for Health & Social Care for ineligible expenditure. This is offsetting a contribution from Adults & Health into the Strategic Contingency Reserve of £1.642m.

Budget Action Plans

At Month 11 there are concerns around the delivery of 3 Budget Action Plans with a forecast impact of £2.214m:

- £1.024m relating to the strategic review for Social Work due to slippage in recruiting staff.
- £0.190m relating to slippage in the budget action plan for the refurbishment of the 3 LCC run residential homes, with a revised opening date of early March 2023 for Spring Gardens and the other two slipping into the 2023-24 financial year.
- £1.0m income shortfall against the £1m additional Client Income Budget Action Plan. This is primarily around 2:1 Homecare visits and removing the Maximum Assessed Charge (MAC) cap and is due to the way that income is posted into the FMS system. There are 13 charging runs each year and the last run relates to January billing and will not therefore pick up the uplift in income until the 2023-24 financial year. Additionally new service charges for the in-house Telecare service are actioned then.

Mitigating actions have already been identified to ensure the service is projected to deliver a balanced budget, with no additional impact on the Medium Term Financial Strategy; principally £1.2m of Commissioning savings on Extra Care and Adult Carers, £0.5m Market Sustainability & Fair Cost of Care 25% grant funding available for delivering Fair Cost of Care, savings from implementing corporate in-year savings initiatives and additional s117 income from Health contributions for agreed packages of care.

Demand

The 2022-23 demand related budgets reflect £17.774m of additional funding for price, inflationary and demand & demography growth, taking the overall size of the demand led budgets up to £251.6m before reducing to £247.5m after netting off a £4.1m savings target reflected in the delivery of the 2022-23 budget action plans; principally the Strategic Review for Adult Social Work. Overall, the Month 11 projection shows an overspend of £4.864m on the 2022-23 demand related budget which is a minor improvement of £0.16m from Month 10, analysed below.

It should also be noted that there has been an in-year increase in the demand related budgets of £3.3m due to £1.7m for increased Homecare provider rates funded from Leeds-ICB and £1.6m for Residential provider rates funded from the Fair Cost of Care & Market Sustainability grant.

Mitigating actions have been identified to balance:

- Increased demand in all residential settings of £3.983m, which is an improvement of £0.512m from the reported position at Month 10. The residential settings variation comprises of: £1.543m Residential, £1.474m Nursing Complex, £1.112m Residential Complex and savings of £0.146m Nursing. This is offset by additional income of £1.626m giving a net pressure £2.357m.
- Learning Disability (LD) demand budgets are £0.683m over budget, offset by additional client income of £1.486m giving a net saving £0.803m.
- Homecare and Community Support placements, £0.960m above budget, which is an adverse movement of £0.3m from the reported position at Month 10. This service area has seen an increased number of packages and this projection is modelled on current activity levels being paid via the Council's Client Information Service (CIS) system with a net pressure £0.960m.
- Also offsetting budget variation above are the savings on demand budgets in Supported Living £0.013m, Direct Payments, £0.749m, additional £0.698m Leeds-ICB monies (BCF & non-BCF agreements) and £0.529m additional Partnership income from other Health settings in Leeds and £0.525m additional iBCF grant income.

Pay

This projection reflects the agreed Employers 2022-23 pay offer of £1,925 per employee. The impact of this is an additional £2.4m pay related pressure, over and above the 2% budgeted position. Also, this includes £0.3m for Passenger Transport pay costs (reflected in Internal Charges above). £0.4m will be recovered from higher charges to partnerships and grant funding. At Month 11 there is a pay pressure of £0.953m, which is £1.45m lower than the budgeted pay impact due to recruitment difficulties in social work and social care. The balance will be funded from the use of iBCF grant monies.

Partnerships and Grant funding

On the 22nd of September 2022 the DHSC set out the Government's new 'Our plan for patients' to improve care for patients this winter and next announcing a £500m Adult Social Care Discharge fund to help people get out of hospitals and into social care support. LCC was directly awarded £2,758,941 and Leeds-ICB was awarded £5,188,000; Total for Leeds, £7,946,941. The guidance requires the funding to be pooled via the Better Care Fund.

Included in the 2022-23 budget is £2.235m of new grant funding for Market Sustainability and Fair Cost of Care. This was upfront funding in preparation to go-live in October 2023 of the new Care Act reforms, however the go-live date has slipped to October 2025. A minimum of 75% must be allocated directly to support the market and 25% for resources to implement the requirements of the Care Act. Additionally, we've received a further £0.01m for ASC charging reform: implementation support funding grant determination for 2022-23 to support capacity for assessments and DIS requirements for the Care Act.

A pressure of £1.2m is reflected for delayed discharges from hospital settings beyond 28 days at Month 11. Where a client who is assessed and ready for discharge resides beyond 28 days then the cost for that client becomes the responsibility for the local authority. This is offset by additional income under the iBCF Social Care Grant funding stream and reserves. A Savings Action Plan is being undertaken to mitigate any impact on the 2023-24 budget.

The Month 11 projection for Passenger Transport reflects a pressure of £858k, split £772k LCC and £86k Leeds-ICB. £308k relates to the in-year pay pressure from the 2022-23 pay award and outlined in the pay section above and £558k for inflationary impact on fleet operating costs, private hire, and increased driver costs to cover sickness absence. The LCC share will be covered by additional BCF income.

There is £0.7m of COVID grant funding relating to Clinically Extremely Vulnerable (CEV) carried forward against which we are currently assuming associated expenditure, in particular winter grants.

New grant funding of £19k for 2022-23 and £19k for 2023-24 has been announced to support the 'Care data matters: a roadmap for better data for adult social care', agenda and switch to Client Level data.

Public Health

Public Health (PH) Grant funding for 2022-23 is £47.126m; increase of £1.288m from 2021-22 (2.7%). Since the 2022-23 budget was approved, new PH grant of £2.785m, for 'Substance misuse funding for drug and alcohol treatment', has been awarded. This is a three-year announcement for which LCC will receive 2022-23 £2.785m, 2023-24 £4.445m and 2024-25 £8.445m. PH funding is a ring-fenced grant and any in year under / overspend is covered via a specific earmarked reserve.

3.6.2 Children and Families – The current year-end forecast for the Children and Families directorate is an overspend of £18.294m. This represents an increase of £1.749m since the last reported position at Month 10. The main movements from Month 10 are:

- External Residential Placements £0.650m
- Care Leavers: Semi Independent Living £0.377m
- Additional UASC Income (£0.323m)
- Little Owls Nurseries £0.418m
- Legal Costs £0.648m
- Additional Non Essential Spend savings (£0.322m)
- Other movements £0.301m

Overall, the main variations included within the Month 11 position are:

	£m
Care Leavers: Semi Independent Living	4.530
Care Leavers: Leaving Care Allowances	0.400
UASC Income	(1.558)
CLA: In House Carers	3.498
CLA: External Residential Placement	2.039
Independent Support Work	0.695
Little Owls Nurseries	2.041
Transport	3.490
IFA Placements	0.570
Secure Welfare	0.299
Projected Net Staff pressures	1.070
Legal Costs	0.648
Contribution from Housing Support Fund	(1.000)
ICB Contribution	1.900

Non Essential Spend Savings	(0.668)
Other Variances	0.340
Total	18.294

Task And Finish Group

During the year a Task and Finish group has been providing a joined up approach between Children and Families and other services to identify and progress mitigating action plans to reduce these pressures. A number of key actions have been identified and progress has been made against these as detailed within the narrative below.

The Month 11 position includes assumed savings of £0.769m which have been attributed to the actions identified and progressed within the Task and Finish group.

- CLA Leaving Care - £0.499m
- Transport - £0.200m
- Little Owls Nurseries - £0.070m

Care Leavers: Semi-Independent Living:

The budget for Semi-Independent Placements is £5.8m. Currently there are 292 placements, including 108 placements for 16 and 17 year olds, which is an increase from previous years. This increase has been driven by a number of factors including an increase in 16 year olds exiting foster care, a bulge cohort of CLA in 15-17 year olds including the majority of UASC, and a continued flow of young people being remanded to our care by the courts or released from custody. Within these groups there are some who have high support needs which result in higher average placement costs.

The Our Way Leeds (OWL) contract is now delivering the capacity of provision originally anticipated, following some early challenges. However, in terms of transitioning out of OWL there is significant competition for suitable council tenancies, as well as an oversaturated private rental market which is not easy to access for universal credit claimants.

A number of key actions have been identified within the Task and Finish Group and progress has been made against these challenges including:

- A review of young people ready to move out of OWL provision and into independent living within a short timescale has been undertaken, working closely to match these to suitable one-bed council tenancies.
- The result of this work has been creation of capacity across a significant number of OWL units, including 49 movements into or within OWL provision, made up of:
 - 26 young people moved into OWL provision from external placements
 - 23 young people moved within OWL to free up other units, or new into OWL through Leeds Housing Options (young people who would otherwise be deemed homeless)
- There remain a number of units which are expected to become available and matching to suitable young people will continue against these properties.

- Work continues to support moves both out of and into OWL, as well as designing/embedding a process to ensure continued flow, as and when young people are ready to move onto independent living.

The Semi-Independent position at Month 11 includes £0.499m projected savings as a result of the task and finish actions highlighted above.

The Semi-Independent pressure has been mitigated by an additional £1.558m of projected income for unaccompanied asylum seekers (UASC).

CLA In House Carers:

The Month 11 position includes the £2.969m impact of the uplift of the weekly fees and maintenance allowances paid to Leeds Foster Carers which was backdated to April 2022. This pressure has been mitigated with a contribution of £1.000m from the Household Support Fund.

The overall placement numbers for (Fostering, Family Placement, Placed for Adoption) cohorts are slightly higher than the budgeted numbers leading to an additional pressure on fees and allowances. However, the main pressure is on Placement support with a number of home adaptations being approved for carers, resulting in a pressure of £529k within placement support.

External Residential Placements:

The External Residential budget for 2022/23 is £18.043m, which supports 74 External Residential placements. As of 20th February, there were 85 placements - assuming these placements stay in their current provision (same weekly £ rate) to year-end and those turning 18 in-year fall out, an overspend of £2.039m is forecast. This is an increase of 6 placements since the last reported position.

Little Owls Nurseries:

The Little Owls nursery settings are projecting a net pressure of £2.041m, a projected income pressure of £2.499m and non staffing cost pressures £0.175m offset by projected staff savings of £0.633m. Whilst the Little Owls nurseries did experience some recovery in 2021/22, income levels are still not back to pre-pandemic levels due to the change in working patterns, and a continued reduction in nursery capacity / opening hours due to ongoing staff shortages and recruitment difficulties.

To recognise increased costs, fees for Little Owls has increased by 5% from October to £51.70 per day, an increase of £2.50 per day. For comparison, the average market rate in Leeds is between £45 and £58 per day. The Little Owls fee increase with effect from October should generate projected additional income of £0.070m in 2022/23 with a full year impact of £0.135m. In addition to the increase in fees there is a more comprehensive review of the Little Owls provision ongoing.

Transport:

The overall transport budget is showing a projected reduced overspend of £3.490m. This position includes additional charges of £0.298m from WYCA due to increased drivers pay and fuel costs, with a further £3.360m pressure due to increased charges from Passenger Transport within CEL as a result of increased pupil numbers and increased costs.

Independent Support Work:

There is a projected pressure of £0.695m against the Independent Support Work budget which reflects the projected costs of supporting the needs of one child. The complexity and level of support provided in this case is under review.

ICB Health Contribution:

The Month 11 position assumes that an additional budgeted health contribution of £1.900m will not be received. Children and Families are working with the ICB to consider alternative funding or budget savings. Working collectively in this way will produce a plan that is much better for vulnerable children and young people by supporting them earlier and reducing the need for out of area placements.

Budget Action Plans

Of the £1.661m of budget action plans included within the base budget 2022/23 the Month 11 position assumes that £0.575m of the action plans will not be achieved as below:

- Diversifying Childrens Residential Provision £0.295m
- Passenger Transport £0.280m

Dedicated Schools Grants

The approved DSG budget 2022/23 assumed that there would be a carry forward surplus of £0.119m as at the end of the year. The position at Month 11 projects an in year underspend of £2,307k and a surplus balance to carry forward into 2023/24 of £2,426k.

The projected variance is split across the following DSG funding blocks:

- Schools Block (£224k) - This is mainly due to a saving against the growth fund budget (£258k) and a small overspend of (£44k) on de delegated services.
- High Needs Block (£1,886k) - The underspend is largely due to high needs supplementary funding of £947k which following discussions at Schools Forum was retained as a High Needs contingency fund. In addition, there is a projected underspend of £1,061k on services provided by Children & Families due to vacancies and difficult market conditions causing difficulties in recruiting to the sensory services and Invest to Save budget.
- Early Years Block (£197k)
- Central School Services Block (£2k)

The projected surplus equates to 0.5% of the total DSG funding 2022/23. Although this position projects a carry forward surplus into 2023/24, beyond this there remains a high level of uncertainty with regards to the future DSG position especially in regard to future pressures against the High Needs block. This position will continue to be closely monitored with updated projections to be presented to Schools Forum and Executive Board

- 3.6.3 City Development** – at Month 11, City Development is forecasting a small overspend of £0.1m which represents an increase from the balanced position reported previously. However, although this is based on the latest available information, the directorate will work towards achieving a balanced position at the year end.

As reported previously, inflationary pressures in respect of energy are shown centrally within Strategic accounts but the directorate position does include the impact of the local government pay award, estimated at £1.7m for pay (net of amounts that will be charged on to capital schemes and grants).

The restrictions on spending across the Council, including tighter vacancy controls and restrictions on non-essential spending have contributed towards mitigating pressures experienced during the year as described below for each service area and it is envisaged that the directorate will achieve close to a balanced budget by the year end.

- **Active Leeds** – based on income received to date, including the recent review of fees and charges, a shortfall to budget of £0.5m is anticipated, primarily on swimming and membership income. The impact of the pay award is projected £0.7m for the service, although this is partially offset by anticipated staffing and running cost savings of £1m, giving an overall forecast year end overspend of £0.2m.
- **Arts & Heritage** – the service is projecting an overspend of £0.6m which includes the impact of the pay award (£0.3m) and income shortfalls in a number of areas including box office, cafes, city centre room hire, Breeze pass, Pudsey Civic Hall car parking and admission charges at Kirkstall Abbey, partially offset by staffing vacancies and running cost savings.
- **Employment and Skills** – a projected underspend of £0.37m reflects staffing savings of £0.14m and final balances in respect of schemes which have now concluded.
- **Asset Management & Regeneration** – an overspend of £0.2m is projected which reflects anticipated shortfalls in respect of the Strategic Investment Fund and Estate Rationalisation savings targets, offset by one-off sources of income such as income from restrictive covenants and other mitigating savings plans including a review of commercial rental income. The position also includes a projected shortfall of £0.1m in respect of budgeted NPS profit share income.
- **Planning & Sustainable Development** – high volumes of caseloads and applications mean it is necessary to recruit to all vacant posts which impacts on the service's ability to achieve its budgeted vacancy factor. A projected staffing overspend of £0.5m is therefore currently projected, which includes the impact of the pay award (£0.3m). However, additional income, including building control and CIL administration income, is forecast to the year end and an overall balanced position is anticipated for the service.
- **Highways and Transportation** – an overall projected overspend of £0.2m includes the net impact of the pay award after taking into account additional income from charge out rates; an anticipated increase in the cost of hired transport and fuel; contract savings in respect of Street Lighting; and savings from vacant posts offset by additional agency and partner costs required to assist with delivery of the work programs.
- **Markets and City Centre** – a shortfall of £0.7m in respect of Markets income is estimated which reflects vacant units mainly within the Kirkgate and Outdoor markets. Whilst this position represents a variance from budget, the budget is based upon a surplus position, therefore the service is currently forecasting a relatively small deficit. In addition, income shortfalls of £0.5m are projected

within City Centre in respect of city centre advertising income, income from street café licences and from hiring of event spaces in the city centre. The position reflects the limited scope to achieve mitigating savings within these service areas.

- **Resources & Strategy** – staffing and running cost savings of £0.3m have been identified within Resources & Strategy to partially offset the pressures identified in other service areas. In addition, to further help mitigate pressures across the directorate, it is proposed to utilise £1.5m of commuted sum balances received from developers to meet the future maintenance cost of adopted Highways, leading to an overall underspend of £1.8m within Resources & Strategy.
- **Staffing** – within the overall reported position described above there is a projected staffing underspend of £0.9m across the directorate including the estimated net impact of the pay award.

Key Budget Action Plans

The 2022/23 budget contained £3.2m of new savings plans and it is anticipated that most have been delivered or are on track to be delivered, with projected shortfalls in some areas reflected within the overall directorate position.

In addition, as referred to above, there are projected shortfalls on the existing Strategic Investment Fund and Estate Rationalisation budget savings plans. Although these are unlikely to be achieved within the current financial year as originally envisaged, mitigating savings have been identified to offset these pressures.

3.6.4 Communities, Housing & Environment – At Provisional Outturn, the Directorate is forecasting a pressure of £1.28m with ongoing pressures on Housing Benefit subsidy income being the main reason for the increased pressure.

The Directorate position reflects the net impact of the pay award offer, £3.2m, and fuel related pressures of £0.2m. These figures are contained within the service explanations below:

- **Car Parking (£0.2m saving)** - Staff costs are £0.2m below budget due to vacancies. Income continues a recovery trajectory; the Provisional Outturn position suggests that receipts are projected to fall £0.38m below the budget (compared to £2.7m in 2021/22 and £7.7m in 2020/21). As full provision for this has been made within corporate contingencies, a nil variance in income has been reported within the Directorate's budget.
- **Environmental Services (£1.2m pressure)** - Staffing costs of £3.1, mainly pay award and fuel costs of £0.3m.

Transport costs, excluding fuel are estimated at an additional £1.2m. A review of all vehicles on fleet and hire is underway.

Historically there is a net cost associated with the disposal of green bin recyclable materials, however currently the Council is receiving a net income for this material. It is forecast that this could generate additional gain of £1.1m in 2022/23, although this is significantly lower than previous projections

Kerbside 'black bin' waste volumes are now reducing from the peak of lockdown period levels and are assumed to continue at the current level for the remainder of 2022/23, which would generate a saving a £1.6m on disposal costs.

A PFI rebate, other disposal costs and additional trade waste income totalling £1m are also forecast.

- **Parks (£0.3m pressure)** - Staff costs are projected to be £0.5m under, after the pay award. Fuel costs are £0.2m.

Cancellation of bonfires has saved £0.1m against the budget and £0.3m of prudential borrowing savings have been identified. Inflationary pressures associated with the events programme are also expected to be £0.1m in 2022/23.

Additional transport costs are now projected at £0.3m

Delays to construction of the new Parks attractions are expected to reduce net income by £0.2m in 2022/23 and bereavement services income is projected to fall £0.5m below budget.

- **Customer Access and Welfare (£0.5m pressure)**

Community Hubs budgets are forecast to be £0.1m over, with £0.3m of staffing cost pressures, offset by income.

Within Benefits, staffing pressures are £0.3m, and this is offset by additional new burdens and other grant income of £0.8m.

Housing Benefit Rent Allowances anticipated pressures are £3.0m where the Council cannot reclaim a 100% subsidy from the Government. However, £1.7m of additional benefit overpayment income is expected to partially offset these pressures.

- **Registrars, Licensing and Environmental Health (£0.1m saving)** - Staff costs are £0.4m after pay award. Latest trend suggests £0.4m of additional income for 2022/23 from registrars and funding from the COVID recovery fund.
- **Other variations** – minor variations across the Directorate total less than £0.4m.

3.6.5 Resources – Based on an examination of key risk budgets, the Resources Directorate is forecasting a pressure of £3,892k at this reporting period. The increase from the previous period is £230k.

The pay award for Resources will result in a £10m cost in 2022/23 against a budgeted 2% rise of £4m. The overall Resources pressure of £3.9m includes the

£6m unbudgeted pay award pressure which has been partly mitigated through vacancy controls and passing on appropriate charges to client departments.

Within the Resources Directorate, Civic Enterprise Leeds (CEL) has a savings target of £2.6m in the 2022/23 budget strategy. As well as this savings target, the service has also tried to manage an additional net pay award pressure of £2m requiring total savings of £4.6m to achieve a balanced position (this excludes other running cost inflationary pressures which the service has had to mitigate). The Month 11 position shows that the service is broadly on track to deliver the £2.6m budget savings, however it is reporting a net pressure of £1.3m arising mainly as a result of the service being unable to fully mitigate the £2m pay award pressure.

The £230k increase since Month 10 is due to;

- Procurement and Commercial Services, increase of £150k, due to forecast income from PACs work now reflected in the appropriate directorate schemes.
- Legal Services, £29k increase in agency costs.
- Catering, increase in costs of £24k and a reduction in income of £90k due to impact of snow on service delivery in March.
- Cleaning, improvement in costs of £20k.
- Human Resources, improvement of £75k due to secondment income from Adults and Health.
- SEAQ, improvement of £72k due to staff vacancies and staff costs chargeable to grant funded schemes.
- Leeds Building Services, reduction in income of £115k due to impact of snow on service delivery in March.

This is summarised into the following areas across the Directorate's services:

- **Procurement £627k** - A target of £4m Procurement savings across the authority formed part of the 2022/23 approved budget. Whilst a proportion of these savings were set against specific contract areas, £2.3m had yet to be identified. Additional unbudgeted income from the Revolving Investment Fund is expected to mitigate some of this pressure and has therefore been included in the projection. In year mitigations amounting to £1.45m have also been identified to reduce the savings shortfall. The PACS service will continue to identify opportunities to increase income and reduce costs across the Directorate. The inflationary pressures experienced across a range of contracts since the setting of the budget mean that a pressure is likely in this area.
- **Legal Services £266k** - Agency overspend of £211k, expenditure overspends of £19k and income pressures of £295k are being offset by staffing savings of £259k.
- **Democratic Services £31k** - Staffing overspends of £74k are offset by expenditure savings of £43k.
- **Sustainable Energy and Air Quality -£283k** - Premises savings as a result of the decision in the Spring Statement to exempt District Heating networks from

Business Rates have resulted in a saving of £211k, with further savings of £72k due to savings from vacant posts and additional staff costs eligible to be charged to grant funded schemes.

- **Shared Services £1,314k** - Staffing overspends of £2,129k which consists primarily of the pay award of £1,781k, agency overspend of £102k and overtime overspend of £107k. The overtime and agency overspend is mainly due to staffing pressures within the Business Admin Service and Contact Centre due to vacancies and high turnover of staff, while still providing statutory services. Also included in this overspend is a Salary Sacrifice pressure of £278k. Pressures are being offset by supplies and services savings of £304k and additional income of £789k.
- **Integrated Digital Services £0k Balanced** - Staffing underspends of £102k including £1,094k Pay Award are assisting to offset overspends of £568k, the remaining overspend is offset by increased income of £466k. The additional income includes £700k flexible use of Capital Receipts.
- **Strategy and Improvement £39k** - Staffing overspends of £137k, and other expenditure of £53k are offset by £152k additional income.
- **Finance £276k** - Staffing overspends of £892k, income shortfall of £53k, and other overspends of £87k are being offset by additional Court Fee income of £304k, release of reserve £100k and Government funding of £352k.
- **Human Resources £108k** - Staffing overspends of £1,120k and other expenditure overspends of £77k offset by use of reserves and Government income to pay for interns and Kickstart posts of £1,014k, and £75k income from Adults and Health to pay for a staff secondment.
- **Leeds Building Services (LBS) £665k** - Following an examination of the pipeline of work for LBS for the remainder of the year from client departments, the turnover position for 2022/23 is expected to be in the region of £68.75m, which is a reduction of £4m over this year's original identified turnover. This has a consequential impact on the LBS rate of recovery. In short, slippage, cancellations or delays in programmes of work in client departments impact the revenue position of LBS.

The reported position includes mitigations as a result of; staff savings, further improvement in sickness levels, use of contingency and anticipated overhead savings. Whilst sickness levels have improved considerably over the year, they have not yet reached the budgeted levels of reduction.

- **Corporate Property Management £0k Balanced** - The service is reporting a balanced position.
- **Catering £504k** - Staffing overspends of £260k, inflation increases on food and other costs of £127k and income shortfall of £287k, offset by additional income

from Adults and Health of £170k in relation to in year inflationary pressures on the Meals and Home and Day centre provision.

- **Cleaning £111k** - Staffing overspends of £896k and equipment expenditure of £110k, are offset by £695k increases in income and £200k use of the Covid Recovery Fund.
- **Fleet £303k** - Staffing overspends of £63k and £240k overspends due to the impact of Vehicle Pool External Hire costs.
- **Presto £150k** - Staffing overspends of £55k, running cost overspends of £25k and £70k shortfall in income.
- **School Crossing Patrol -£80k** - Staffing savings of £60k and expenditure savings of £20k.
- **Security £29k** - Staffing overspends of £84k offset by income of £55k.
- **Facilities Management -£167k** - £50k of savings related to building running costs, and £300k procurement savings, are offsetting costs of £75k for New Market House along with a pay award pressure of £100k.

3.6.6 Strategic & Central Accounts - At Month 11, the Strategic & Central accounts projection is for an underspend of £7.3m. This position includes a forecast £0.6m pressure for increased energy costs across the Council, which reflects the latest information available on energy prices. This pressure will be allocated to the appropriate services in the final outturn position.

Savings recognised within the Strategic and Central accounts include a projected underspend of £4.9m in the debt budget, reflecting slippage in the capital programme and a reduced forecast for MRP. The position also includes recently announced grant income of £1.3m which is the Council's share of the national business rates levy account surplus for the year, and an additional one-off £1.7m use of earmarked reserves. An additional recharge of £0.5m to the public health budget for its pension costs has also been recognised, together with £0.4m of minor underspends across the Strategic, Miscellaneous and the Joint Committees budgets.

However, a potential £0.5m reduction in the level of S278 income has been recognised due to slippage in some projects. A pressure of £0.4m in relation to income distributions which are not now expected to be received from the regional Business Rates pool has also been included.

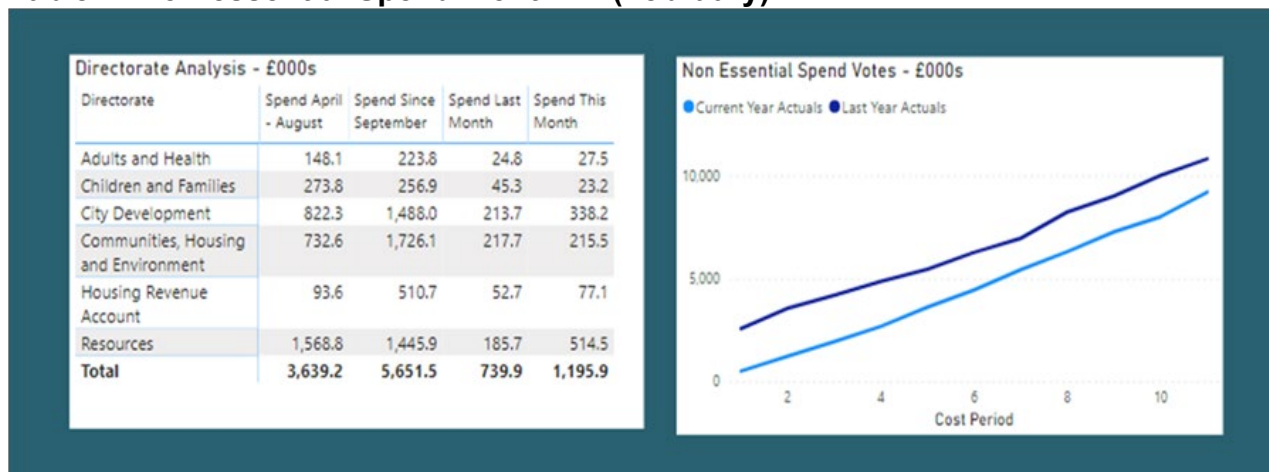
The position also reflects a projected additional £8.3m of S31 grants for business rates which will be transferred to reserves to be carried forward for use in future years.

3.6.7 Directorate dashboards highlight a projected overspend of £16.3m. Although work continues to reduce this overspend position, it is expected that there will still be an overspend at the 2022/23 year end and that this overspend will be funded by the utilisation of earmarked reserves, namely the Strategic Contingency Reserve. Ongoing pressures identified in the current year have been built into the 2023/24 budget.

3.7 Monitoring Non-essential Spend

3.7.1 As referenced at paragraph 3.4, one of the agreed actions to address the overspend position in 2022/23 is a freeze on non-essential spend. A process to monitor a range of financial codes where spend on non-essential supplies and services is likely to occur has been established and Executive Board will be updated each month on the outcome of this monitoring. It is not expected that no spend will be incurred on these codes as a variety of supplies and services will be included and spend on similar items may be essential in one service but non-essential in another. Despite rising price inflation expenditure on these non-essential supplies and services remains below that of 2021/22.

Table 2: Non-essential Spend Month 11 (February)



3.7.2 The table on the left shows the spend incurred between April and August 2022 and spend incurred after August 2022 following implementation of the freeze. At Month 11, spend in scope between April and August 2022 totalled £3.64m and spend since September 2022 totalled £5.65m, which includes spend of £0.74m in January and £1.2m in February. Whilst this may reasonably reflect the profile of the different types of expenditure in scope it will need to continue to be monitored and challenged where appropriate.

3.7.3 The graph on the right compares 2021/22 and 2022/23 spend on these financial codes. At Month 11 2021/22 £10.848m of expenditure had been incurred, compared with £9.291m in the current year, a £1.6m or (14.4%) reduction in spend to date against these codes.

3.8 Budget Action Plans

3.8.1 The budget for 2022/23 requires the delivery of £16.5m of savings. Detailed budget action plans have been developed to identify how these savings will be achieved and progress against these action plans will be monitored and reported throughout the year. Further detail is provided at Appendix 3.

At Month 11 it is anticipated that the majority of savings will be delivered in full through the identified saving plans or through mitigating actions identified by each Directorate, the exceptions being:

- Children & Families – £0.575m shortfall expected savings on Passenger Transport and Diversifying Children’s Residential Provision.
- Resources – £2.046m shortfall in the anticipated level of procurement savings within PACS.

3.8.2 Although other directorates have indicated shortfalls in regard to fully meeting their targeted budget action plans totalling £2.967m, they have identified other mitigating measures to offset these shortfalls as discussed in section 3.7.

3.9 Inflationary Pressures

3.9.1 At the end of Month 11 (February) an overspend of £16.3m is projected against the Council’s 2022/23 revenue budget. This reported position reflects the agreed national employers’ pay offer and known inflationary rises and cost of living pressures.

3.9.2 Pay Award – The 2022/23 budget allows £9.5m for an assumed 2022/23 pay award incorporating a Real Living Wage of £9.90 per hour at pay scale points 1 and 2 and a 2% pay award for all other staff. The agreed pay offer for 2022/23 resulted in a pay increase of £1,925 to all employees. The additional cost associated with this was incorporated into the Council’s reported financial position at Month 4. In September the Real Living Wage was announced at £10.90 per hour and this increased rate will be required to be incorporated into future Council’s budgets.

3.9.3 Energy – In September, the then Chancellor of the Exchequer delivered the Growth Plan 2022 to the House of Commons and reiterated recent steps taken by Government to tackle high energy bills. The Government committed to a six month Energy Bill Relief Scheme for businesses and other non-domestic energy users, including charities and public sector organisations, providing them with a discount on energy prices. As Leeds City Council has forward purchased over 80% of its energy for winter, the majority of its energy has been purchased at prices that are lower than the cap – although it should be noted that the prices secured are still significantly higher than we have ever paid before. However, the cap still provides the Council with protection against the extreme day ahead prices that we have seen for the balance of our energy and if these were to continue, the cap could save the Council up to £2m.

The 2022/23 budget allows for a 5% increase in energy costs for gas and electricity. In addition, the Council has set aside £3.9m of energy contingency funding. The reported position at Month 11 (February) assumes projected General Fund expenditure on energy of £20.9m against a budget of £14.36m. Applying energy contingency funding of £3.9m and further reserves of £2m reduces the projected General Fund overspend to £0.6m, which is reflected in the Strategic Directorate reported position. The reported position takes account of the Government’s energy cap arrangements for 2022/23. Actions being taken to review energy usage across the Authority’s estate may continue to reduce this projected overspend.

3.9.4 Fuel – The average UK pump prices for diesel and unleaded petrol saw increases of 11.4% and 0.1% respectively between February 2022 and February 2023. Although prices have fallen significantly during 2022/23, the 2022/23 budget did not

allow for any increases in fuel prices. Increases above the total 2022/23 budgeted amount of £7.7m have required directorates to develop action plans to mitigate.

3.9.5 Cost of Living Pressures – Further to the inflationary pressures detailed here, there has been a wider inflationary impact to the Council due to the impact of the increased cost of living on our residents and businesses. As expected, we have seen the impact of this in increased costs to the Council for the goods and services that we procure, increased demand for support and welfare services, and reduced income across a range of services as Leeds residents and visitors choose to spend differently as a consequence of rising inflation. The position will continue to be closely monitored.

3.10 Reserves

3.10.1 Following the closure of the 2021/22 accounts, the Council's general fund reserve stands at £33.2m. The 2022/23 budget assumes no contribution to this reserve during the current financial year.

Strategic Contingency Reserve

3.10.2 The 2022/23 budget includes use of reserves to support the Council's General Fund; this includes the Strategic Contingency Reserve which was established in 2020/21 to fund future unforeseen budget pressures and to ensure the Council becomes more financially resilient.

3.10.3 A sum of £2m from this reserve is also being used to fund the backlog recovery of affected services following the COVID pandemic, including targeting the backlogs of work which have built up in some services.

3.10.4 The closing balance on the Strategic Contingency Reserve for 2021/22 was £37.5m. The 2022/23 budget provided a further net contribution of £8.4m to this reserve, but also budgeted to use £15.0m to support the General Fund position. In year contributions to this reserve of £2.1m in respect of additional New Homes Bonus receipts and £1.6m in respect of provisions no longer required by Adults and Health (see paragraph 3.7.1) have been added to this reserve. At Month 11, £1.49m of this balance has been committed to fund backlog recovery from COVID and £0.97m to offset prior year targeted savings within Fleet Management, with a further £0.8m committed to fund smaller projects including £0.5m set aside to support Recruitment and Workforce Capacity work, leaving a projected balance of £31.3m at 31st March 2023. If £16.3m is to be required to balance the 2022/23 position, then this will reduce the available balance in this reserve to £15m. Since the approved 2023/24 budget requires a contribution of £14.3m from this reserve, this would leave a projected balance on the Strategic Contingency Reserve of £0.7m at 31st March 2024.

COVID Reserve

3.10.5 In addition, a specific COVID Reserve was created in the 2021/22 Budget to be applied to any pressures arising which exceed the initial estimate of the COVID impact. A balance of £3.5m was carried forward into 2022/23 and is expected to be applied in full.

3.11 Use of the Merrion House Capital Receipt

3.11.1 In 2018/19 the Council entered into a Rent Advance agreement with the TCS (Town Centre Securities) Group (the other 50% shareholder in Merrion House Limited Liability Partnership LLP) to make a prepayment of its rent under the 25 year lease at a discounted rate, which would then be distributed to the two partners of the LLP.

3.11.2 At the time that this agreement was entered into, the Council had anticipated being able to apply the amount distributed to it as revenue income to offset the gross annual rental each year. However, an agreed change in the accounting treatment in 2019/20 led to the distribution being converted to a capital receipt.

3.11.3 The Council initially had a reasonable level of flexibility to apply this capital receipt and had intended to primarily apply it to fund transformational spend. However, in summer 2022, DLUHC issued a letter to councils stating that capital receipts generated from disposals to organisations in which a council held an interest could not be used to fund transformational spend capitalised under the Regulations. As the Council is a 50% shareholder in the LLP, this prevents the Council from using the Merrion House receipt to fund transformational spend.

3.11.4 In light of the above, the Council intends to apply the remaining balance of the Merrion House capital receipt to redeem debt in 2022/23, to reduce its MRP by the same amount, and to contribute the resulting revenue saving to an earmarked revenue reserve. This is in line with the Council's approved MRP policy and is permissible under current Regulations and statutory MRP guidance.

3.11.5 The remaining value of the Merrion House capital receipt is £23.4m. The Council's expected MRP for 2022/23 without any application of capital receipts would be £60.2m. The Council therefore intends to set aside revenue MRP of £36.8m and apply the Merrion House capital receipt of £23.4m. It should be noted that this will have no impact on the revenue position for 2022/23.

3.11.6 As such, this report seeks Executive Board's approval to apply the remaining balance of the Merrion House capital receipt to redeem debt in 2022/23, to reduce MRP by the same amount and to contribute the resulting revenue saving to an earmarked revenue reserve. Once established, this new reserve will be available to fund future unforeseen budget pressures and to ensure the Council continues to become more financially resilient, particularly given the likely use of the Strategic Contingency Reserve to balance the 2022/23 position as discussed at paragraph 3.10.

4. Other Financial Performance

4.1 Council Tax

The Council Tax in-year collection rate at the end of February 2023 was 92.41%. For comparison, in February 2022 the in-year collection rate was 91.25% and in February 2020, a 'normal' year, the in-year collection rate was 92.99%. Although improving compared to previous years, with the collection rate continuing to be below pre-pandemic years in this challenging economic environment it has been decided that, to be prudent, the target collection rate in the fullness of time should

be reduced from 99% to 98.5%, at a cost to the Council's share of the Collection Fund deficit of £2.0m. This is included in the figures quoted below.

Leeds' share of the declared Council Tax deficit for 2021/22 (at 31st December 2021) has been incorporated into the 2022/23 budget. The declared deficit was £3.704m. This has been adjusted for the 3-year spreading legislated by Government in order that authorities can better manage deficits arising as a result of the economic impact of COVID-19. Consequently, the Leeds share of the deficit that is budgeted to be repaid in 2022/23 is £2.249m. This repayment is now a fixed amount and does not impact on the 2022/23 in year position.

The actual closing deficit on the 2021/22 Council Tax Collection Fund was £8.7m, including the Police and Fire Authority shares. In 2022/23 it is projected there will be an in-year deficit on Council Tax at declaration of £0.1m. The closing deficit will therefore be £8.8m. Included in the projected deficit is the final instalment of the declared unfunded deficit from 2020/21 which, including the Police and Fire Authorities' shares, will be £5.3m. This therefore means that an additional deficit of £3.5m will have to be funded by the Council, the Police and the Fire Authority in 2023/24, Leeds share of which will be £2.9m. In January 2023 the Council declared the 2022/23 additional deficit at £2.9m and this is now the fixed amount that will be repaid to the 2023/24 collection fund. Data at the end of February 2023 projected to the end of 2022/23 confirms this position.

The collection rate for Council Tax remains an area of concern as Council Taxpayers continue to struggle with the cost of living crisis and collection will require continued close monitoring until and beyond the end of the financial year.

4.2 Business Rates

The Business Rates collection rate at February 2023 is 91.96% which is 4.05% higher than in the same period in 2021/22 but 2.35% behind performance in 2019/20, the last 'normal' year. Collection rates will continue to be closely monitored in the current year and into future years. The budgeted collection rate for business rates is to achieve an in-year collection target of 97.7%, collecting £296.5m of business rates income.

The total rateable value of business properties in Leeds has decreased from £923.8m at the time of the 2022/23 budget to £921.1m as at 28th February 2023, a decrease of £2.7m. The 2022/23 budget includes an expected reduction in Rateable Value of £0.3m for the 2022/23 full year. It should be noted that some of the reductions identified are due to redevelopment work which would likely increase rateable values again once complete, and demolitions in advance of new development on sites. The size of the Business Rates tax base in Leeds continues to be monitored closely.

Leeds' share of the declared Business Rates deficit from 2021/22 (at 31st December 2021) has been incorporated into the 2022/23 budget. The total declared deficit on the Business Rates Collection Fund was £28.2m. Leeds' share of the unfunded declared deficit from 2020/21 was £36.7m, which has been spread over three years in accordance with Government legislation. The second of the three repayments of £12.2m will be paid in 2022/23 and is fixed and included in the £28.2m declared deficit.

Due to reassessing the level of the bad debt and appeals provisions, the actual closing deficit for 2021/22 is an improvement of £8.0m from the position declared and this improvement will be carried forward as a gain to the 2023/24 budget but will be required to offset future reductions in grant funding.

In 2022/23, an in-year deficit of £5.3m has arisen due to an increased demand for the extended Retail Relief introduced by the Government to assist the High Street in the wake of the pandemic and the backdated award of further COVID Additional Relief Fund (CARF) reliefs against 2021/22 income. These reliefs are fully funded, and this funding will be held in reserve to part meet the cost of the impact of the overall deficit to the 2023/24 General Fund. Additionally, there is an increase in provisions for appeals of £4.2m as we reach the end of the 2017 Ratings List and much higher numbers of appeals are being put forward. This increase is offset by a reduction of £2.7m in provision for bad debts as collection rates continue to improve. This net loss has been compounded by an increased projection for Empty Rate Relief of £0.5m and reduction in projected growth of £0.3m.

The deficit declared for 2022/23 was £7.3m, which is now fixed and will impact the 2023/24 General Fund. As at the end of February 2023 £8.1m in grant funding received from Government for the extended Retail Relief and CARF relief is expected to be held in reserve in 2022/23 and applied to the General Fund in 2023/24 to partially offset the Council Tax and Business Rates deficits. In February 2023, latest data shows a total deficit on the collection fund of £9.4m. This increase has arisen due to the projected net increase in provisions on appeals and bad debts as explained above, increased projected cost of Empty Rates Relief, and reduction in growth.

4.3 Business Rates Appeals

The opening appeals provisions for 2022/23 are £24.2m, made up of £5.1m relating to appeals received against the 2010 ratings list and £19.1m estimated costs in relation to the 2017 ratings list. Under 50% Business Rates Retention, Leeds' budget is affected by 49% of any appeals provision made in this year.

On 28th February 2023, there were 66 appeals outstanding against the 2010 ratings list. In this financial year until 28th February, 52 appeals have been settled, 12 of which have resulted in changes to rateable values. No new appeals have been received in 2022/23. Currently, 1.90% of the city's total rateable value on the 2010 list is subject to at least one appeal.

Before the COVID-19 public health crisis, the introduction of the new Check Challenge Appeal system on 1st April 2017 saw a significant reduction in the number of appeals submitted by ratepayers against their Rateable Value on the 2017 ratings list compared to the 2010 ratings list. Only eleven appeals have so far been submitted to the Valuation Tribunal, the final stage of the new process.

As at 28th February 2023, the Council is providing for a net of 503 Checks and Challenges against the 2017 ratings list. The 2017 ratings list ends on 31st March 2023 and in most cases this would end the ratepayers' right to appeal against their Rateable Value on that list. As such the number of Checks received by the Valuation Office Agency increased by another 199 in February 2023 from an

average of about 25 in previous months. This was greater than expected and although an allowance has been included in the forecast of the declared deficit it has now been assessed that further provisions are going to be required at an additional cost of £4.2m to the General Fund. The level of appeals, and the losses incurred, will continue to be closely monitored in the coming month.

In addition, the Authority has made provisions for specific issues such as the removal of ATMs located in shops from the 2017 list, expected reductions to hospitals, ambulance and fire stations and expected reductions to several GP surgeries which will be reassessed at year end.

4.4 Impact of Covid 19 and cost of living on the Collection Fund in 2022/23 and beyond

There is still some impact of COVID-19 on council tax and business rates income as recovery action is reintroduced and additional reliefs brought in to support businesses during the pandemic are phased out. The team have been working through the backlog of recovery actions and focusing on improving void levels with the automation of some processes going live in February 2023. Recovery rates can be seen to be improving as a result. For Business Rates, the reductions in reliefs granted are impacting on collection rates. The pressures of the cost of living crisis have become more noticeable over the last couple of months and the long-term impact of this on collection rates and tax base will require continued close monitoring.

5. Housing Revenue Account (HRA)

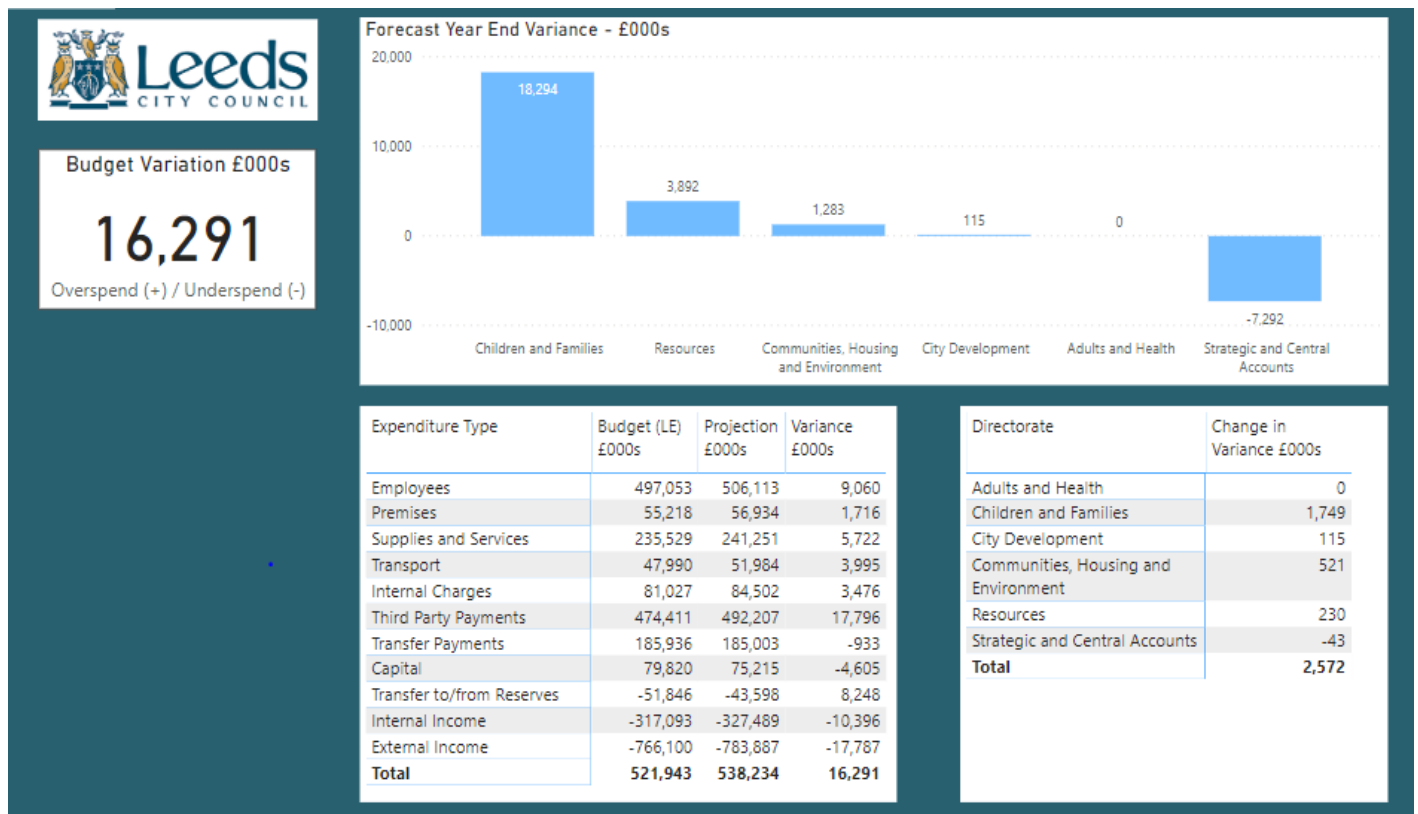
- 5.1** At Provisional Outturn the HRA is projecting a balanced position. Significant price pressures in the construction industry and energy markets along with the ongoing impact of the pandemic have resulted in financial pressures in 2022/23. Options to balance have been considered and included in the projections which mean that the HRA is projecting a balanced position by the use of the Major Repairs reserve
- 5.2 Dwellings Rent and service charges £3.06m** – there is a forecast reduction in rental income and service charges which is mainly due to the number of void properties being higher than budgeted because of the ongoing impact of COVID-19. There is a recovery plan in place to get the void rate back to pre-pandemic levels.
- 5.3 External Income £(0.6m)** – there is forecast additional telecoms, solar panel and RHI income.
- 5.4 Employees £0.4m (and related charges)** – there is a forecast underspend against the employee budget of £0.7m due to vacant posts in the service; the forecast reflects the 2022/23 agreed employee pay award. However, the underspend is offset with a reduction in capitalised salaries of £1.1m.
- 5.5 Repairs to Dwellings £6.4m** – the budget is projected to be overspent due to the price pressures in the construction industry, although this will be fully funded from the Repairs / Major Repairs reserve.

- 5.6 Disrepair provision £2.6m** – the budget is projected to overspend due to the continuing trend of increasing case numbers and the average cost of the cases.
- 5.7 Premises £2.1m** – comprised of: £1.0m pressure on the energy budget due to the rising cost of gas and electricity, costs which have not been passed on to tenants in year; £0.3m dilapidations costs claims at Navigation House; a £0.4m pressure on the cleaning charge due to the pay award; and £0.4m pressure on council tax on voids.
- 5.8 Provision for doubtful debt £0.5m** – it is estimated that an additional amount will be added to the provision to cover potential increases in bad debt due to the cost-of-living crisis.
- 5.9 Contribution to the Capital Programme £(2.4m)** – a one off reduction in the revenue contribution to the capital programme is offset by utilising RtB balances to fund the investment programme.
- 5.10 Debt Costs £(1.7m)** – a projected in year saving of £1.7m following a review of the forecast spend levels within the Council House Growth Programme
- 5.11 Supplies and services and Internal services £(2.7m)** – projected to underspend after a line by line review of the budgets.

Overall Summary Sheet

Month 11 (February 2023)

Financial Dashboard 2022/23 Financial Year



Financial Dashboard 2022/23 Financial Year



Budget Variation £000s

0

Overspend (+) / Underspend (-)



Expenditure Type	Budget (LE) £000s	Projection £000s	Variance £000s
Employees	62,436	63,390	953
Premises	1,029	1,349	320
Supplies and Services	6,731	9,013	2,282
Transport	906	950	44
Internal Charges	12,578	14,670	2,092
Third Party Payments	302,680	306,914	4,234
Transfer Payments	11,395	10,695	-699
Capital		0	0
Transfer to/from Reserves	-12,378	-12,135	243
Internal Income	-5,277	-5,523	-246
External Income	-182,802	-192,025	-9,222
Total	197,298	197,298	0

Directorate	Change in Variance £000s
Adults and Health	0
Total	0

Financial Dashboard 2022/23 Financial Year

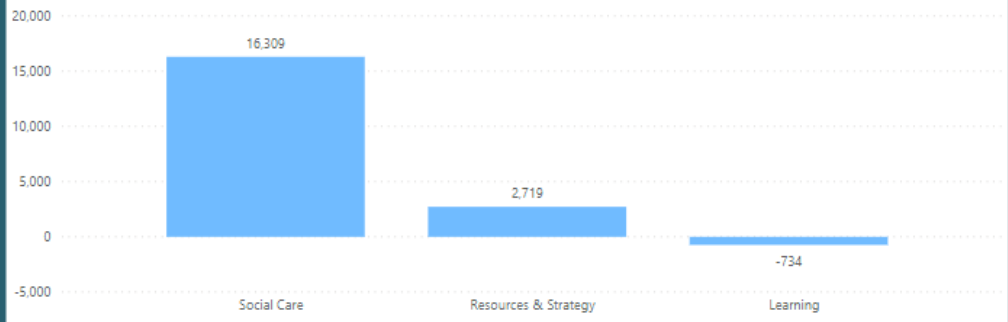


Budget Variation £000s

18,294

Overspend (+) / Underspend (-)

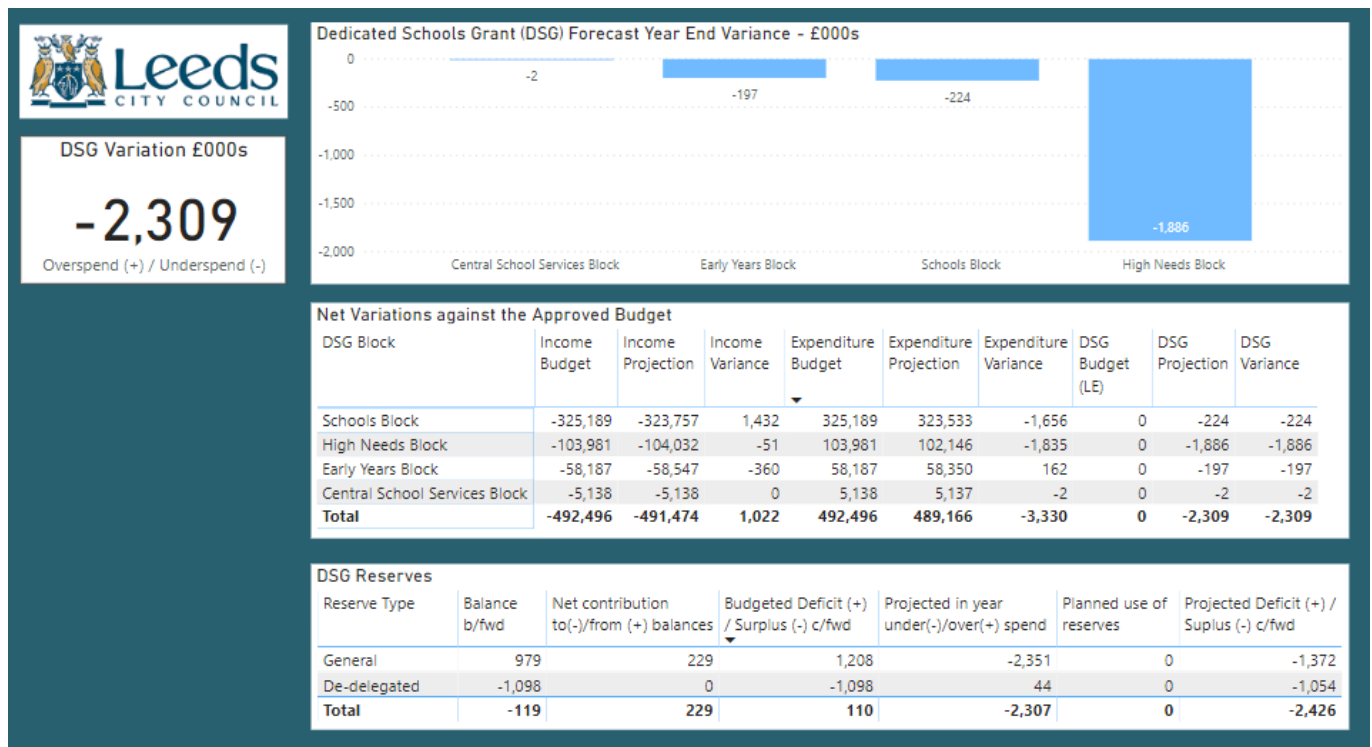
Forecast Year End Variance - £000s



Expenditure Type	Budget (LE) £000s	Projection £000s	Variance £000s
Employees	104,473	105,674	1,201
Premises	3,342	3,577	234
Supplies and Services	64,241	64,140	-101
Transport	10,767	11,739	972
Internal Charges	29,357	33,023	3,667
Third Party Payments	112,905	124,826	11,921
Transfer Payments	2,040	2,556	516
Transfer to/from Reserves	-266	-296	-30
Internal Income	-32,459	-33,436	-977
External Income	-162,057	-161,167	890
Total	132,342	150,636	18,294

Directorate	Change in Variance £000s
Children and Families	1,749
Total	1,749

Financial Dashboard 2022/23 Financial Year



Financial Dashboard 2022/23 Financial Year

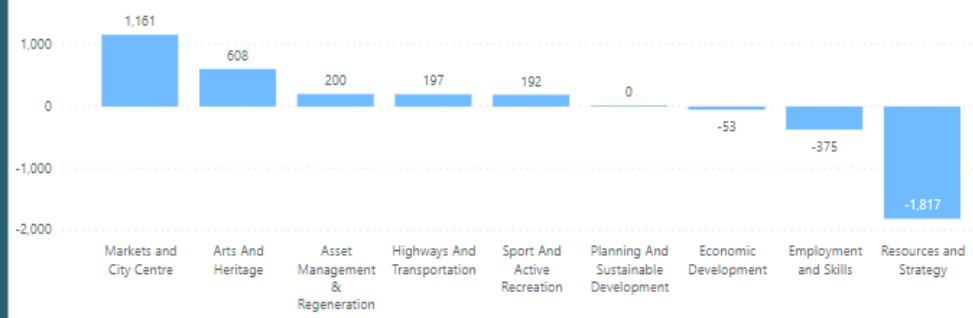


Budget Variation £000s

115

Overspend (+) / Underspend (-)

Forecast Year End Variance - £000s



Expenditure Type	Budget (LE) £000s	Projection £000s	Variance £000s
Employees	69,005	68,016	-989
Premises	25,660	26,393	733
Supplies and Services	44,666	45,286	620
Transport	5,894	6,916	1,022
Internal Charges	10,092	10,333	241
Third Party Payments	192	192	0
Transfer Payments		0	0
Capital		0	0
Transfer to/from Reserves	-3,166	-3,188	-22
Internal Income	-43,284	-44,607	-1,323
External Income	-77,017	-77,185	-168
Total	32,041	32,155	115

Directorate	Change in Variance £000s
City Development	115
Total	115

Financial Dashboard 2022/23 Financial Year

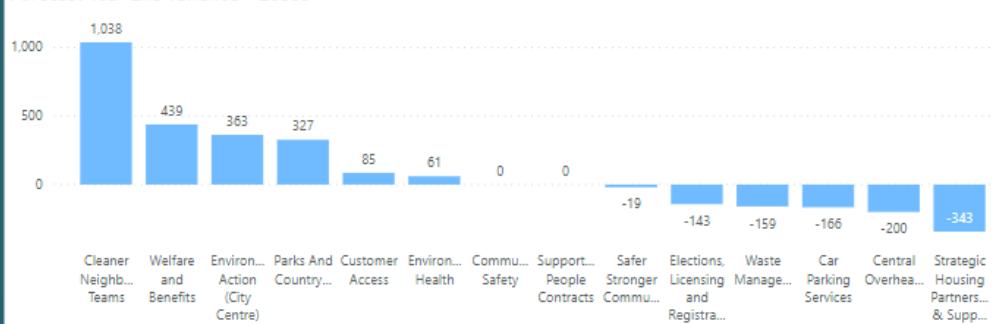


Budget Variation £000s

1,283

Overspend (+) / Underspend (-)

Forecast Year End Variance - £000s



Expenditure Type	Budget (LE) £000s	Projection £000s	Variance £000s
Employees	96,796	100,064	3,267
Premises	9,712	9,579	-133
Supplies and Services	56,787	54,835	-1,952
Transport	10,134	11,856	1,722
Internal Charges	20,360	17,975	-2,385
Third Party Payments	21,515	23,208	1,693
Transfer Payments	171,513	170,745	-768
Capital		0	0
Transfer to/from Reserves	-1,146	-1,534	-388
Internal Income	-39,344	-42,135	-2,791
External Income	-263,349	-260,333	3,016
Total	82,978	84,261	1,283

Directorate	Change in Variance £000s
Communities, Housing and Environment	521
Total	521

Financial Dashboard 2022/23 Financial Year



Surplus (-) / Deficit (+) £000s

0

Overspend (+) Underspend (-)

HRA Income	Budget (LE) £000s	Projection £000s	Variance £000s	Change in Variance £000s
▲				
Dwelling Rents	-216,541	-213,767	2,774	116
Non Dwelling Rents	-3,306	-3,228	78	0
Service Charges	-9,335	-9,049	287	0
Internal Income	-10,359	-9,309	1,049	115
Grants	-21,644	-21,580	64	0
External Income	-1,598	-2,197	-599	200
Total	-262,784	-259,131	3,653	432

HRA Expenditure	Budget (LE) £000s	Projection £000s	Variance £000s	Change in Variance £000s
▲				
Disrepair Provision	2,400	5,000	2,600	0
Repairs to Dwellings	46,795	53,196	6,401	561
Employees	31,448	30,754	-694	-75
Premises	9,729	11,810	2,081	144
Supplies and Services	3,744	3,622	-123	-8
PFI Unitary Charge	10,953	11,017	64	-755
Transport	298	318	20	0
Internal Services	45,230	42,519	-2,710	-470
BITMO Management Fee	3,235	3,235	0	0
Provision for Doubtful Debts	1,136	1,593	457	0
Capital Charges	45,942	44,235	-1,707	0
Contribution to Capital Programme	62,543	60,143	-2,400	0
Total	263,453	267,442	3,989	-604

Surplus (-) / Deficit (+)	Budget (LE) £000s	Projection £000s	Variance £000s	Change in Variance £000s
▼				
Net Position	669	8,311	7,642	-172
Appropriation: Sinking Funds	-412	-593	-181	696
Appropriation: Reserves	-257	-7,718	-7,461	-524
Total	0	0	0	0

Financial Dashboard 2022/23 Financial Year

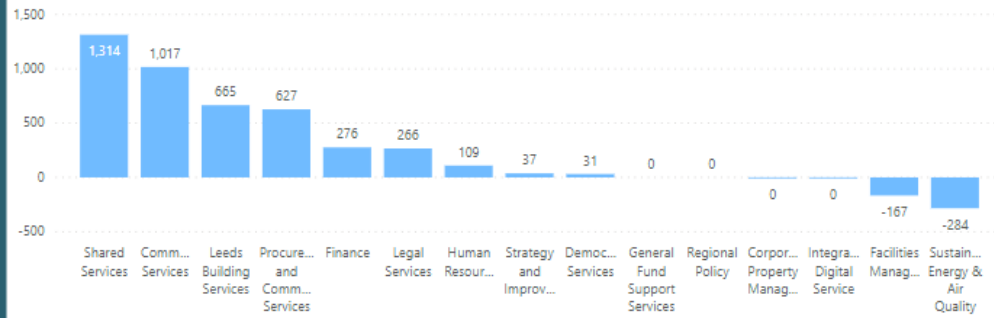


Budget Variation £000s

3,892

Overspend (+) / Underspend (-)

Forecast Year End Variance - £000s



Expenditure Type	Budget (LE) £000s	Projection £000s	Variance £000s
Employees	159,606	164,465	4,859
Premises	15,475	15,424	-51
Supplies and Services	54,558	60,031	5,473
Transport	20,289	20,523	235
Internal Charges	4,355	4,299	-56
Third Party Payments	28	28	0
Transfer Payments	61	-31	-91
Capital		0	0
Transfer to/from Reserves	-90	-449	-359
Internal Income	-154,554	-158,403	-3,849
External Income	-17,095	-19,364	-2,269
Total	82,633	86,525	3,892

Directorate	Change in Variance £000s
Resources	230
Total	230

Financial Dashboard 2022/23 Financial Year

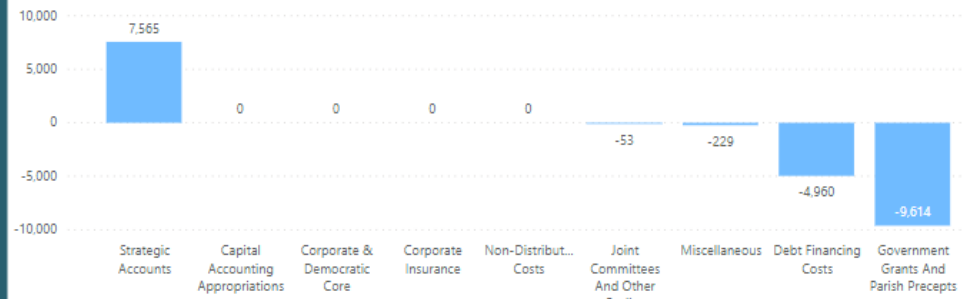


Budget Variation £000s

-7,292

Overspend (+) / Underspend (-)

Forecast Year End Variance - £000s



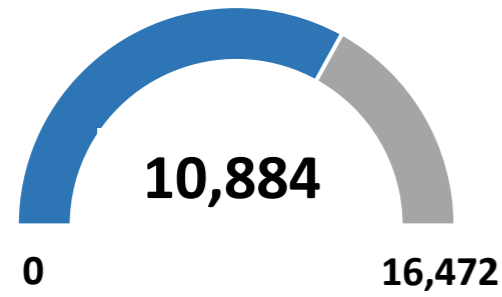
Expenditure Type	Budget (LE) £000s	Projection £000s	Variance £000s
Employees	4,736	4,504	-232
Premises		613	613
Supplies and Services	8,545	7,945	-600
Internal Charges	4,285	4,202	-83
Third Party Payments	37,091	37,039	-53
Transfer Payments	928	1,038	110
Capital	79,820	75,215	-4,605
Transfer to/from Reserves	-34,800	-25,997	8,803
Internal Income	-42,174	-43,385	-1,211
External Income	-63,780	-73,813	-10,033
Total	-5,349	-12,640	-7,292

Directorate	Change in Variance £000s
Strategic and Central Accounts	-43
Total	-43

2022/23 BUDGET ACTION PLANS
February (Month 11)

LEEDS CITY COUNCIL - SUMMARY

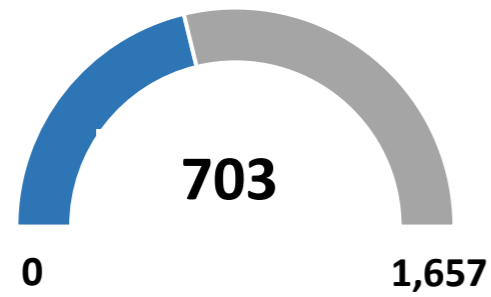
Projected Savings vs Budgeted



RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
Savings achieved	3,319	3,319	0
On track, no issues	6,024	6,169	(145)
Some risk	2,313	1,116	1,197
High risk	4,816	280	4,536
Cancelled	0	0	0
Total	16,472	10,884	5,588

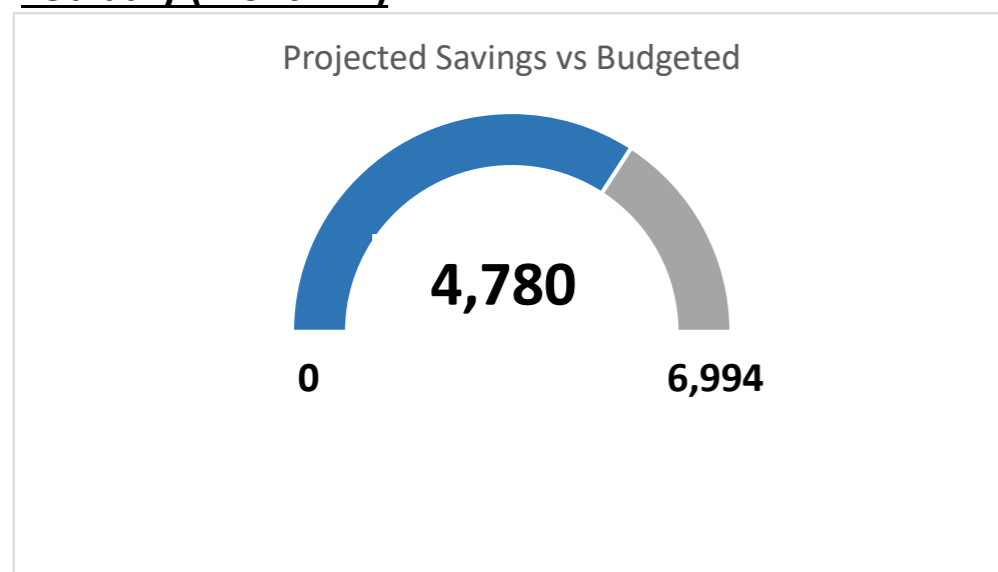
LEEDS CITY COUNCIL - Other Savings Measures

Projected Savings vs Budgeted



RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
Savings achieved	0	0	0
On track, no issues	633	633	0
Some risk	0	0	0
High risk	1,024	70	954
Cancelled	0	0	0
Total	1,657	703	954

February (Month 11)



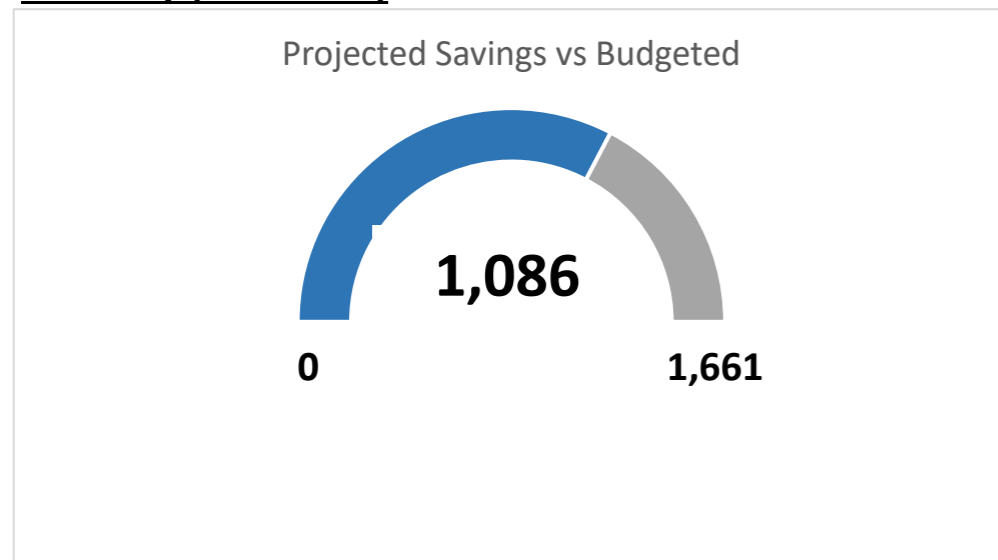
ADULTS & HEALTH - SUMMARY

RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
Savings achieved	3,319	3,319	0
On track, no issues	1,120	1,120	0
Some risk	1,365	341	1,024
High risk	1,190	0	1,190
Cancelled	0	0	0
Total	6,994	4,780	2,214

Amber & Red Risk Areas

Budgeted savings / Other savings measures	Service Review / Business as Usual	Savings title	Accountable Chief Officer	Latest	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s	Including mitigating actions for Reds & Ambers
Budgeted savings	BAU	Enhance awareness/desirability of in-house provision to encourage attendance and reduce external procurement (against fixed running cost)	Shona McFarlane	High risk	190	0	190	Not expected to be achieved in 22/23
Budgeted savings	BAU	Improved collection of financially assessed client income	John Crowther	High risk	1,000	0	1,000	Additional income target linked to EB report re 2:1 and MAC charges. Phase 1 letters sent out to Clients end of May 2022. Actions are to take place in the second half of the year which should generate income and bring BAP on line. £0.5m of the £1m expected in 22/23 with full amount in 23/24.
Budgeted savings	SR	Strategic Review of Adult Social Work:	Shona McFarlane	Some risk	1,365	341	1,024	7-month slippage in the implementation of the social work review for the Front Line and Assessment Teams. Governance process now cleared and posts set up on the SAP system. Staff recruitment is ongoing which is affecting assessments. Depending upon recruitment times, savings may therefore decrease, beyond the shortfall already reported.

February (Month 11)



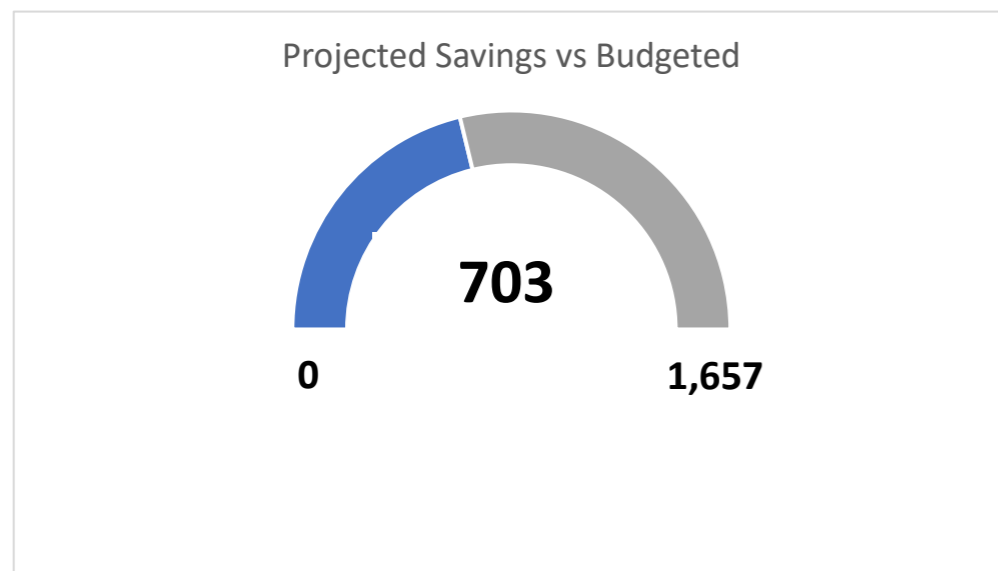
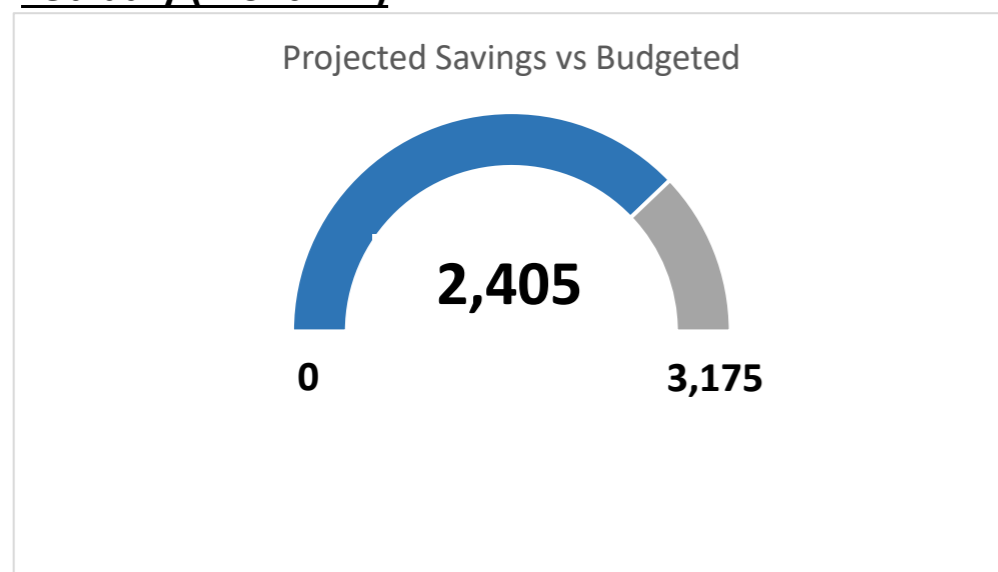
CHILDREN & FAMILIES - SUMMARY

RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
Savings achieved	0	0	0
On track, no issues	1,086	1,086	0
Some risk	0	0	0
High risk	575	0	575
Cancelled	0	0	0
Total	1,661	1,086	575

Amber & Red Risk Areas

Budgeted savings / Other savings measures	Service Review / Business as Usual	Savings title	Accountable Chief Officer	Latest	Budgeted £'000s	Projected £'000s	Shortfall/ (Surplus) £'000s	Including mitigating actions for Reds & Ambers
Budgeted savings	CF SR 22-24	Diversifying children's residential provision	Ruth Terry	High risk	295	0	295	Children and Families are currently reviewing the delivery plans and identifying actions required to deliver savings.
Budgeted savings	CF BAU 22-24	Passenger Transport	Tim Pouncey	High risk	200	0	200	The actions associated with this saving have been completed. However demand and inflation have exceeded original expectations, leading to an overall overspend on the transport budget. Actions to mitigate the overspend are detailed in the report.
Budgeted savings	CF BAU 22-24	Passenger transport-continuation from 21/22	Tim Pouncey	High risk	80	0	80	The actions associated with this saving have been completed. However demand and inflation have exceeded original expectations, leading to an overall overspend on the transport budget. Actions to mitigate the overspend are detailed in the report.

February (Month 11)



CITY DEVELOPMENT - SUMMARY

RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
Savings achieved	0	0	0
On track, no issues	2,245	2,245	0
Some risk	175	130	45
High risk	755	30	725
Cancelled	0	0	0
Total	3,175	2,405	770

CITY DEVELOPMENT - Other Savings Measures

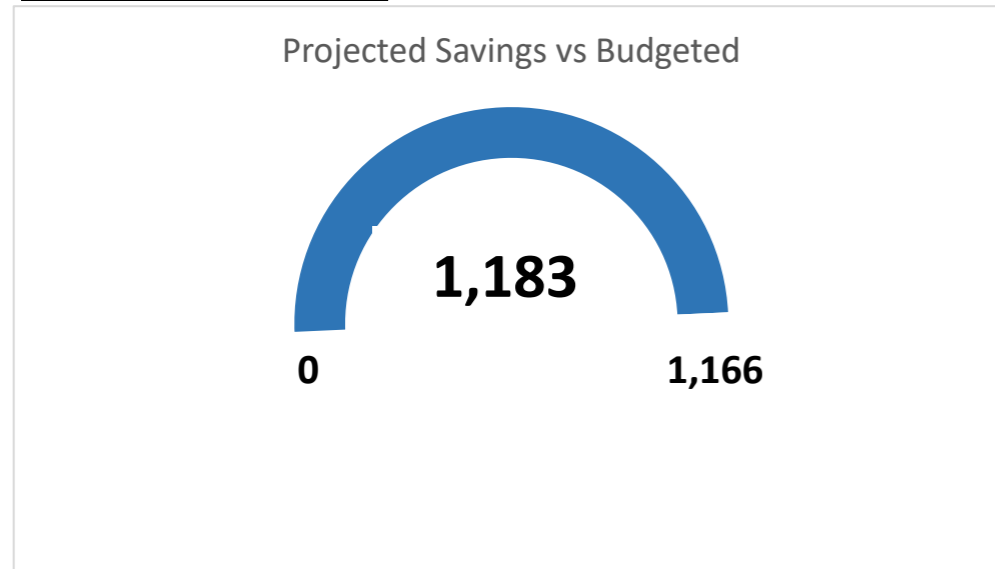
RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
Savings achieved	0	0	0
On track, no issues	633	633	0
Some risk	0	0	0
High risk	1,024	70	954
Cancelled	0	0	0
Total	1,657	703	954

Amber & Red Risk Areas

Budgeted savings / Other savings measures	Service Review / Business as Usual	Savings title	Accountable Chief Officer	Latest	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s	Including mitigating actions for Reds & Ambers
Budgeted savings	BAU	Active Leeds - Health & Wellbeing offer	Phil Evans	Some risk	50	5	45	Shortfall mitigated by Other Income across Service
Budgeted savings	BAU	Active Leeds - Procurement savings	Phil Evans	Some risk	125	125	0	Subject to Insurance savings being identified by Procurement
Budgeted savings	BAU	Arts, Events, Venues - ticketing solution	Eve Roodhouse	High risk	80	0	80	Risks regarding achievement of required turnover

Budgeted savings	BAU	Highways and transportation - Major Schemes Framework	Gary Bartlett	High risk	200	0	200	delay in implementing the service.
Budgeted savings	BAU	Highways and transportation - deliver S38 agreement process for other WY Authorities	Gary Bartlett	High risk	40	0	40	delay in implementing the service.
Budgeted savings	BAU	Asset Management - Estate rationalisation	Angela Barnicle	High risk	275	0	275	Unlikely to be achieved in 22/23, options being explored re use of building
Budgeted savings	SR	Leeds Museums & Galleries Invest to Save: Kirkstall Abbey Admissions (Non-Leeds Residents)	Eve Roodhouse	High risk	160	30	130	Admission income currently below anticipated level
Other savings measures	0	Estate Rationalisation	Angela Barnicle	High risk	360	70	290	Plan to identify mitigating savings to be developed
Other savings measures	0	Strategic Investment Fund	Angela Barnicle	High risk	664	0	664	Plan to identify mitigating savings to be developed

February (Month 11)



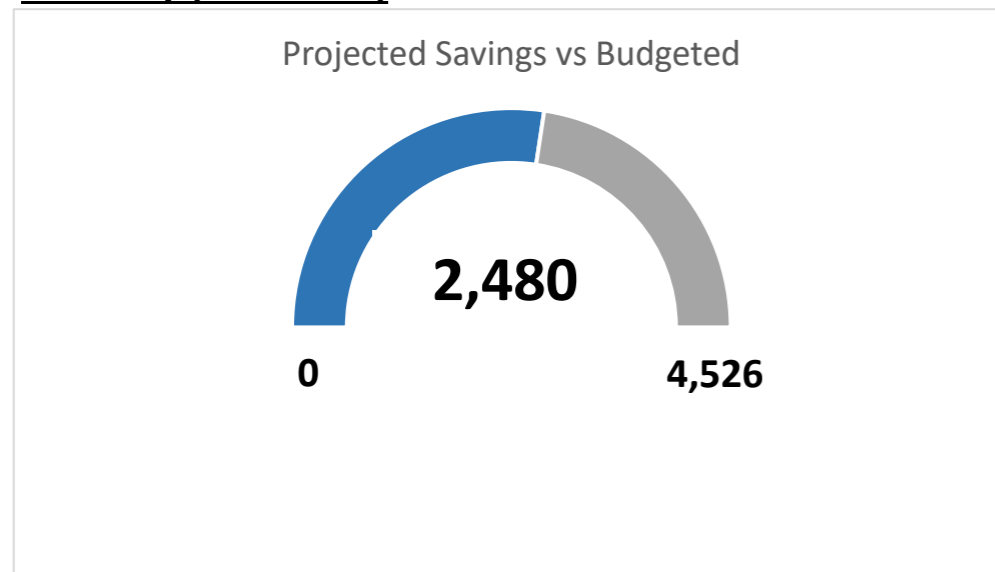
COMMUNITIES, HOUSING & ENVIRONMENT - SUMMARY

RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
Savings achieved	0	0	0
On track, no issues	778	923	(145)
Some risk	388	260	128
High risk	0	0	0
Cancelled	0	0	0
Total	1,166	1,183	(17)

Amber & Red Risk Areas

Budgeted savings / Other savings measures	Service Review / Business as Usual	Savings title	Accountable Chief Officer	Latest	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s	Including mitigating actions for Reds & Ambers
Budgeted savings	BAU	Support for In Bloom	Sean Flesher	Some risk	31	10	21	Delayed implementation. Revised timescales to be confirmed.
Budgeted savings	BAU	Increase bereavement services fees and charges by 3%	Sean Flesher	Some risk	210	197	13	£12k Arium on track for floor expansion. Delay in Playbarn opening. Latest timescale for Playbarn is Feb 23.
Budgeted savings	BAU	Parks attractions income	Sean Flesher	Some risk	78	18	60	Planning permission delayed.
Budgeted savings	BAU	Income - traded services & partner income-continuation from 21/22	Sean Flesher	Some risk	41	30	11	Delays in camera infrastructure meaning 2 staff remaining in post. Saving anticipated in 23/24.

February (Month 11)



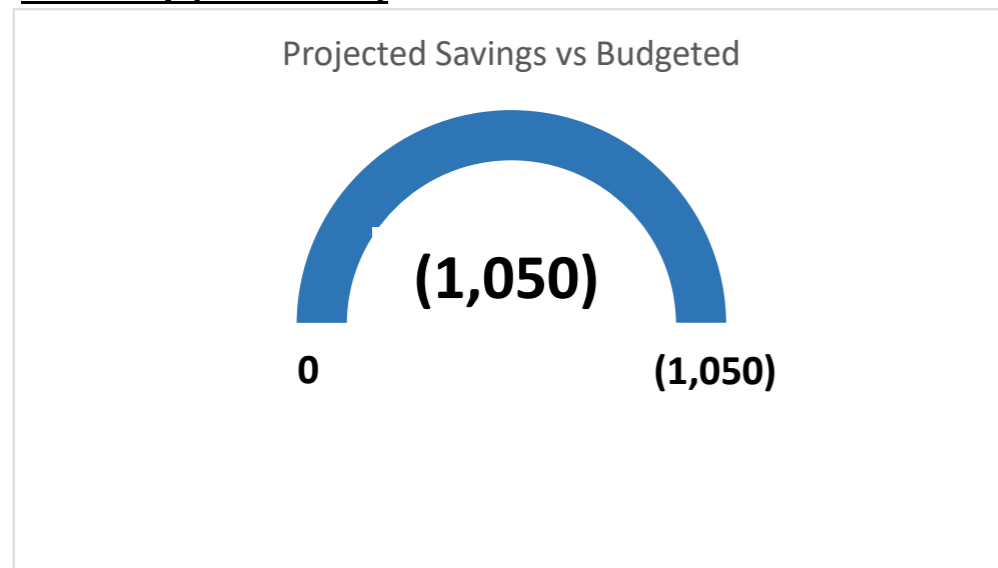
RESOURCES - SUMMARY

RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
Savings achieved	0	0	0
On track, no issues	1,845	1,845	0
Some risk	385	385	0
High risk	2,296	250	2,046
Cancelled	0	0	0
Total	4,526	2,480	2,046

Amber & Red Risk Areas

Budgeted savings / Other savings measures	Service Review / Business as Usual	Savings title	Accountable Chief Officer	Latest	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s	Including mitigating actions for Reds & Ambers
Budgeted savings	BAU	BSC Shared Cost AVC	Mariana Pexton	Some risk	130	130	0	Whilst there is some risk in these areas due to the need for technical solutions, increased publicity for the schemes may mitigate the risk by the year end.
Budgeted savings	BAU	BSC Electrical Goods Salary Sacrifice.	Mariana Pexton	Some risk	100	100	0	Whilst there is some risk in these areas due to the need for technical solutions, increased publicity for the schemes may mitigate the risk by the year end.
Budgeted savings	BAU	BSC Shared Cost Additional Voluntary Contributions (AVC).	Mariana Pexton	Some risk	55	55	0	Whilst there is some risk in these areas due to the need for technical solutions, increased publicity for the schemes may mitigate the risk by the year end.
Budgeted savings	BAU	BSC Lease Car Salary Sacrifice.	Mariana Pexton	Some risk	100	100	0	Whilst there is some risk in these areas due to the need for technical solutions, increased publicity for the schemes may mitigate the risk by the year end.
Budgeted savings	SR	Procurement - 2022/23 allocations (23/24 + to follow)	Victoria Bradshaw	High risk	2296	250	2046	Whilst there may be some mitigating areas of additional unbudgeted income from the Revolving Investment Fund and the Social Value Fund, and the PACS service will continue to identify opportunities to increase income and reduce costs across the Directorate, the inflationary pressures experienced across a range of contracts since the setting of the budget mean that a pressure is likely in this area.

February (Month 11)



STRATEGIC - SUMMARY

RAG Status	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s
Savings achieved	0	0	0
On track, no issues	(1,050)	(1,050)	0
Some risk	0	0	0
High risk	0	0	0
Cancelled	0	0	0
Total	(1,050)	(1,050)	0

Amber & Red Risk Areas

Budgeted savings / Other savings measures	Service Review / Business as Usual	Savings title	Accountable Chief Officer	Latest	Budgeted Savings £'000s	Year End Projected Savings £'000s	Shortfall/ (Surplus) £'000s	Including mitigating actions for Reds & Ambers

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The Engine House, South Bank Leeds

Date: 19th April 2023

Report of: Director of City Development

Report to: Executive Board

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

The South Bank regeneration initiative has significant momentum, with over 3,000 homes under construction or delivered, over 200,000 sq. ft of commercial space under construction, major infrastructure now delivered – such as the David Oluwale Bridge and the first phases of the city park – as the city centre successfully grows in line with the long-established South Bank vision.

This paper presents an opportunity to continue this momentum by securing the future refurbishment of the Grade II listed Engine House, located within the centre of the Tower Works site. Independent valuations have demonstrated that the Engine House is not viable without grant support. The property has long been vacant, and the Council holds ringfenced grant available to part fund its refurbishment. There is major regeneration underway at Tower Works, with a Legal and General backed Fund funding and constructing new homes and public realm on the site via a property Trust. The fund is a UK Limited Partnership, and the investors are largely UK pension funds. The first phase is due to complete later this year.

It is proposed that the Council disposes of the property at market value to the adjacent landowner: Mustard Wharf Property Unit Trust (MWPUP). This is a Jersey based fund managed by Legal and General Investment Management (LGIM) and LGIM will manage the development. It is also proposed that the Council utilises £1m of externally funded and ringfenced grant held for the Engine House as a contribution towards the conservation deficit of the property (subject to compliance with subsidy control regulations and satisfactory security arrangements being in place). Should Executive Board agree to the proposals, this will lever £2m of private sector investment into the property, leading to the Engine House being refurbished and brought into use in 2024.

Recommendations

Executive Board is asked to

- a) Approve that the Council disposes of Engine House site at market value to MWPUP, in accordance with the Heads of Terms outlined in exempt Appendix 2.

- b) Approve that, utilising the external ringfenced monies held, the Council provides a heritage grant capped at £1m to MWPUT as a contribution towards the shell and core works in accordance with the Heads of Terms outlined in exempt Appendix 2, subject to subsidy control compliance agreement of satisfactory security arrangements.
- c) To give approval to the Director of City Development, in consultation with the Director of Resources and Executive Member for Infrastructure and Climate, to finalise detailed terms in accordance with the terms set out in exempt Appendix 2.

What is this report about?

- 1 The paper sets out proposals to secure the long-term sustainable re-use of the Grade II listed Engine House.

Engine House History

- 2 The Engine House is a vacant, c7,500 sq. ft. grade II listed building (see images and plan in Appendix 1) located in South Bank. It was constructed in 1899 as part of Tower Works, the successful factory founded by T.R Harding which made small parts for the textile industry.
- 3 The building itself is formed by three connected bays or sections; these were known as the Engine House, Boiler House and Economiser House. The 'Engine House' section has a decorative finish to include mosaic tiles to part of the floor and glazed brick walls with round arch recesses decorated with moulded circular plaques depicting notable industrialists of the time. With the survival of some internal machinery and fittings, fine craftsmanship and rich detailing the building represents a fine example of its type and is of significance in illustrating the historic functions and processes at Tower Works.
- 4 The site was owned by central Government Agency Homes and Communities Agency (now named Homes England). It has remained vacant for over two decades.
- 5 The Tower Works is a longstanding regeneration opportunity, within the city's South Bank Regeneration initiative. In 2013, Executive Board considered a paper on the regeneration of the Tower Works site. It was noted that the investment and long-term maintenance needed for the listed structures – namely the historic three towers and the Engine House – were seen as barriers by developers. The Engine House is not commercially viable and, as with many other heritage buildings, is eligible for public grant owing to its conservation deficit.
- 6 To support the regeneration of the site, Executive Board gave approval for the Council to take ownership, for a nominal £1, of the three Italianate Towers and Engine House, on the basis that HCA would provide a grant for 1) as a contribution towards the capital investment into the Engine House, 2) long term maintenance of the Towers. The Director of City Development subsequently authorised that the Council enter into funding agreements for the provision of grant to the Council and the transfer of the properties. c£1.1m was granted towards the Engine House.
- 7 The ringfenced grant funding of c£1.1m is a contribution to the costs of refurbishing the Engine House and was never 100% of the funding required – calculations at the time were that the sum would represent a contribution to the heritage viability gap but that other funding would be needed to refurbish the property. The Council's ownership of the Engine House is limited to the curtilage of the building shown in Appendix 1 – no outside space is owned by the Council and it is a tightly constrained site. Parts of the funding have been used to undertake repair works and survey works, as well as Council officer time on the Engine House. c£1m of grant remains
- 8 The property has been subject to competitive disposal exercises in recent years, on the basis of there being capital grant available towards the conservation deficit, although this exercise was not successful.

- 9 New owners took a long leasehold interest in the Tower Works site in recent years. The investors ultimately reached agreement with Legal and General Investment Management (LGIM) to secure funding from Legal and General's Build to Rent Fund. The first phase of residential development, which surrounds the Engine House, is due to complete in spring 2023, with the Build to Rent Fund owning the housing development and land surrounding the Engine House via a Jersey based property trust named Mustard Wharf Property Unit Trust.
- 10 The Build to Rent Fund is a UK Limited Partnership, the investors in the UK are largely UK pension funds, including a number of Local Government Pension Schemes. Legal and General Investment Management (LGIM) act the asset managers for the Build to Rent Fund and property trusts. LGIM manage the Tower Works site as a long-term investment, including areas around the Engine House.

LGIM proposals for the Engine House

- 11 On behalf of the Legal and General Fund, LGIM has approached the Council with view of the Build to Rent Fund 1) acquiring the Engine House on a one-to-one basis, 2) accessing £1m of the ringfenced grant from the Council due to the major viability challenges at the property.
- 12 LGIM has set out proposals to invest a further c£2m of its own funds to redevelop the Engine House to shell and core, with the property sitting at the heart of a new public realm LGIM has already delivered as part of the wider Tower Works development on behalf of their Fund. The proposals, subject to listed building consent, would see the Engine House operational in 2024.

Analysis and Options

- 13 In considering this proposal, consideration has been given to the following factors:
- i) **Regeneration Strategy** – The Council's justification for acquiring and owning the Engine House has always been to support the regeneration of the Tower Works site, and bring about the long term re-use of an important heritage building.
 - ii) **Construction Constraints** – As highlighted above, the Council's ownership extends only to the Engine House building curtilage itself with limited servicing and access. Logistics wise, this makes it a very challenging property to undertake refurbishment works at.
 - iii) **Costs and inflation** – Recent pre-tender cost estimates are that it would cost at least c£2.6m to refurbish the property to shell and core – given construction price inflation and general volatility in the market, there is a possibility that these costs could be higher, factoring in the logistical challenges of the site
 - iv) **Viability** – Independent valuations have indicated that the Engine House is not a commercially viable development proposition and has a negative development value. The property has a significant conservation deficit based upon currently available information
 - v) **Market Interest** – There have been two failed competitive processes to secure a development partner, where grant was also available for interested parties to potentially draw down. The lack of surrounding ownership has been highlighted as a barrier as has lack of public space available for occupiers to utilise.
- 14 In this context, it is considered that there are the following options available to secure the future of the property:
- i) **LCC direct delivery** - LCC develops the property itself by undertaking prudential borrowing to borrow against future rental income, with finance costs of £100k per annum year over a 25-year period needing to be repaid via rental income. In the context of the Council's overall budget position, this represents the highest risk to the Council. The site

may not provide significant return on investment, as well as the Council needing to consider the practical challenges of redeveloping the site.

- ii) **Open Market Competition** – The Council could seek a competitive exercise to secure a developer partner, but there is high possibility of limited interest given 1) the viability challenge, 2) there being no immediate access to external spaces and the property's location in the centre of Legal and General's development, 3) the fact there has been limited market interest in previous competitions – when Council grant was also available, 4) the construction challenges where a landowner does not own surrounding land.
- iii) **A disposal to the adjacent landowner** (the LGIM proposal) – whereby the Council disposes of the property at market value, including marriage value, and provides a heritage conservation deficit grant utilising ringfenced grant only available for the Engine House.

15 It is proposed that **option iii** is the preferred option, on the basis that it represents the best opportunity to secure the timely refurbishment of the property as part of a comprehensive redevelopment of the site and its wider area, whilst reducing the Council's risk exposure in time of ongoing financial challenges. The site being developed by the adjacent landowner will also provide efficiencies in the construction works, as the Legal and General Fund control adjacent land, and will allow any occupier of the Engine House to benefit from external spaces – increasing the potential vibrancy of the property and the placemaking benefits. The agreed price for disposal, detailed in the exempt Appendix, includes marriage value that would not otherwise be payable if sold to another party, and has been subject to an independent valuation. It is therefore considered to achieve best consideration.

16 This option will see the Council achieve a capital receipt, versus a current need for the Council to spend at least £2.6m (with at least £1.5m of borrowing) to refurbish the property. Simultaneously, option iii will see the Council leverage its grant to secure c£2m of private sector investment into the property. This is ringfenced funding held for the purpose of the restoration of the Engine House.

17 It is proposed that the Council's agreement to the proposal is subject to:

- i. Agreement of the terms of a disposal as per the Head of Terms set out in exempt Appendix 2
- ii. Agreement to the terms of a grant agreement as per the Heads of Terms set out in exempt Appendix 2
- iii. The disposal being at market value, as informed by an independent valuation
- iv. Demonstration of compliance with subsidy control legislation, including any reporting arrangements as may be required under new regulations
- v. Sufficient security being in place for repayment of grant should repayment be required (including the grantee super-profiting / disposing of the property in a defined timescale)
- vi. The grant of £1m being a maximum grant, and the landowner owning construction risk and responsibility for any increases in cost.

What impact will this proposal have?

18 This is a significant opportunity which will contribute to the long-term sustainability of the listed building and the wider momentum of regeneration of South Bank.

19 The project will contribute to the Council's zero carbon ambition by providing grant aid to help deliver the refurbishment and re use of the grade II listed historic building, which is in deteriorating condition. Through unlocking redevelopment, the grant will fund restoration of

historic fabric and features including the medallions, and the development of new use, contributing towards the long-term survival and sustainability of the building and its continued operation and inhabitation, as well as preserving the contribution it makes to the historic character of the Tower Works complex as its Engine House.

- 20 The proposal involves the development of an important heritage building, contributing to the to the redevelopment of Tower Works site and the significant momentum of wider regeneration of the South Bank. It will also directly contribute to delivery of the ambition of the South Bank Regeneration Framework. The Tower Works site is identified as a Key Development Area within the SBRF and in keeping with its aspirations, the proposal provides the opportunity to retain and re-use an existing historic asset, strengthening the identity of the South Bank and celebrating local history.
- 21 The adaptation and reuse of historic assets is central to the intention of the Regeneration Framework and enshrined within SBRF Principle 1. South Bank’s former industrial heritage is being brought back to life in new schemes including the ongoing work at Temple Mills, proposed to be the new home of British Library in the north, the sympathetic restoration of the three Italianate towers at Tower Works itself, and new complimentary buildings such as Ironworks.
- 22 As highlighted at paragraph 18, it will also help to reduce the potential financial pressures that the Council may have in directly developing and continuing to own the property. An Equality, Diversity, Cohesion and Integration Screening has been completed, and is included in appendix 3. The proposals in this report will have a positive impact in securing the re-use of a building that has long been vacant in an area of high socio-economic deprivation

How does this proposal impact the three pillars of the Best City Ambition?

- Health and Wellbeing Inclusive Growth Zero Carbon

- 23 As highlighted in paragraph 22, the proposals will provide carbon benefits by seeing investment into the re-use of a currently dilapidated building - increasingly, investment into the re-use of buildings is seen as a key component of achieving a zero-carbon economy. The South Bank area is identified as a major growth zone in the Inclusive Growth Strategy and securing investment into the Engine House will support ongoing economic growth in the South Bank.

What consultation and engagement has taken place?

Wards affected: Beeston and Holbeck

Have ward members been consulted? Yes No

- 24 Local Ward members have been briefed on and the proposals have been subject to consultation with the Executive Member for Resources, and the Executive Member for Climate and Infrastructure.
- 25 There has been engagement with both legal and finance officers in developing the proposal and recommendations contained within the report. There is no legal requirement for public consultation on the proposals.

What are the resource implications?

- 26 The grant the Council received for the Engine House is ringfenced and cannot be spent for any other purposes. The maximum £1m grant for the Engine House is included within the capital programme. The Council has used some of the grant received by the HCA on general maintenance. Surplus grant will be utilised to pay for the Council’s historic staffing costs, and

survey costs, as well as costs to manage and administer the grant – which would otherwise be un-funded.

- 27 The sale of the property will provide income and is included in the capital receipts programme.
- 28 As highlighted above, the proposals will leverage £2m of private sector investment into the property.

What are the key risks and how are they being managed?

- 29 The legal agreements have been designed to mitigate the risks to the Council and ensure legal compliance. Highest impact risks include:
- 1) **Works not progressing at the Engine House** – the Council’s freehold interest will only transfer once works are completed, and the legal agreements will set milestones for the delivery of works
 - 2) **Cost increases** – as set out above, the Council’s grant is a maximum grant and the Council will not be liable for further cost increases
 - 3) **Subsidy control breach** – the grant constitutes subsidy and the council will take steps to ensure compliance with new regulations that came into force in January 2023. In any instance, the Council will be indemnified against such risks
 - 4) **Non-compliance** – the grant agreement will set out instances where grant will be repayable, and this will be backed up with sufficient security provided by the grantee.

What are the legal implications?

- 30 It is proposed that the Council would enter into Grant Agreement with MWPUT as per the Heads of Terms detailed at exempt Appendix 2
- 31 The information contained in Appendix 2 is designated as being exempt from publication under Access to Information Rule 10.4 (3) on the grounds that it contains information relating to the financial or business affairs of any person or company (including the authority holding that information) which may result in prejudicial trading of that company, the Council’s commercial position and linked 3rd parties. It is considered not to be in the public interest to release such information at this time, as this would compromise the Council’s position.
- 32 Section 1 of the Localism Act 2011 empowers the Council to do anything that individuals generally may do, subject to any restrictions as to the use of its powers to which the Council was subject when that Act came into force or which have subsequently been imposed.
- 33 The Council has a duty to the Council Tax and business rates payers of Leeds to conduct its financial affairs in a business-like manner, with reasonable care, skill and caution, and with due regard to their interests. It is considered that, in the case of the proposals outlined in this report, they will, at worst, be cost neutral to the Council. The Council will also obtain adequate security in respect of the Fund’s liability to the Council.
- 34 Section 123 of the Local Government Act 1972 allows the Council to dispose of land at market value. The Technical Services Lead (Property) confirms that in their opinion the terms offered to the Council represent the best consideration that can reasonably be obtained under Section 123 of the Local Government Act 1972. The Subsidy Control Act 2022 (“the Act”) set out principles to define a subsidy and make it unlawful for public funds to be used to provide a subsidy unless the purpose the subsidy will be used for accords with a set of Principles, or an exemption applies.
- 35 Although the Grant, constitutes a subsidy under the Act it has been assessed and judged to comply with the principles set out in the Act permitting a recipient to receive a subsidy.

36 To ensure continued compliance with the Act the grantee must retain appropriate information to govern the administration and use of funds which should remain accessible to the Council at all times.

37 The Council retains the right to claw back of funds in the event that grant agreement terms are breached or, if funds are surplus and are not required, or if it is determined that the funding to MWPOT is in breach of any Subsidy Control rules. This protects the Council by providing sufficient ability to collect funds back where agreements are not followed.

Options, timescales and measuring success

What other options were considered?

38 The principal options considered are highlighted within the report. Another option would be for the Council to do nothing. This is not considered an option, given that the property is a listed building and the Council has a responsibility as a custodian of the building to secure its future.

How will success be measured?

39 Success will be measured by:

- Ensuing the grant agreement and development agreement is entered into
- Securing the refurbishment works necessary at the Engine House and its conversion (to an agreed standard) including restoration of heritage fabric and features
- Ensuring the project is completed to set timescales and the transfer of title secured to MWPOT
- Inhabitation and operation of the refurbished Engine House by a new operator

What is the timetable and who will be responsible for implementation?

40 Should Executive Board agree to the proposals, it is proposed that a Grant Agreement and Development Agreement is entered into by the summer, and LGIM will progress a listed building consent application this year on behalf of the Fund, leading to works completing in 2024

Appendices

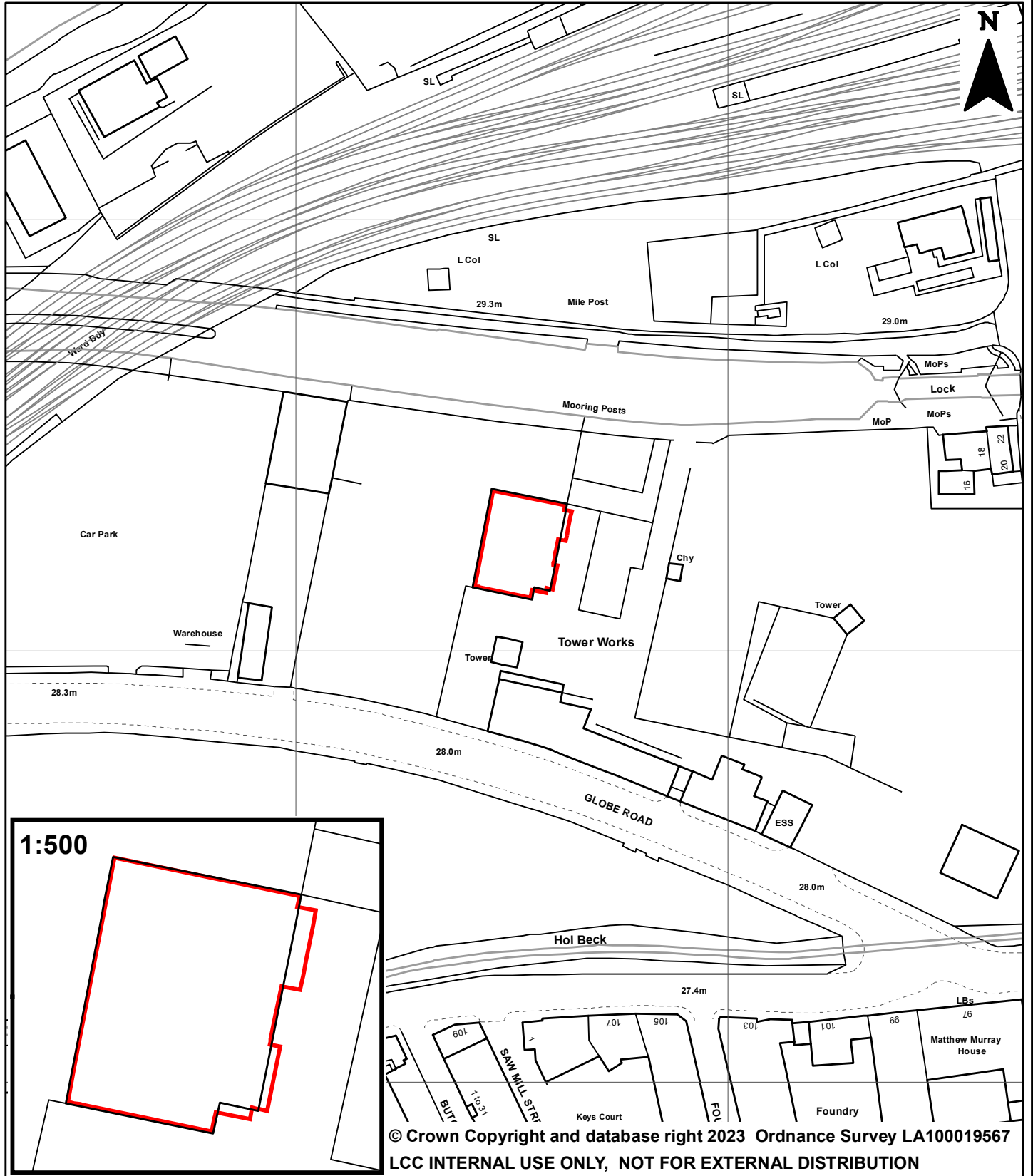
- Appendix 1: Location Plan and Images of Engine House
- Appendix 2: Exempt Appendix - exempt from publication under Access to Information Rule 10.4 (3)
- Appendix 3: Equality, Diversity, Cohesion and Integration Screening

Background papers

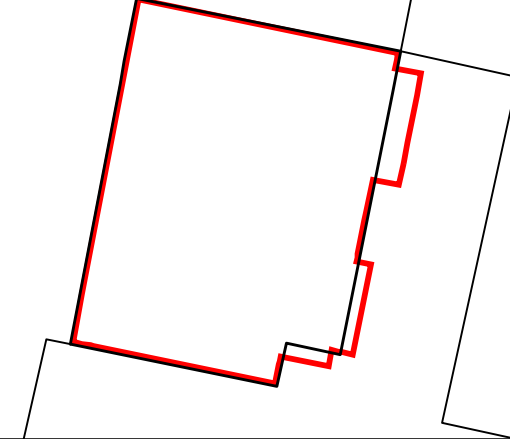
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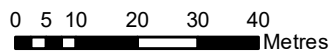
**THE ENGINE HOUSE
TOWER WORKS
HOLBECK
LEEDS, LS11**



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PREP BY: J Sohanpall
DATE SAVED: 18/01/2023
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Engine House Photographs



East Elevation in Context - January 2023



East Elevation – 2016



East elevation - 2016



North Elevation - 2016



South Elevation – 2016



West elevation 2016



Engine House interior 2016



Boiler House Upper Level interior 2016



Boiler House Ground Floor interior 2016



Medallion detail, and Burmantofts glazed brickwork - 2016

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Appendix 3

Equality, Diversity, Cohesion and Integration (EDCI) screening

As a public authority we need to ensure that all our strategies, policies, service and functions, both current and proposed have given proper consideration to equality, diversity, cohesion and integration.

A **screening** process can help judge relevance and provides a record of both the **process** and **decision**. Screening should be a short, sharp exercise that determines relevance for all new and revised strategies, policies, services and functions. Completed at the earliest opportunity it will help to determine:

- the relevance of proposals and decisions to equality, diversity, cohesion and integration.
- whether or not equality, diversity, cohesion and integration is being or has already been considered, and
- whether or not it is necessary to carry out an impact assessment.

Directorate: City Development	Service area: Asset Management and Regeneration
Lead person: Claire Easto	Contact number: 87717

1. Title: The Engine House, South Bank Leeds

Is this a:

Strategy / Policy

Service / Function

Other

If other, please specify

2. Please provide a brief description of what you are screening

The Engine House is located in South Bank, in the centre of the Tower Works site. It is listed at grade II as the former Engine House to Tower Works. The building is in Council ownership and the Council holds ringfenced grant available to part fund its refurbishment. Independent valuations have demonstrated that the Engine House is not viable without grant support. It is proposed that the Council disposes of the property at market value to the adjacent landowner Mustard Wharf Property Unit Trust, This is a fund managed by Legal and General Investment Management (LGIM) and LGIM will

manage the development. It is also proposed that the Council utilises £1m of the ringfenced grant as a contribution towards the conservation deficit of the property.

This is a significant opportunity which will contribute to the long-term sustainability of the listed building and the wider momentum of regeneration of South Bank

The screening relates to the recommendations made to Executive Board as follows

- a. Approve that the Council disposes of Engine House site at market value to MWPUT.
- b. Approve that, utilising the external ringfenced monies held, the Council provides a heritage grant capped at £1m to MWPUT as a contribution towards the shell and core works in accordance with the Heads of Terms outlined in exempt Appendix 2, subject to subsidy control compliance agreement of satisfactory security arrangements.
- c. To give approval to the Director of City Development, in consultation with the Director of Resources and Executive Member for Infrastructure and Climate, to finalise detailed terms in accordance with the terms set out in exempt Appendix 2.

3. Relevance to equality, diversity, cohesion and integration

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

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

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

Questions	Yes	No
Is there an existing or likely differential impact for the different equality characteristics?	x	
Have there been or likely to be any public concerns about the policy or proposal?		x
Could the proposal affect how our services, commissioning or procurement activities are organised, provided, located and by whom?		x
Could the proposal affect our workforce or employment practices?		x
Does the proposal involve or will it have an impact on <ul style="list-style-type: none"> • Eliminating unlawful discrimination, victimisation and harassment 	x	

<ul style="list-style-type: none"> • Advancing equality of opportunity • Fostering good relations 		
---	--	--

If you have answered **no** to the questions above please complete **sections 6 and 7**

If you have answered **yes** to any of the above and;

- Believe you have already considered the impact on equality, diversity, cohesion and integration within your proposal please go to **section 4**.
- Are not already considering the impact on equality, diversity, cohesion and integration within your proposal please go to **section 5**.

4. Considering the impact on equality, diversity, cohesion and integration

If you can demonstrate you have considered how your proposals impact on equality, diversity, cohesion and integration you have carried out an impact assessment.

Please provide specific details for all three areas below (use the prompts for guidance).

- **How have you considered equality, diversity, cohesion and integration?** (think about the scope of the proposal, who is likely to be affected, equality related information, gaps in information and plans to address, consultation and engagement activities (taken place or planned) with those likely to be affected)

We have considered the impact of the proposal on equality, diversity, cohesion and integration through research and consideration of potential impacts upon equality characteristics.

The development project relates to a single distinct building located within the Tower Works site in the South Bank area of Leeds, which, following approval to the report recommendations will receive grant funding unlocking delivery of a redevelopment project. The Council has considered learning from previous projects of a similar nature and any equality considerations

At present the grade II listed Engine House building is in deteriorated condition and inaccessible to the public. Consideration has been given to equalities in pursuing opportunities for the redevelopment of the building to increase public access to and understanding of the building.

- **Key findings**

(think about any potential positive and negative impact on different equality characteristics, potential to promote strong and positive relationships between groups, potential to bring groups/communities into increased contact with each other, perception that the proposal could benefit one group at the expense of another)

The project will deliver the refurbishment of the grade II listed Engine House and its re-use, which is likely to be open to the public. At present the building is inaccessible to the public and is in a deteriorated condition. As a result of the development, accessibility to the building will be increased with visitors able to enter and experience the building. They will be able to appreciate its historic character and functional industrial architecture, contributing to an increased awareness of and understanding of the historic character of the building and of the Tower Works site, as well as an increased sense of place and appreciation of local distinctiveness.

In addition, the proposed development will need obtain secure planning and listed building consent, and therefore will be subject to policies which ensure access for all. This includes policy P10 of the adopted Core Strategy which sets out that development should be 'accessible to all users'. The SPD 'Accessible Leeds' includes a consideration of accessibility in the context of historic buildings which requires at SPD Implementation Point 5 that *'when considering re-use of refurbishment of heritage assets, historic or listed buildings, opportunities should be explored to identify potential modifications to improve levels of inclusion and access for disabled people'*.

Furthermore, the property is located within the Holbeck area of Leeds – an area with high levels of socio-economic deprivation. Investment into the property will provide additional jobs as part of the area's ongoing regeneration.

- **Actions**

(think about how you will promote positive impact and remove/ reduce negative impact)

The Council will continue to consider diversity and equalities in decision making around the redevelopment of the Engine House.

On completion of the grant period and following the refurbishment and re-use of the Engine House we will undertake a review of equality impacts.

5. If you are **not already considering the impact on equality, diversity, cohesion and integration you **will need to carry out an impact assessment**.**

Date to scope and plan your impact assessment:	n/a
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Date to complete your impact assessment	n/a
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Lead person for your impact assessment (Include name and job title)	n/a
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6. Governance, ownership and approval

Please state here who has approved the actions and outcomes of the screening

Name	Job title	Date
Lee Arnell	Executive Manager, Regeneration	30/03/2023
Date screening completed		30/02/2023

7. Publishing

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

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

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

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

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

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East Leeds Extension Update and Progress on Land Disposal for the Southern Quadrant Primary School

Date: 19th April 2023

Report of: Director of City Development

Report to: Executive Board

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Appendix 3 Exempt Under Access to Information Procedure
Rule 10.4 (3)

Brief Summary: This report advises Executive Board as to progress made to date on the construction of the East Leeds Orbital Route (ELOR), the development of East Leeds Extension (ELE) and the next steps in relation to the proposed disposal of Council owned land at Leeds Road/Smeaton Approach for use as a new primary school and the related delivery of community infrastructure in the Middle and Southern Quadrants.

ELE, as the largest single area of allocated housing land in Leeds, is one of most important development areas in the city. At 232 ha it will accommodate up to 5,000 new homes when fully built out (c8% of the Local Plan's identified housing need), 2 new primary schools and new community infrastructure. Significant progress is being made on the infrastructure and planning activities that will deliver the housing growth across the four quadrants (Red Hall, Northern, Middle and Southern). These include the completion of the East Leeds Orbital Route (ELOR) which was formally opened on the 22nd August 2022; the Red Hall site proposals being submitted for planning approval by Redrow Homes in Spring; the Northern Quadrant which now has a reserved matters application under consideration through planning; outline planning granted for the Middle Quadrant with three subsequent reserved matters applications under consideration and the Southern Quadrant which has an outline planning submission which is currently being updated following feedback from the position statement at North and East Plans Panel.

Included within the Southern Quadrant is the Council owned land at Leeds Road/Smeaton Approach. The land was originally included in the Local Plan for housing, however due to the requirement for a new 2 Form Entry primary school to support the development of the Middle and Southern Quadrants, in February 2021 Executive Board, approved the principle of the use and disposal of the land to facilitate the construction of a new primary school as well as community infrastructure. Following on from Executive Board approval, officers have been in dialogue with the Department for Education (DfE) to explore the potential for the site to be brought forward as a free school as part of Free School Wave 14. Heads of Terms have been agreed in principle for the lease of the land to the Free School Operator (Ruth Gorse Academies Trust) on completion of the school construction, which will be delivered by the DfE.

The land is laid out with 3 grass playing pitches. For the site to be brought forward for a primary school and community facilities, to meet Sport England requirements, two of the three playing pitches are to be relocated to Council owned land at Whinmoor Grange. Executive Board in February 2021 approved this proposal and a subsequent planning submission as part of the ongoing implementation of the Whinmoor Grange Development Brief, along with the injection of £650,000 forward funding from the Southern Quadrant developers to support the delivery of the replacement pitches. This scheme has now secured planning approval and works are programmed for the construction of the pitches for Summer 2023.

Recommendations

It is recommended that Executive Board:

- a) note the continuing progress being made across the four quadrants that make up the East Leeds Extension alongside completion of the construction of the East Leeds Orbital Route;
- b) note the progress made to date in relation to the development of the Council's land at Leeds Road/John Smeaton Approach for a new 2 form primary school and community facilities, including the proposed new access road for the site;
- c) approve the disposal of c2 ha of land at the Leeds Road/Smeaton Approach site for the provision of a new primary school at less than best consideration and on the basis of the terms set out in the Exempt Appendix on a long lease at a peppercorn rent to the School Operator, noting the provisions of the Equalisation Agreement previously approved by Executive Board and entered into by the Council in relation to the site;
- d) delegate approval of the final terms for the disposal of the land to the School Operator at Leeds Road/Smeaton Approach to the Director of City Development;
- e) note the current position regarding the relocation of two existing sports pitches from the land at Leeds Road/John Smeaton Approach to land at Whinmoor Grange so as to facilitate the development of the Leeds Road/John Smeaton Approach site to support the development of the Middle and Southern Quadrants.

What is this report about?

- 1 This report advises Executive Board as to progress made on the construction of the East Leeds Orbital Route (ELOR), the development of the East Leeds Extension (ELE) and the next steps in relation to the proposed disposal and development of Council owned land at Leeds Road/Smeaton Approach for use as a new 2 form entry primary school and the related delivery of new community infrastructure in the Middle and Southern Quadrants.
2. Executive Board has previously noted the importance of ELE as the largest single area of allocated housing land in the city, estimated to accommodate up to 5,000 new homes by the time it is fully built out. The Board has received a series of reports since 2013 on the provision of ELOR as part of a wider East Leeds transport package to underpin and unlock the full development of the area, as well as on the progression of housing development plans in each of the four quadrants of the ELE (Red Hall, Northern, Middle and Southern) and on the progression of the closely related mixed use development of Thorpe Park. Taken together with adjoining development sites at Manston Lane, this represents one of the largest areas of economic and housing growth in the north.
3. Rapid cross sector progress is now being made across all areas of the ELE including ELOR, Red Hall, Northern, Middle and Southern Quadrants.

4. East Leeds Orbital Route (ELOR)

- 4.1 The first phase of ELOR completed in December 2019 with the main project starting in January 2020. Construction works have now been completed and ELOR officially opened to traffic on Monday 22nd August 2022 with landscaping and other ancillary work due to complete in Spring 2023. ELOR provides a new vehicular route around the whole of NE/East Leeds. It has created 20km of new pedestrian and cycle routes, a 7km equestrian route, 8.8

ha of new woodland and shrub planting, 0.15ha of scrub planting, 21.4 ha of species rich mix and 9 ha of marginal & wetland, which will result in planting of over 35,000 no. trees.

- 4.2 The completion of ELOR enables developers and the Council to bring forward development proposals across the whole of the ELE including Red Hall and the Northern, Middle and Southern Quadrants. The detailed planning framework for development in these quadrants is set through an ELE Supplementary Planning Document (SPD) which ensures delivery is in accordance with the Local Plan allocation.

5. East Leeds Extension SPD

- 5.1 The Unitary Development Plan (UDP) allocated land for housing in the East Leeds Extension. The housing allocation has been carried forward into the Site Allocation Plan (SAP) under ref HG1-288. The detailed planning framework for the Northern, Middle and Southern Quadrants is set through an ELE Supplementary Planning Document (SPD) developed to deliver the development in accordance with the allocation.
- 5.2 The SPD envisages a high-quality place-making approach to this urban extension, with best practice in provision for walking and cycling, integration of accessible and attractive green spaces, connectivity with adjoining communities and countryside walking routes, and a co-ordinated approach to the delivery of new community facilities such as schools, health facilities and sports pitches. It sets out the main requirements and expectations to be met by the developers of the ELE and the key principles of collaboration to ensure comprehensive masterplanning and phasing of development.
- 5.3 Development proposals for each quadrant of the ELE must come forward in their entirety and demonstrate that they will not compromise the delivery of the other quadrants. A single outline planning application per quadrant is presumed with reserved matters applications to follow.

6. Red Hall

- 6.1 The Red Hall site extends to approximately 49.5 acres (20 ha) net of the land required for ELOR and comprises the Council's former commercial nurseries, listed buildings and former playing fields.
- 6.2 The site is allocated for housing within the Council's adopted Site Allocation Plan and is located within a highly sustainable, prime area of north Leeds. As such, the site is identified as a key, high value asset within the Council's Capital Receipts Programme. Following the site being advertised for sale and the preferred bidder being appointed (Redrow), the scheme has been under design development and a planning application submitted. This is expected to be referred to Panel for determination in the course of the next few months.

7. Northern Quadrant

- 7.1 The Northern Quadrant lies south of the route of ELOR, between the A58 and the A64. The land is being developed by a consortium of housebuilders, notably Persimmon and Vistry. Outline planning approval was granted in July 2022 for up to 2,000 dwellings plus retail, health, community care and primary school provision. In addition, a new country park is planned between Thorner Lane and ELOR along with several areas of woodland, open space and play areas.
- 7.2 A reserved matters application was received in August 2022 from Persimmon for Phase A of the Northern Quadrant (423 dwellings) and is currently under consideration. Further reserved matters applications are anticipated shortly.

8. Middle Quadrant

- 8.1 The Middle Quadrant planning application extends over circa 40.58 ha (100.28 acres) of land falling within various land ownerships. The Council owns circa 3.28 ha (8.11 acres) of land within this quadrant primarily made up of existing woodland. The house builders leading on development within the Middle Quadrant are Taylor Wimpey and Persimmon.
- 8.2 Outline planning permission was granted in August 2022 for up to 875 dwellings. To date, three reserved matters applications have been submitted for 814 dwellings in total and are currently under consideration by planning.

9. Southern Quadrant

- 9.1 The Southern Quadrant planning application extends over circa 45.86 ha (113.32 acres) of land either owned or held under Option by the Council, Redrow and Taylor Wimpey. In total the Council owns approximately 14.32 ha (35.38 acres) across three separate plots, whilst Redrow and Taylor Wimpey either own or have options to acquire 9 ha (22.24 acres) and 22.54 ha (55.70 acres) respectively.
- 9.2 The SPD sets a need for three new primary schools to be provided across the Northern, Middle and Southern Quadrants of the ELE to be secured by land being made available within each quadrant for a school (min 1.7ha) and developers making financial contributions towards the cost of provision. Notwithstanding the requirements of the SPD, which had been based on forecast development capacity in each quadrant, it is now anticipated that the needs of both the Middle and Southern Quadrants can be met via a single Primary School located on Council owned land within the Southern Quadrant, as more recent detailed planning and design work in each quadrant shows the development capacity to be less than originally thought and therefore the school place demands generated are lower.
- 9.3 Developers are also expected to assess the need for new community, health, retail and other facilities. The setting aside of land for such use and the programme for delivery will be dealt with via s106 legal agreements attached to planning approvals. It is anticipated this requirement will be met for both the Middle and Southern Quadrants through the development of community facilities located on Council owned land within the Southern Quadrant.
- 9.4 In January 2020, Executive Board approved the Director of City Development entering into formal one-to-one discussions with Taylor Wimpey and Redrow, for the disposal of Council owned land within the Southern Quadrant. In addition, Executive Board also approved that the Director of City Development would negotiate and enter into an Equalisation Agreement with the developer consortium for the Middle and Southern Quadrants, to facilitate the development of coherent masterplans and planning applications for those quadrant and to address land value depreciation resulting from providing infrastructure.
- 9.5 The Equalisation Agreement relates to each of the Council's land parcels (A, B and C) contained within the Southern Quadrant and the existing woodland in the Middle Quadrant as shown in Appendix 1.
- 9.6 An outline planning application for the development of the Southern Quadrant for up to 925 dwellings plus a community hub has been submitted and a position statement was presented to North and East Plans Panel on the 22nd September by the developer consortium. Following detailed feedback from Panel, designs are being updated and draft planning conditions prepared ready for resubmission in April/May 2023. This includes the Council owned land referred to in paragraph 9.7 below.

- 9.7 Council owned land at /Leeds Road/John Smeaton Approach (Parcel A) has been identified as the appropriate site for the provision of the new 2Fe primary school, as well as retail and community facilities. The land currently accommodates three sports pitches (two full size and one junior size) two of which, until recently, were used by Whinmoor Junior Football Club. The masterplanning work has been finalised and has identified a proposed mix of uses for the site – a 2 form entry primary school (including a sports pitch which will be made available for community use), together with retail and community facilities as per Appendix 2.
- 9.8 Following approval to the masterplan, in February 2021 Executive Board approved the use and disposal of the land at Leeds Road/John Smeaton Approach to facilitate the development of the site for the purposes outlined above.
- 9.9 Since that time officers have been in dialogue with the Department for Education (DfE) to explore the potential for part of the site to be brought forward as a free school as part of Free School Wave 14, and Heads of Terms have been agreed in principle for the construction of the school and subsequent disposal of the land to the Free School Operator (the Ruth Gorse Academies Trust). The school will be delivered by the DfE who will be responsible for all design development and planning submissions for the scheme. The draft Heads of Terms are attached at the Exempt Appendix.
- 9.10 The draft Heads of Terms identify the land that would be let to the Ruth Gorse Academies Trust on a 125 year lease which would provide that the land could only be used for Education purposes.
- 9.11 In order to bring the Leeds Road/John Smeaton Approach site forward development an access from Leeds Road needs to be provided into the site. The access is included within the Southern Quadrant outline planning application and discussions are ongoing with the Southern Quadrant developers as to how and when it is going to be delivered and paid for (it is anticipated that the Council will construct the access – together with other works required to be carried out to Leeds Road - under a s278 agreement with the costs being met by the Middle and Southern Quadrant developers).
- 9.12 In addition, there is a need for an access road to be constructed beyond the new site entrance to provide access to the new primary school and community facilities. This road will need to be provided before the school opens and it is intended that it will be constructed by the Council with costs recovered from the Middle and Southern Quadrant developers either via the Equalisation Agreement or from their s106 education payments.
- 9.13 As stated in paragraph 8.6, the land at Leeds Road/John Smeaton Approach is currently laid out as three playing pitches. It is included in the Southern Quadrant outline planning application as the location of a new school and community infrastructure. Sport England originally objected to the application as development of the Leeds Road/John Smeaton site would mean that the existing sports pitches would be lost.
- 9.14 Sport England has subsequently agreed that the Leeds Road/John Smeaton Approach site can be developed subject to replacement sports pitches being provided. Proposals have been developed and agreed with Sport England for the relocation of two pitches at Whinmoor Grange (as set out in paragraph 10) with a third pitch to be provided on-site as part of the primary school. Planning conditions have now been agreed to the effect that no development can take place at the site until the off-site pitches have been provided and are available for use and that alternative provision must be made in relation to the third pitch until such time as that has been re-provided on site after which it must be made available for community use.
- 9.15 In addition, Sport England are concerned that the combination of curriculum and community use of the on-site pitch could have a detrimental impact on the quality of that pitch and have requested measures to ensure that it will be of sufficient quality to support both

uses. It is proposed that this concern be addressed by way of a planning condition to be imposed on the outline planning permission for the Southern Quadrant whereby the on-site pitch must be provided to a standard approved by Sport England.

9.16 Notwithstanding the above, there remains a risk to the Council that any delay in the provision of either the on-site pitch, or the pitches at Whinmoor Grange, could prejudice the Council's ability to develop the remainder of the John Smeaton site. Officers are therefore seeking further discussions with Sport England as to whether a level of development could be carried out in advance of the replacement pitches being available for use. In addition, it is proposed that the arrangements for the development of the school site will be subject to the Council being able to construct the on-site pitch in default of the DfE doing so at the DfE's cost.

10.0 Whinmoor Grange – Pitch Relocation (2 pitches)

10.1 In order to bring forward the Council's land at Leeds Road/John Smeaton Approach for development, two of the existing grass pitches require reprovision in order to overcome Sport England's objection to the Southern Quadrant outline application and to meet planning policy requirements. Sport England's position was fully anticipated and proposals for the relocation of the pitches have been in development for some time.

10.2 At its meeting of October 2011, Executive Board approved an Informal Planning Statement as a guide for future development proposals for Council owned land at Whinmoor Grange, which set the scope for delivery of future potential land uses including a new cemetery (which has now been built), a new Parks and Countryside nursery (subsequently delivered as the Arium) and new sports pitches envisaged as providing for needs arising from the development of the East Leeds Extension.

10.3 The proposed ELE Pitch Relocation Strategy is consistent with the Whinmoor Grange Informal Planning Statement, which is to focus any required pitch relocations from the ELE - and in this case from the Southern Quadrant - on replacement high quality provision at Whinmoor Grange. The proximity to the Arium provides the potential to take the access arrangements and close management and maintenance from the Parks and Countryside depot facilities there.

10.4 The minimum timescale for the creation of fully drained grass playing pitches is 18 months. This is based on a construction start in early Spring in the first year, with completion in Autumn the following year. Whilst the construction of grass playing pitches is seasonal and weather dependant, the Council have progressed proposals for the relocation of the grass pitches in advance of any other planning submissions related to the Leeds Road/Smeaton Approach site. This was to ensure that the relocated playing pitches would be constructed and available for use prior to the loss of any existing playing pitches.

10.5 The Whinmoor Grange planning application for the playing pitch relocation was submitted and was awarded planning approval on the 3rd January 2023. The project proposals are attached at Appendix 4. Vacant possession of the site has also been achieved and subject to discharging pre-commencement planning conditions, tender documents are being prepared for contract award and it is anticipated that the works will commence on site in April/May this year.

What impact will this proposal have?

11 The proposal would see the Council entering into a conditional agreement with the Secretary of State for Education for the construction of a new two-form entry primary school on the Council's land and for the grant a 125-year lease of the site to an academy. The construction of the school will be funded and undertaken by the Secretary of State with a target opening date of September 2026. This would be preceded by the Council

constructing a new access road to serve both the school site and the adjoining land of the Council.

- 12 The target date for completion of the school is based on current estimates from the Director of Children and Families of anticipated demand for school places from the Middle and Southern Quadrants of the ELE as they are built out, coupled with anticipated capacity of other schools in the area.
- 13 The proposed transaction is conditional on planning permission being obtained for the construction of the school and the new access road, as well as the Council constructing the access road and providing the replacement sports pitches at Whinmoor Grange.
- 14 Proposals for the new school are being developed with the Department for Education who will work with the Council towards delivery of the school by September 2026.
- 15 The Council's proposed contribution is the provision of the land for the development at nil consideration together with contributions towards the cost of groundworks and infrastructure. This is a less-than-best consideration disposal for the Council. The cost of constructing the school will be met by the Department for Education, who will seek planning approval, and design and construct the school. This will be undertaken in conjunction with the Council relocating two of the existing sports pitches and creating the new shared access road for the school and the community facilities in order to meet the planning requirements for the Middle and Southern quadrants. Officers are continuing to develop proposals for the development of the community facilities in line with the approved masterplan.
- 16 An Equality, Diversity, Cohesion and Integration (EDCI) Screening Form has been completed with no specific issues identified and is attached as Appendix 5.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

17 Inclusive Growth

Entering into the agreements and taking forward the actions referred to in this report will help to facilitate the delivery of up to 1,800 new homes in the East Leeds Extension as a key component in delivering the housing requirements of the Local Plan. It will also facilitate the delivery of key physical and community infrastructure in the area, thereby helping to build a thriving and resilient community.

Delivering the ELE is key in realising ambitions in the Best City Ambition regarding sustainable infrastructure, housing and inclusive growth and meeting the city's housing needs through this major plan-led development is a key component of the Council's Inclusive Growth Strategy – delivering on the Big Ideas for place, including 21st century infrastructure, supporting places to respond to economic change and creating jobs close to local communities.

18 Climate Emergency

The delivery of new homes and infrastructure in the ELE is a crucial component of the plan-led approach to growth across the Leeds district, taking a balanced view of housing need and the allocation of sites to meet the diverse requirements of all residents and communities. The Local Plan and the Site Allocations Plan have been subject to sustainability appraisal and the Core Strategy has a raft of policies to ensure development

comes forward to address carbon reduction, air quality, local environmental benefits and biodiversity gain. The development of the ELE will take place within this framework.

19 Health and Wellbeing

The scheme requires the delivery of 2 replacement grass playing pitches which are being relocated from the Smeaton Approach/Leeds Road to ensure that the existing playing field provision of 3 pitches on the site is available continuously throughout the delivery of the development for use by local teams and clubs. One pitch will be retained on site as part of the school development.

What consultation and engagement has taken place?

Wards affected: Crossgates and Whinmoor, Harewood

Have ward members been consulted? Yes No

- 20 In February 2021, Executive Board approved the principle of the school site being appropriated/dedicated for use as primary school and to the Council disposing of the site for the provision of such a school. Executive Board also approved the Council entering into various agreements in relation to the development of the Middle and Southern Quadrants of the ELE (including an equalisation agreement relating to the provision of infrastructure within those quadrants).
- 21 The ELE has been subject to significant consultation at key stages of scoping and decision making since its inception as a programme in 2013. There has been specific consultation on the ELE SPD, and individual planning applications as well as ongoing community engagement through local neighbourhood fora, meetings with local interest groups and engagement with stakeholders on a range of issues.
- 22 The planning applications for the Middle and Southern Quadrants have been the subject of focused engagement through the ELE Consultative Forum (chaired by Cllr P Grahame, Ward Member for Crossgates and Whinmoor). In addition, ward members for Crossgates and Whinmoor, and Harewood, (in whose wards the Middle and Southern Quadrants of the ELE are located), have been engaged and briefed on both developments as matters have progressed, with any matters of detail arising, being considered and responded to. Current issues raised includes how the comprehensive development of the site including the school, retail and health facility will be delivered, and the detail of the community use agreement proposed for the school facilities.
- 23 Ward members and the Executive Member for Infrastructure and Climate have been consulted by officers from Asset Management and Regeneration through written and face-to-face briefings over proposals for the district centre which incorporates the school site and are supportive of the proposals. Ward members will be offered further briefings and opportunity to comment as the proposals progress.
- 24 The requirement to provide a site for a new primary school arises from the grant of planning permission for the development of the Middle and Southern Quadrants of the ELE. It will be a specific requirement of any outline planning consent for the Southern Quadrant that sufficient land is made available within the quadrant for a school and that the Southern Quadrant developers will be required to make financial contributions to the cost of providing it. Financial contributions have also been secured pursuant to the Middle Quadrant outline planning consent. As part of the evolving district centre proposals and the master-planning of the

Middle and Southern Quadrants of ELE, the Leeds Road/Smeaton Approach site has been identified as the most appropriate location for a school.

What are the resource implications?

- 25 The proposed disposal of the school site will be at nil consideration. The Council has however previously entered into an Equalisation Agreement with the Middle and Southern Quadrant developers. This provides a mechanism by which the Council will be compensated for the value forgone in relation to the disposal of the school site when compared to the amount that would have been realised on a market value disposal of the site.
- 26 Discussions with the Middle and Southern Quadrant developers are ongoing in relation to the provision of access into the Leeds Road/John Smeaton site but it is anticipated that the costs of providing such access will either be met by the Middle and Southern Quadrant developers or recovered from s106 contributions for the Middle and Southern Quadrants.
- 27 The costs of providing the school will be met by the Department for Education working in conjunction with the Academy who will be the ultimate occupier of the site. The current cost of providing a new 2 form entry primary school is estimated at between c£7 and £9m subject to site conditions, abnormalities, access and inflation rates. As set out in the Exempt Appendix the Council will be contributing towards abnormal costs which will be recovered from s106 contributions for the Middle and Southern Quadrants.
- 28 The other resource implication sits around the value foregone for the land which will be leased to the school. This is estimated at £1.64m however this is expected to reduce once more site condition information is available.

What are the key risks and how are they being managed?

- 29 The principal risk is that the school will not be constructed and ready to open by the target opening date of September 2026. Discussions are ongoing with the Department for Education in relation to this and assurances have been received that they and the academy will work with the Council to endeavour that such date is met. If it is not, and there is an impact on the Council's statutory duty to provide a sufficiency of school places, the Council will be able to use the s106 contributions received from the Middle and Southern Quadrant developers to fund alternative provision on either a temporary or permanent basis.
- 30 Preparatory work has already been undertaken in relation to certain preliminary matters, related to the development of Leeds Road/Smeaton Approach site including the design of the two replacement pitches which the Council is providing at Whinmoor Grange and obtaining planning permission for them, as well as master planning of the district centre and the new access road. Working with the Council, the Southern Quadrant developers have also submitted an outline planning application for the development of the Southern Quadrant (including the school site) and it is anticipated that this will be presented to Plans Panel for determination in Spring 2023. In connection with this, and in consultation with the Department for Education and the Southern Quadrant developers, the Council has agreed planning conditions with Sport England relating to the development of the Leeds Road/Smeaton Approach site and is also looking to enter into discussions with them in relation to the possibility of carrying out works on the site in advance of the replacement pitches at Whinmoor Grange having been constructed and being ready for use. These aspects of the project will continue to be monitored to anticipate and mitigate any risks arising.
- 31 A small risk exists that obtaining detailed planning permission for the school may be delayed or refused. As set out above, the principle of the school being provided on the Leeds Road/Smeaton Approach site has already been established and it is hoped that outline

permission will be forthcoming in the Spring 2023. It will then be for the Department for Education to apply for detailed permission for the construction of the school.

What are the legal implications?

- 32 Section 123 of the Local Government Act 1972 provides that unless the Secretary of State has otherwise consented, the Council must dispose of land at the best financial consideration reasonably obtainable.
- 33 The Local Government Act 1972: General Disposal Consent 2003 allows local authorities to dispose of land where the difference between (a) the unrestricted value of the interest to be disposed of and (b) the consideration payable for the disposal, is £2m or less, provided that the authority considers that the disposal is likely to contribute to the achievement of the promotion or improvement of the economic, social and/or environmental well-being of the whole or any part of its area or of all or any persons resident or present in its area.
- 34 As regards the proposed disposal of the school site, as detailed in the exempt appendix, the amount of value foregone by the Council will be less than £2m. In addition, it is believed that the construction of a new two-form entry primary school on the school site will improve both the economic and social well-being of the area. The school is a key element in making the ELE a desirable and attractive place to live in accordance with the ELE Supplemental Planning Document. It is required to ensure that sufficient places for children are provided in connection with the development of the Middle and Southern Quadrants of the ELE and the site has been identified as the most beneficial and appropriate location for a school. Unless the school is built, the Council will have to create additional capacity elsewhere. On that basis the disposal falls within the terms of The Local Government Act 1972: General Disposal Consent 2003.
- 35 However, the consideration payable for the proposed disposal of the school site is such that the amount of value foregone (£1.64m) exceeds the amount which the Director of City Development has delegated authority to approve (£100,000), and Executive Board must therefore approve the principle of the disposal at less-than-best consideration.
- 36 Notwithstanding the fact that the proposed disposal of the school site is at less-than-best consideration, there will not be any subsidy provided. As set out in the Government's "Statutory Guidance for the United Kingdom Subsidy Control Regime", education services organised within the national education system - and which are funded through public funds and supervised by the UK Government - are not considered to be economic activities for the purposes of the Subsidy Control Act 2022 and are not therefore subject to the subsidy control regime.
- 37 Whilst local authorities have a duty to ensure that there are enough school places for children in their area, they are unable to open new local authority run community schools. The Education and Inspections Act 2006 (as amended) provides that, where local authorities identify a need for a new school, it must be an academy.
- 38 The proposal constitutes a Key Decision and is subject to call in.
- 39 The information contained in the Exempt Appendix 3 attached to this report relates to the financial or business affairs of a particular person / company, 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 has been obtained through one-to-one negotiations for the disposal of the school site, it is not in the public interest to disclose this information now. 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, the public interest in maintaining the exemption outweighs the public interest in disclosing this information now. It is therefore considered that this element of the report should be treated as exempt under Rule 10.4.3 of the Access to Information Procedure Rules.

Options, timescales and measuring success

What other options were considered?

- 40 Leeds City Council has a statutory duty to deliver a sufficiency of school places. The Leeds Road/John Smeaton site has for some time been identified through the ELE SPD as a site required for school provision as part of the Middle and Southern Quadrants. The mechanism through which it is delivered could either be through the Council running a free school presumption or the DfE opening a free school. It is the latter route that the school will be delivered through as the Council would have to seek DfE approval to run a free school presumption which, where a free school has already been approved by the DfE, would not be supported. This primary school will be provided at no cost to the Council. Therefore, the proposal to dispose of the site for the development of an existing approved free school provides the least risk option for the Council and the only option for consideration.
- 41 If the Council does not make the school site available, then the school may not be built or maybe built in a sub-optimal location. This is not favoured, and Executive Board has previously approved the principle of the site being made available for the school. The site has been identified by both the Department for Education (who have looked at many other potential sites in East and North-East Leeds) and the Council as the optimal site for the provision of a primary school to support the development of the Middle and Southern Quadrants of the ELE. Local Authorities are precluded by law from opening new schools themselves and the proposed disposal of the school site provides a delivery mechanism for addressing school place provision in Leeds consequent to increased anticipated demand on school places arising from the new housing proposals of the ELE.
- 42 If the Council were to dispose of the site at a premium and/or make no financial contribution, this may make the provision of a school at this location unviable. The disposal of the site for educational purposes, as provision to support development in the Middle and Southern Quadrants is though subject to an equalisation agreement between the Council and the Middle and Southern Quadrant developers which provides for financial recompense to the Council for any value foregone in relation to such a disposal. Similarly, the Council will have access to s106 contributions for education provision to support the housing development from the Middle and Southern Quadrant developers which can be utilised to fund capital support for the development of the school.

How will success be measured?

- 43 Success will be measured by entering into an agreement for the construction of the school and the subsequent disposal of the site, the successful discharge of the conditions precedent relating to the disposal of the site and the construction of the school to meet the target opening date of September 2026 (or such other date as maybe agreed by the Council).

What is the timetable and who will be responsible for implementation?

- 44 It is intended to enter into an agreement for the construction of the school and the disposal of the site at the earliest opportunity after finalisation and approval of detailed terms for the transaction by the Director of City Development and final approval by the Director of City Development and/or the Chief Officer – Financial Services of the funding for the

development costs set out in the exempt appendix to align with the target opening date for the school of September 2026. Officers from City Development and Legal Services will be responsible for this.

- 45 It is anticipated that outline planning permission for the development of the Southern Quadrant of the ELE (including the school site) will be granted in Spring 2023. After that responsibility for obtaining detailed planning permission for the construction of the school and delivering the school will lie with the Department for Education. Construction of the new access road will be undertaken by the City Council and officers from City Development will be responsible for progressing this in conjunction with the Southern Quadrant developers.
- 46 The target date for completion and opening of the school is September 2026. It is envisaged that the works to construct the replacement off-site pitches at Whinmoor Grange will start in Spring 2023 and that the new access road will be constructed to base course level by March 2025.

Appendices

- Appendix 1 – LCC land holdings in Middle and Southern Quadrant
- Appendix 2 – Land use allocations for the Smeaton Approach/Leeds Road site
- Appendix 3 - Exempt Appendix-detailing site valuation, proposed headline terms for the disposal and funding proposals for the access road and site preparation and supporting works. Exempt under Access to Information Procedure Rule 10.4(3).
- Appendix 4 – Whinmoor Pitches relocation proposals
- Appendix 5 - EDCI Screening Form

Background papers

None.

Harewood
Ward



WOODLAND

A

B

C

Cross Gates &
Whinmoor Ward


Temple Newsam
Ward

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 SUBJECT SITE

 LAND SOLD BY
LEEDS CITY COUNCIL

 LAND OWNED BY
LEEDS CITY COUNCIL

 LAND LEASED OUT BY
LEEDS CITY COUNCIL

 WARD BOUNDARY



0 70 140 280 Metres

Page 113

PREP BY J Sahasrab
DATE SAVED: 14/01/2021
OS No: SE3037
SCALE @ A3 1:7,000

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PLAN No 19100/1U

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KEY PLAN

NOTES

- Contract Boundaries
- 2 Form Entry Primary School
 - Retail
 - Healthcare & Community
 - Adopted Highway Road Works
 - Statutory Undertaker Utility Works
 - Pedestrian Highway Works (on site)
 - Pedestrian Highway Works (off site)

Rev	Description	Date
P1	First Issue	22.02.21

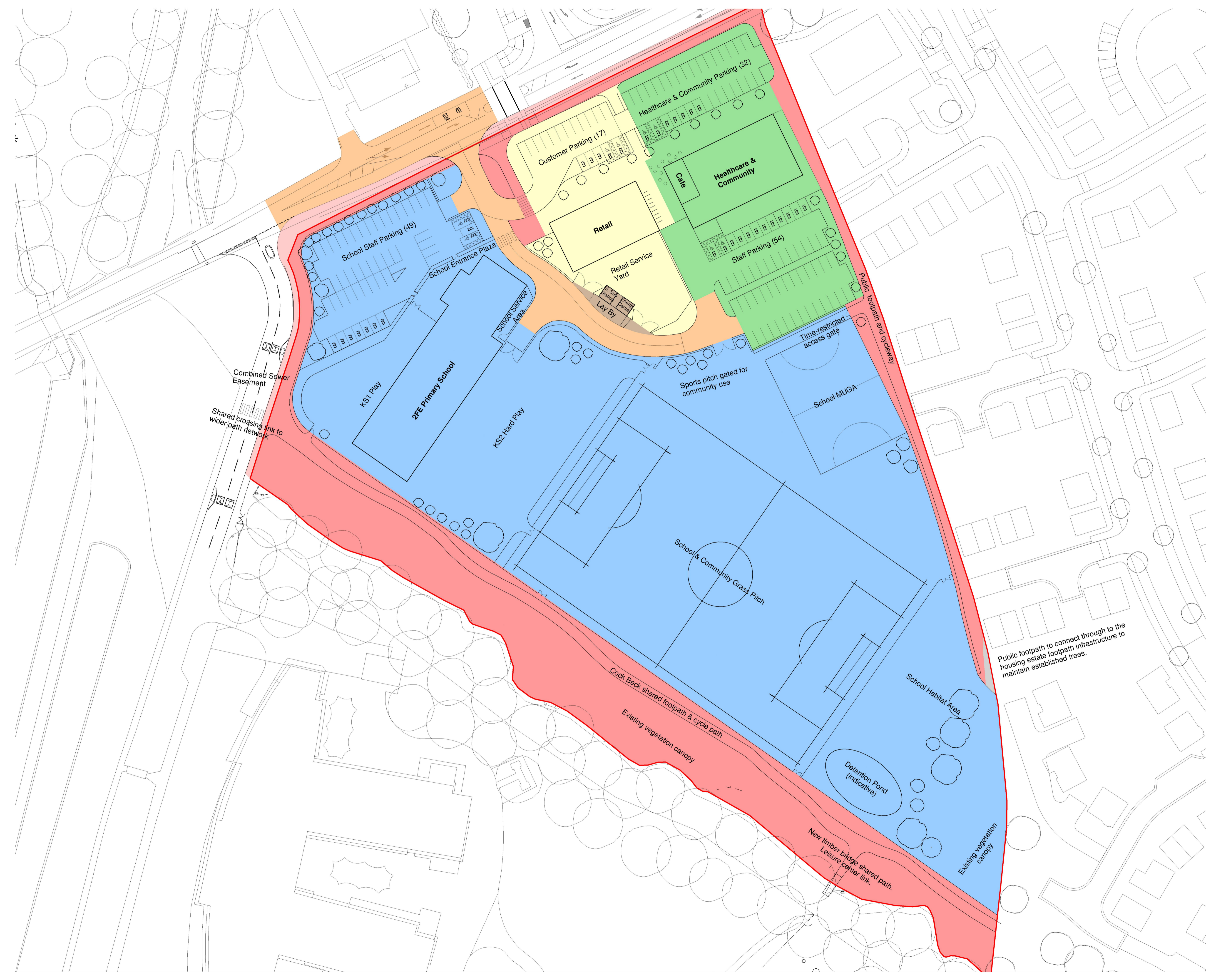
nps group **NPS Leeds**
Unit 3a, First Floor
Springwell Road
Holbeck, Leeds
LS12 1AW
leeds@nps.co.uk

CLIENT
Leeds City Council

PROJECT
John Smeaton Masterplan Feasibility

TITLE
Contract Boundaries

SCALE 1 : 500	DISCIPLINE Architect	PROJECT NUMBER 109601
DRAWING NUMBER 109601-NPS-ZZ-XX-DR-A-004	REV CODE P1	
STATUS CODE S2	PURPOSE OF ISSUE Information	Drawn by TB Checked by NB Approved by NB



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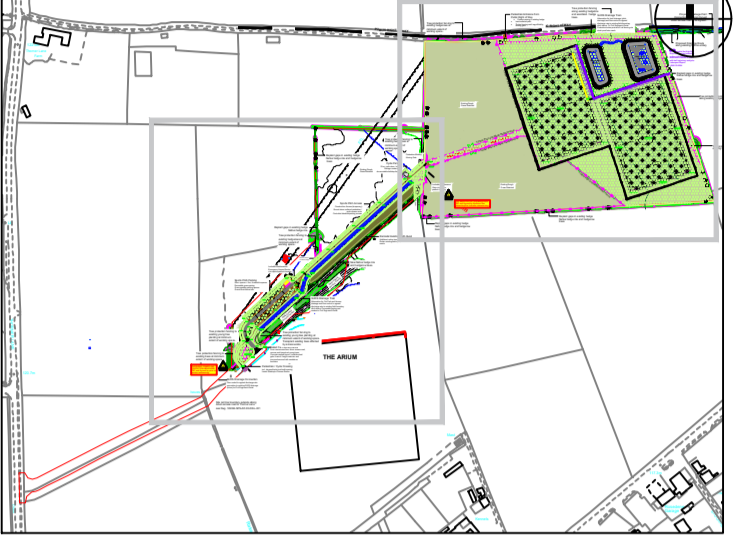
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0 10m 25m 50m ORIGINAL SHEET SIZE A1
1:1000

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KEY PLAN



LEGEND

- Site Access Road / Footpath / Cycle Path / Bus Stop
- Site Access Footpath / Concrete Apron
- Grass Block / Grass Infill Surface
- Grass Block / Grass Infill Surface
- Sports Pitches / Full Drained Grass Pitches
- SUDS Drainage / Detention Basins / Basins to Civil Engineer's Detail
- Proposed Level / Existing Level
- Sports Grass Seeding
- Amenity Grass Seeding
- Retained Rough Grass Field Margins - Habitat Buffer Zone
- Native Tree Planting / Heavy Standard Nursery Stock
- Native Hedgehog Tree Planting / Standard Nursery Stock
- Native Tree Planting / Whin/Translucens/Fatherland Nursery Stock
- New Native Hedge Planting
- Timber Post and Rail Fencing
- Existing Trees - Retained
- Existing Hedge - Retained
- Existing Trees / Hedge - Proposed Removal
- Surveyed Trees - RPA
- Tree Protection Fencing - in BS 5827:2012 Trees in Relation to Construction

NOTES:

PLANNING ISSUE - Equipment storage container added along with planting screen.

P5	JT	17.08.2022			
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PLANNING ISSUE - Sports Pitches moved East. / Accessible Parking moved / Fencing added around pitch areas / Pedestrian crossings added to access road

P4	JT	25.02.2022	NB	07-03-2022	NB	07-03-2022
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PLANNING ISSUE - Sports Pitches moved East.

P3	JT	17.12.2021			
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PLANNING ISSUE - Red Line Boundary extended to Thorne Lane

P2	JT	08.12.2021			
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PLANNING ISSUE

P1	JT	19.11.2021			
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REV	DRAWN	DATE	CHECKED	DATE	APPROVED	DATE

nps group

NPS Property Consultants Ltd
Nauticus House, 10 Central Avenue, St. Andrew's Business Park, Horwath, Norfolk, NR7 0HR,
Tel: 01603 706700; Email: nonich@nauticusgroup.co.uk; website: nps.co.uk

CLIENT
Leeds City Council

PROJECT
Whinmoor Grange Grass Sports Pitches

TITLE
Proposed Site Layout

SCALE	DISCIPLINE	PROJECT NUMBER
1:1000	Landscape Architect	109396
DRAWING NUMBER	REV CODE	
NPS-ZZ-XX-DR-L-800	P5	
STATUS CODE	PURPOSE OF ISSUE	Drawn by / Approved by
S0	Planning Approval	JT / NB



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APPENDIX 5

Equality, Diversity, Cohesion and Integration (EDCI) screening



As a public authority we need to ensure that all our strategies, policies, service and functions, both current and proposed have given proper consideration to equality, diversity, cohesion and integration.

A **screening** process can help judge relevance and provides a record of both the **process** and **decision**. Screening should be a short, sharp exercise that determines relevance for all new and revised strategies, policies, services and functions. Completed at the earliest opportunity it will help to determine:

- the relevance of proposals and decisions to equality, diversity, cohesion and integration.
- whether or not equality, diversity, cohesion and integration is being or has already been considered, and
- whether or not it is necessary to carry out an impact assessment.

Directorate: City Development	Service area: Asset Management and Regeneration
Lead person: Jane Walne	Contact number: 87705

1. Title: East Leeds Extension Update and Progress on Land Disposal for the Southern Quadrant Primary School

Is this a:

Strategy / Policy
 Service / Function
 Other

If other, please specify

2. Please provide a brief description of what you are screening

This EDCI is screening the potential disposal of land at Smeaton Approach/Leeds Road to a free school operator for it to be brought forward by the Department for Education for a new free school.

3. Relevance to equality, diversity, cohesion and integration

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

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

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

Questions	Yes	No
Is there an existing or likely differential impact for the different equality characteristics?		X
Have there been or likely to be any public concerns about the policy or proposal?		X
Could the proposal affect how our services, commissioning or procurement activities are organised, provided, located and by whom?		X
Could the proposal affect our workforce or employment practices?		X
Does the proposal involve or will it have an impact on <ul style="list-style-type: none"> • Eliminating unlawful discrimination, victimisation and harassment • Advancing equality of opportunity • Fostering good relations 		X

If you have answered **no** to the questions above please complete **sections 6 and 7**

If you have answered **yes** to any of the above and;

- Believe you have already considered the impact on equality, diversity, cohesion and integration within your proposal please go to **section 4**.
- Are not already considering the impact on equality, diversity, cohesion and integration within your proposal please go to **section 5**.

4. Considering the impact on equality, diversity, cohesion and integration

If you can demonstrate you have considered how your proposals impact on equality, diversity, cohesion and integration you have carried out an impact assessment.

Please provide specific details for all three areas below (use the prompts for guidance).

- **How have you considered equality, diversity, cohesion and integration?**
(**think about** the scope of the proposal, who is likely to be affected, equality related information, gaps in information and plans to address, consultation and engagement activities (taken place or planned) with those likely to be affected)

- **Key findings**
(**think about** any potential positive and negative impact on different equality characteristics, potential to promote strong and positive relationships between groups, potential to bring groups/communities into increased contact with each other, perception that the proposal could benefit one group at the expense of another)

- **Actions**
(**think about** how you will promote positive impact and remove/ reduce negative impact)

5. If you are *not* already considering the impact on equality, diversity, cohesion and integration you **will need to carry out an impact assessment.**

Date to scope and plan your impact assessment:

EDCI Screening

Template updated January 2014

3

Date to complete your impact assessment	
Lead person for your impact assessment (Include name and job title)	

6. Governance, ownership and approval		
Please state here who has approved the actions and outcomes of the screening		
Name	Job title	Date
Jane walne	Head of Projects and Programmes	21/03/2023
Date screening completed		

7. Publishing	
<p>Though all key decisions are required to give due regard to equality the council only publishes those related to Executive Board, Full Council, Key Delegated Decisions or a Significant Operational Decision.</p> <p>A copy of this equality screening should be attached as an appendix to the decision making report:</p> <ul style="list-style-type: none"> • Governance Services will publish those relating to Executive Board and Full Council. • The appropriate directorate will publish those relating to Delegated Decisions and Significant Operational Decisions. • A copy of all other equality screenings that are not to be published should be sent to equalityteam@leeds.gov.uk for record. <p>Complete the appropriate section below with the date the report and attached screening was sent:</p>	
For Executive Board or Full Council – sent to Governance Services	Date sent: 22/03/2023
For Delegated Decisions or Significant Operational Decisions – sent to appropriate Directorate	Date sent:
All other decisions – sent to equalityteam@leeds.gov.uk	Date sent:

Kingsdale Court Affordable Housing and Regeneration Scheme

Date: 19th April 2023

Report of: Director of City Development and Director Communities, Housing and Environment

Report to: Executive Board

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief Summary

This report sets out progress with acquisition and regeneration of Kingsdale Court in the Boggart Hill Priority Neighbourhood, Seacroft and related to this the emerging case for possible use of compulsory purchase powers to enable the delivery of new affordable housing on the site. The Board is asked to note the assembly of land and property interests achieved to date through negotiation, the obligations the Council has taken in relation to the site, the number and extent of interests still to be acquired and ongoing work that may inform a future request for a resolution for a CPO.

In February 2021 Executive Board noted the complex ownership and management arrangements at the site which played a significant contributory role in the extremely poor quality of the private sector housing, environmental conditions and impact on community safety and amenity of the wider neighbourhood. It noted the opportunity for the Council to acquire existing interests and to assemble ownership of the site to enable the provision of fit-for-purpose affordable housing as part of the commitment to sustainable change and regeneration in one of its Priority Neighbourhoods.

Executive Board approved the Council's acquisition of an initial portfolio of 40 (out of a total of 88 flats) at Kingsdale Court and gave in principle support to further acquisitions under existing delegations to Directors to enable assembly of all other interests in the site, to unlock a solution to its regeneration and improvement. It also noted that the Council could consider the use of compulsory purchase powers if necessary, to achieve full site assembly.

Significant progress has been made including the purchase of the initial portfolio, an additional 16 leasehold flats through negotiated acquisition and the freehold of the whole site. Several more agreed transactions are also with solicitors for completion. Whilst active and positive progress is being made in negotiations to acquire further individual leasehold interests there are likely to be some remaining flats that cannot be secured through negotiation, at least on the open market terms currently being offered.

Whilst continued efforts will be made to acquire remaining interests through negotiation, it is likely that a Compulsory Purchase Order (CPO) – or at least a formal resolution and making of a CPO - will be required to offer the Council a means of last resort to complete assembly of the site and to focus further negotiations.

Recommendations

- a) Note the progress made by the Council in identifying and acquiring all legal and property interests to enable the full assembly of the Kingsdale Court site.
- b) Approve the capital funding injection as set out in Exempt Appendix 2 to achieve full site acquisition based on an assessment of current negotiating positions, which continue to evolve.
- c) Support the development of a case by the Council for the use of compulsory purchase powers to secure complete site assembly should this be considered necessary as a last resort to facilitate comprehensive regeneration of Kingsdale Court, through the delivery of new affordable housing.
- d) Note the legal obligations that the Council has now assumed as landlord in acquiring the freehold of the site, and the management arrangements now in place to support remaining leaseholders and tenants in accordance with those obligations.
- e) Agree to receive a further report at the earliest opportunity setting out the up to date position with respect to purchase negotiations and setting out the requirements and justification for the potential use of a Compulsory Purchase Order if reasonable negotiations to fully assemble the site fail.

1. What is this report about?

- 1.1 This report sets out the current status of Kingsdale Court in the Boggart Hill Priority Neighbourhood, Seacroft, progress made by the Council in acquiring the land and property interests across the site and related to this the emerging case for possible use of compulsory purchase powers to complete land assembly, enable its regeneration and the provision of new affordable housing. Subject to final confirmation of an ongoing options appraisal, the Council is of the current informed view that comprehensive redevelopment of the site is the most effective way of achieving its regeneration aims and realising a sustainable solution to the current challenges of the site.

2. Strategic Context

- 2.1 Kingsdale Court is located within the heart of Boggart Hill Priority Neighbourhood (as identified by Executive Board in November 2017) and makes up around 11.5% of all homes within this Lower Super Output Area (LSOA) where deprivation levels are in the worst 1% nationally, as measured by the government's Indices of Multiple Deprivation (IMD).
- 2.2 A further refresh of the Council's approach to Locality Working was considered by Executive Board in March 2022. It set out proposals to upscale the Locality Working approach to increase the Priority Neighbourhood footprint in our most disadvantaged communities to cover all the 12 most disadvantaged neighbourhoods (within the 1% LSOA's nationally), whilst retaining a focus at the ward level in the city's six priority wards to enable greater impact and outcomes, through a collective focus to tackle inequality and poverty and build more thriving and resilient communities. Under this refreshed approach Boggart Hill remains a Priority Neighbourhood within the priority ward of Killingbeck and Seacroft.
- 2.3 Kingsdale Court presents a significant barrier to improving Boggart Hill's position against a range of measures included within the IMD. Poor performance across all IMD indicators cannot be improved without significant, sustained, long term and structural changes to the site. This report sets out the site history and challenges, progress that has been made with site acquisition and the options which have been considered as a long-term solution.
- 2.4 Proposals to acquire and regenerate Kingsdale Court through the provision of good quality affordable housing clearly align with the Best City Ambition's mission to tackle poverty and inequality and improve quality of life for everyone who calls Leeds home. Details of how the proposals align with the three pillars of the Best City Ambition - Health and Wellbeing, Inclusive Growth and Zero Carbon are set out in Section 6 below.

3.0 Site History and Challenges

- 3.1 Kingsdale Court comprises 88 flats across eight individually named medium-rise blocks built in the late 1960's / early 1970's (Site location plan at Appendix 1). Prior to the Council's attempts to acquire interests, each of these flats were held under individual long leases, and many were let to sub-tenants. Some of the eight blocks were managed under different management companies and the whole site was under a separate freehold ownership with the freeholder responsible for management of communal areas of buildings and external areas, recovering costs through service charging. Management and maintenance of the overall site has been poor, inconsistent and intermittent with little evidence of effective and properly funded service provision to the buildings over a significant period. Despite the Council's good progress with freehold and leasehold acquisitions as detailed below, the site continues to comprise several tiers of ownerships encompassing the freehold, multiple leaseholds and tenancies, which through fragmentation of responsibilities and obligations have contributed to its poor condition, having seen limited investment or basic maintenance over many years, leading to very poor quality condition of the built fabric, external and

communal areas. Housing conditions are generally very poor and well below those of the surrounding estate of Council and Registered Provider (Housing Association) homes.

- 3.2 The Council's Neighbourhood Improvement Board agreed in April 2019 that Kingsdale Court was of a high concern and priority for action to address these housing conditions and the acute issues of crime and anti-social behaviour strongly associated with the site that were having sustained and negative impact on residents in and around it. As part of a subsequent action plan, enforcement resources to address the site have been increased through Police, West Yorkshire Fire and Rescue Service (WYFRS), Leeds Anti-Social Behaviour Team (LASBT), the Council's Private Rented Sector and Cleaner Neighbourhoods Teams.
- 3.3 Formal enforcement activity undertaken has notably included a Prohibition Notice for one of the blocks, Farnley House, administered by WYFRS in July 2019 and resulting in its temporary closure. In addition, Premises Closure Orders have been made by Leeds Anti-Social Behaviour Team for Farnley House and Gilstead House, due to extensive criminal damage to the fabric of the building, fire hazards, significant demand for Police resources, particularly relating to drugs, fly-tipping and intimidation of residents. These had been extended whilst the situation on site continued to be of significant concern, but expired in November 2019, with the courts unwilling to grant extensions on an ongoing basis.
- 3.4 The situation at Kingsdale Court was presented at Environment, Housing and Communities Scrutiny Board in January 2020 and was highlighted as a major priority within a March 2020 Executive Board report 'Locality Working – update on progress and key developments in 2019'. Despite major interventions from a range of statutory services, the site continues to present significant challenges which create a high demand on services and continues to have a negative impact on residents living on site and within the surrounding community.

4 Progress to Date

Leasehold Acquisition

- 4.1 Since the initial acquisition of a portfolio of 40 flats in June 2021, 16 additional leasehold purchases have been completed and 23 are with solicitors for completion which will bring a total of 90% of all flats into Council ownership leaving 9 flats still to be acquired.

The Council is continuing to progress or seek negotiation on all remaining flats.

- 4.2 The flats acquired by Council to date are relatively dispersed across the site, comprising all flats in two of the blocks, majority stakes in two further blocks and a substantial number of ownerships in another two.
- 4.3 Although all flat owners have been identified and engaged, comprehensive formal land referencing is to be commissioned to complete the detailed understanding of all property interests across the full extent of the Kingsdale Court site. This will identify definitively all persons and organisations that have a bona-fide legitimate legal interest in the property, detailing the nature of that interest. It will ensure that the Council has a full legal record of all property interests with no unforeseen parcels of land and no claims that interested parties have not been engaged as part of the Council's efforts to fully assemble the site.
- 4.4 The Council is aiming to acquire all flats with vacant possession and to facilitate this, Housing Leeds have been supporting private tenants inherited by the Council upon acquiring leasehold flats to move into appropriate and decent alternative Council stock. Given the poor state of most flats across the site, rehousing tenants was the only pragmatic option, compared with costly refurbishment, given the poor condition of most properties and the strategic aim of full site acquisition. Several successful moves have been facilitated which tenants have viewed as positive.

- 4.5 All Council tenants were awarded Band A and Direct Let status to facilitate a move and were supported by the local housing team with the application and rehousing process. All Council tenancies at Kingsdale Court have now been terminated, one former tenant has moved back to live with their family for support whilst all the others were rehoused in Council properties in the local area.
- 4.6 The local housing office also supported two private tenants who were unable to secure alternate accommodation through their landlord or elsewhere. The same level of support with priority Band A and Direct Let status was offered and in one case access to further support with accessing benefits, removals and with the provision of goods. Both these tenants have now been successfully rehoused in Council properties in the local area.

Freehold Acquisition

- 4.8 Further to Executive Board's previous support and, following extensive negotiations, the Council completed the purchase of the freehold interest in Kingsdale Court on 14th October 2022.
- 4.9 In acquiring the freehold the Council acquired certain obligations as landlord to the remaining third-party leaseholders relating to maintenance, health and safety and insurance of the buildings and grounds. Housing Leeds has implemented robust processes to ensure all identified risks are being addressed. Whilst some issues have been raised by leaseholders in relation to individual blocks, the Council is responding positively to its responsibilities as freeholder.

Current Site Conditions

- 4.11 Now the Council has acquired the freehold, grounds maintenance teams have been deployed to deliver an appropriate level of site safety, security and monitoring to ensure obligations as freeholder are being met, whilst co-ordinating with the preventative and responsive cross-service work dealing with ongoing environmental, amenity and anti-social behaviour associated with the site. Covert cameras have been installed in one of the flats to capture evidence of fly tipping. A 'waking watch' has been deployed to ensure safety on site. Kingsdale Court is a standing item on local multi-agency 'Tasking' meeting agendas so that issues can be monitored and responded to in a timely manner. All vacant flats which are now in Council ownership have been metal-sheeted and secured. Farnley House and Gilstead House are fully secured through metal sheeting to all doors and window openings.
- 4.12 Weekly cleansing arrangements are in place for all communal areas, slip and trip hazards are regularly removed from communal stairs. However, fly-tipping and theft of railings, and other fixtures and fittings continue with regular breaches of repairs and ongoing incidents of damage.

5. What impact will this proposal have?

- 5.1 Tackling long-standing issues at Kingsdale Court will have a major positive impact on the immediate site neighbours and the wider local community. Full assembly of the site and redevelopment remains the only clear way through which the complex inter-related social, environmental and housing issues can be fully addressed and will enable the Council to bring forward a sustainable regeneration of the site focused on delivering new good quality affordable housing. This new housing, in addition to addressing historic challenges will meet local needs. Demands on statutory services including West Yorkshire Police, West Yorkshire Fire and Rescue Service and the Council continue to be significant, creating a long-term resource pressure. A sustainable solution for this site is therefore required, including 'secured by design' principles.

- 5.2 Increasing the supply of affordable housing helps to tackle inequalities by reducing poverty and homelessness and by providing inclusive, sustainable housing options. Well planned affordable housing schemes and good quality homes can improve health and wellbeing, contribute to successful placemaking and strengthen community resilience.
- 5.3 The Council is continuing to consider the most appropriate way in which housing-led regeneration of the site could be achieved and the ongoing option appraisal is set out in section 11 of this report. The deliverability and viability issues associated with bringing forward new affordable homes and overcoming the management issues relating to the site, strongly indicate the need for a comprehensive development solution rather than partial development or retention and refurbishment of the existing built form.

6. How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing Inclusive Growth Zero Carbon

- 6.1 As set out in the Strategic Context earlier in this report, proposals to acquire and regenerate Kingsdale Court for good quality affordable housing clearly align with the Best City Ambition's mission to tackle poverty and inequality, working with housing providers, landlords, tenants and communities to improve poor quality housing, so everyone can have a home which supports good health, wellbeing and educational outcomes. The link between housing and physical and mental health is well documented and evidenced in national research.
- 6.2 Securing improvements to poor quality housing such as at Kingsdale Court is consistent with our Inclusive Growth ambitions to tackle poverty and inequality.
- 6.3 The proposals to regenerate Kingsdale Court align with the Best City Ambition to make progress towards carbon neutrality. Whilst the value of 'embedded carbon' in existing building is acknowledged, the current energy efficiency of the buildings on site is poor and it is likely that bringing these even close to modern environmental performance standards is likely to be prohibitively expensive compared to the advantages of designing and delivering a new build scheme. Whilst the regeneration solution to be applied to the site is yet to be confirmed, achieving high environmental performance of any housing on-site will be a strong design and specification driver, in keeping with our Best City Ambition.

7. What consultation and engagement has taken place?

Wards affected: Killingbeck and Seacroft

Have ward members been consulted? Yes No

- 7.1 Ward members have been consulted on an ongoing basis and continue to support the Council's acquisition of Kingsdale Court and its subsequent regeneration, with a preference for redevelopment. Ward members have consistently provided insights into the physical housing and environmental conditions on site and the direct challenges this provides for Kingsdale Court residents and the surrounding community.
- 7.2 The cross-sector partnership Boggart Hill Priority Neighbourhood Team has had ongoing involvement in the site and is supportive of the Council's assembly and intended regeneration of the site. Consultation with local residents shows that Kingsdale Court has proved a major ongoing source of concern for the community, particularly in terms of housing, crime and anti-social behaviour.

7.3 Consultation has also taken place with the Executive Member for Infrastructure and Climate and the Executive Member for Environment and Housing on an ongoing basis and most recently in December 2022.

8. What are the resource implications?

8.1 The acquisition of the of the remaining properties currently for sale at Kingsdale Court is being progressed based on a recent Land and Property Service valuation and considered to be value for money, benchmarked against recent investment values obtained through individual property sales within the site.

8.2 Finance has been consulted on the use of Housing Revenue Account funding for this acquisition and for further site assembly activities, given the clear links to the provision of good quality affordable Council housing in the future, to be developed and managed as part of the Council's own stock.

8.3 An assessment of the acquisition of these properties and required additional budget provision based on the indicative negotiation of price to acquire is set out in Exempt Appendix 2.

8.4 In addition, the opportunity to secure funding through West Yorkshire Combined Authority's Housing Revenue Fund for Stage 1 and Stage 2 preparatory site surveys is currently being explored.

9. What are the key risks and how are they being managed?

9.1 A Kingsdale Court Project Board has been established, chaired by the Chief Officer Housing Leeds. This regularly considers a risk register and mitigation measures across the scheme, including health and safety considerations, tenant support and resourcing.

9.2 Compulsory Purchase Order proceedings, if required, include inherent risks and could add significant timescales and costs to delivery of the Kingsdale Court regeneration scheme, often adding up to two years onto scheme delivery timescales. There is no guarantee of success in the making of a CPO.

10. What are the legal implications?

10.1 There are some significant title issues to be clarified and resolved with some of the property interests where agreement in principle for acquisition has been reached, before these can exchange and complete.

10.2 It is important that where possible the Council continues to seek a negotiated outcome to its assembly aims to ensure the social, environmental and economic improvements are delivered for the site.

10.3 The government recognises in its "Guidance on Compulsory Purchase Process and The Criche Down Rules" dated July 2019, (the CPO Guidance), that if acquiring authorities wait until negotiations to acquire properties by negotiation break down that this can have detrimental impacts on the timing of delivery of projects. Therefore, depending on when the land is required, the guidance considers it sensible for an acquiring authority to plan a compulsory purchase as a contingency measure; and initiate formal procedures.

10.4 Importantly, the CPO Guidance expressly recognises that such steps "...help to make the seriousness of the authority's intentions clear from the outset, which in turn might encourage those whose land is affected to enter more readily into meaningful negotiations".

- 10.5 The CPO Guidance requires acquiring authorities to attempt to acquire land by agreement before embarking on the CPO process, although it is recognised that for schemes involving the acquisition of the number of interests, it is sensible to run the CPO process in parallel with ongoing negotiations so as not to cause further delay.
- 10.6 This report seeks Members support 'in principle' for the use of compulsory purchase powers to assemble Kingsdale site if all reasonable attempts to acquire the necessary outstanding land and interests fail. As the CPO Guidance makes clear, use of compulsory purchase powers is intended as a 'last resort'.
- 10.7 If any CPO is to be formally progressed then the Executive or delegated Officer will require further updates on acquisition, the results of land referencing, review of a final scheme to be progressed by the council and legal justification in a detailed report presented in due course setting out fully:
- that there is a compelling case in the public interest.
 - that there is no planning, financial or other legal impediments to the redevelopment of Kingsdale Court site being delivered,
 - that all reasonable attempts to acquire all interests by agreement have not been successful.
 - case for any interference with the human rights of those with an interest in the land affected; and
 - A detailed assessment of the impacts on residents, be appraised with special focus on the likely effect of the proposals on those sharing protected characteristic (race, pregnancy, age, disability, gender reassignment, marriage/civil partnerships, religion/belief, sex, sexual orientation (as defined by the Equality Act 2010)
- 10.8 If negotiations to acquire by agreement fail in the coming months, a further detailed report with details of a scheme relating to the redevelopment proposals (subject to evaluated options appraisal) and the proposed Statement of Reasons would come forward to Members in due course setting out the justification for the making of a CPO.
- 10.9 The main benefit of the use of compulsory purchase is, subject to their confirmation, the certainty of being able to obtain vacant possession. This is vital in order give the Council confidence that the whole of Kingsdale Court can be acquired to facilitate the agreed regeneration solution.
- 10.10 The council recognises that the interference with private legal interests is a high threshold and it will continue to endeavour to acquire through private treaty. However, given the clear social, economic and environmental issues on the site, an "in principle" decision for use of CPO powers will allow for a final scheme to be developed for the site to meet the Council Planning policy and Strategic objectives and crucially avoid unnecessary delay.
- 10.11 The Council will consider the specific legal power to use if CPO becomes necessary. The statutory powers available for Kingsdale Court are set out in either Section 17 of the Housing Act 1985 or Section 266 Town and Country Planning Act 1990 (as amended) and this will be confirmed as a redevelopment programme is finalised and with detailed legal advice. Land referencing will also help determine the most appropriate course of action.
- 10.12 The information contained in the exempt appendix 2 to this report relates to the financial or business affairs of a particular person, and of the Council. It is considered that the release of such information would or would be likely to prejudice the Council's commercial interests in relation to property transactions. Disclosure of this information could seriously harm the council's negotiating position when discussing property acquisitions at Kingsdale Court. Consequently the public interest in maintaining the exemption outweighs the public interest in disclosing this information at this point in time. It is therefore considered that this element

of the report should be treated as exempt under rule 10.4.(3) of the Access to Information Procedure Rules.

11 Options, timescales and measuring success

What other options were considered?

Options for Regeneration of the Site

- 11.1 The need for Council intervention at Kingsdale Court and the options relating to this were set out to Executive Board in 2021. All options relating to refurbishment and redevelopment are being extensively considered for the site's improvement. Executive Board consideration in 2021 established an underlying premise of site assembly into a single ownership and achieving long term improvement as the only way in which the complex relationship between multiple property interests, housing type, local amenity impacts and community safety issues can be fully achieved given the issues on site. It also proposed that the provision of newly developed, high quality, affordable housing in keeping with the mix in the surrounding estate could make a positive contribution to delivering the required regeneration in this Priority Neighbourhood.
- 11.2 As progress is now being made on the assembly of the site, this original principle has been kept under review and options for how regeneration can be successfully achieved re-tested, as set out below.

Refurbishment Option

- 11.3 Kingsdale Court in its current form has presented significant management and maintenance challenges over at least a decade. All eight blocks are in a poor state of repair, with those such as Farnley and Gilstead House being in the worst condition. In fact, a Council inspection in 2020 noted that in some cases the extent of one flat in Gilstead House was indistinguishable from another, due to extreme vandalism and decay. Most windows above ground floor are damaged, communal entrance doors are broken, the layout and design of the site has led to significant damage and fly-tipping across the communal grassed areas, boilers and metal pipework are continuously stolen for sale, electric meter cupboards are regularly vandalised.
- 11.4 Advice from Housing Leeds is that refurbishment of the site in its existing form would lead to a continuation of the current challenges on site, both in relation to physical damage and tenant safety and perception of safety. However, to fully consider this option as part of broader options appraisals its cost are currently being evaluated. Whilst there is a need for one- and two-bedroom homes in Seacroft and across Leeds as a whole, there is also a significant need for family housing and the current housing typology is not successful in this location.
- 11.5 A more detailed options appraisal commission has been agreed with the Council's internal design consultants and should be live by the end of Q1 2023/24. This will thoroughly assess the feasibility of a refurbishment option, including the restrictions and challenges presented by the current built form, based on ongoing challenges of crime, anti-social behaviour and environmental blight. Factors such as the likely lifespan of any refurbishment will be considered and issues such as the maximum environmental performance achievable through refurbishment of the properties, given that most currently have an Energy Performance Certificate (EPC) rating of D to G, with many flats in the worst G category. The options appraisal will also consider cost per unit projections and the viability of any refurbishment scheme, in addition to consideration of management challenges experienced in similar blocks across the city.

11.6 Although not fully discounted as an approach to meeting regeneration aims for the site, should refurbishment be considered achievable it is highly likely that the Council will still need to fully assemble all interests on the site to enable this approach to be carried out with maximum efficiency and least complexity, with regard to legal agreements, tenant decant and charges to remaining leaseholders.

Selective Redevelopment Scheme Option

11.7 As part of the options appraisal, the Council Housing Growth team is developing a feasibility and capacity study for completion by end of Q1 2023/24, to set out the scope and deliverability of partial redevelopment of the site for affordable housing. Consideration will be given to a selective redevelopment approach that tests the potential for retaining one or more of those blocks of flats where it might not prove possible to acquire all the necessary leasehold (or other required interests) through the Council's continued efforts to achieve negotiated acquisition. This will specifically test the planning implications of designing redevelopment around any potentially retained blocks, the cost implications of a reduced development capacity as compared with a full site approach, the practicality of preserving accesses, services and open spaces associated with any retained blocks in relation to adjoining new development and any management implications that may arise. Related to this would be how any revised service charging and ground rent regime would need to be put in place for the Council to provide remaining leaseholders in any retained 'carved out' part of the existing freehold with necessary estate services and the costs and challenges of bringing that retained building up to a minimum acceptable standard, which would drive the scale of such charges.

11.8 Whilst a selective redevelopment option will be fully considered as part of the options appraisal, there are concerns that this approach would be challenging as it would retain the current built form on part of the site and is not the Council's preferred option given the issues raised throughout this report and in particular in Section 3.

Comprehensive Redevelopment Option

11.9 The Council's feasibility and capacity study will also set out the scope and deliverability of a comprehensive scheme, on the basis that the Council acquires all interests on the site enabling an affordable housing development to come forward. At this stage it is envisaged that the Council would deliver such a scheme directly. However, a Registered Provider partner might be better placed to work with the Council on a development of the site after the Council acquiring it, through better access to or availability of affordable housing funding streams.

11.10 It is envisaged that a further update report will be submitted to Executive Board later in 2023 and this will set out clear progress against these options and towards a preferred scheme that is viable and deliverable. It should be noted that currently, given the issues noted throughout this report, although all options are being carefully considered, comprehensive acquisition and redevelopment of the full site is thought to be the most appropriate way forward.

12. How will success be measured?

12.1 Whilst success will be measured against further leasehold acquisitions, a successful outcome of the Kingsdale Court regeneration scheme will be full site assembly. To ensure this position, Executive Board support for the use of Compulsory Purchase Powers may need to be requested.

13. What is the timetable and who will be responsible for implementation?

- 13.1 Leasehold acquisition through negotiation will continue to be pursued with the intention to complete this as soon as possible in 2023. The possible use of Compulsory Purchase Order powers available to the Council may be required to achieve full site assembly and the timescale associated with this would ultimately be dependent on a range of factors including timing of the Council's formal resolution, the making of the CPO itself, extent of any objections and whether there will be a requirement for a Public Inquiry.
- 13.2 A further update report with possible recommendation for Executive Board to agree to the use of Compulsory Purchase Order powers will be submitted later in 2023. This will include more detailed timescales for the regeneration scheme.

Appendices

Appendix 1: Site Location Plan

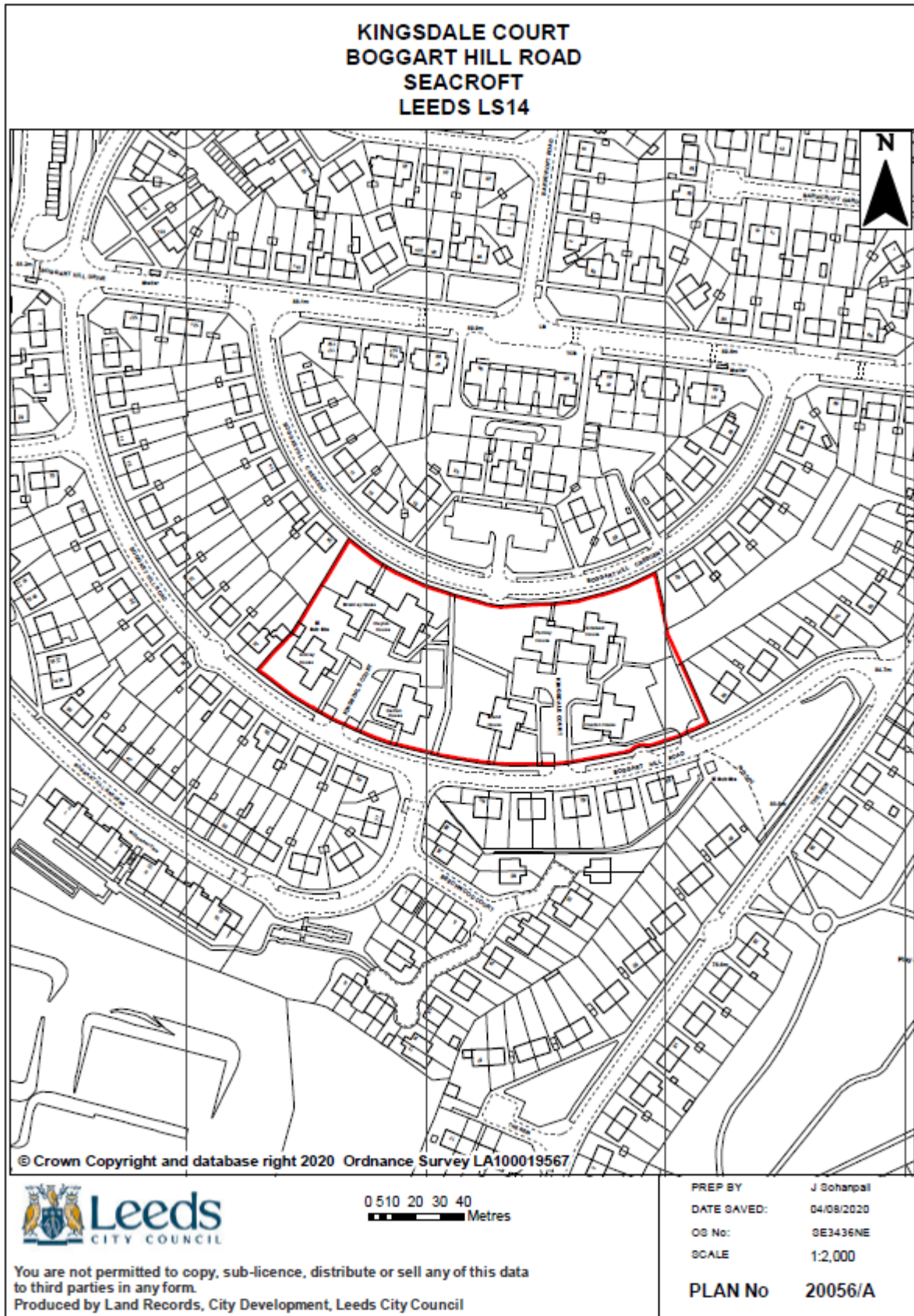
Exempt Appendix 2: Financial resources Report under Access to Information Rule 10.4(3)

Appendix 3: EDCI Screening

Background papers

N/A

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Appendix 3: Equality, Diversity, Cohesion and Integration (EDCI) screening



As a public authority we need to ensure that all our strategies, policies, service and functions, both current and proposed have given proper consideration to equality, diversity, cohesion and integration.

A **screening** process can help judge relevance and provides a record of both the **process** and **decision**. Screening should be a short, sharp exercise that determines relevance for all new and revised strategies, policies, services and functions. Completed at the earliest opportunity it will help to determine:

- the relevance of proposals and decisions to equality, diversity, cohesion and integration.
- whether or not equality, diversity, cohesion and integration is being or has already been considered, and
- whether or not it is necessary to carry out an impact assessment.

Directorate: City Development	Service area: Asset Management & Regeneration
Lead person: Clare Wiggins	Contact number: 0113 535 1237

1. Title: Kingsdale Court Regeneration

Is this a:

Strategy / Policy

Service / Function

Other

If other, please specify:

This is a report requesting continued Executive Board support to progress the Kingsdale Court Regeneration project. This report follows a previous Key Decision considered by Executive Board in February 2021.

2. Please provide a brief description of what you are screening

This screening document provides equality, diversity, cohesion and integration consideration of the Kingsdale Court Regeneration project. It specifically considers the recommendations set out in the Executive Board report:

- support requested from Executive Board for a case now being developed for the use of Compulsory Purchase Order powers
- an update on progress with acquisition and regeneration of Kingsdale Court
- an additional capital funding injection to the scheme as set out in Exempt Appendix 2
- noting the Council's legal obligations as landlord
- agreeing to receive a further report in September 2023 to further progress the project

Whilst poverty is not a protected characteristic under equality legislation, the Council

recognises the need to target support to those communities with disadvantaged socio-economic status.

Taking an ownership interest in Kingsdale Court to better enable improvements as part of a co-ordinated action plan clearly has a positive cohesion impact for the immediate and surrounding community.

3. Relevance to equality, diversity, cohesion and integration

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

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

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

Questions	Yes	No
Is there an existing or likely differential impact for the different equality characteristics?		✓
Have there been or likely to be any public concerns about the policy or proposal?		✓
Could the proposal affect how our services, commissioning or procurement activities are organised, provided, located and by whom?		✓
Could the proposal affect our workforce or employment practices?		✓
Does the proposal involve or will it have an impact on <ul style="list-style-type: none"> • Eliminating unlawful discrimination, victimisation and harassment • Advancing equality of opportunity • Fostering good relations 		✓

If you have answered **no** to the questions above please complete **sections 6 and 7**

If you have answered **yes** to any of the above and;

- Believe you have already considered the impact on equality, diversity, cohesion and integration within your proposal please go to **section 4**.
- Are not already considering the impact on equality, diversity, cohesion and integration within your proposal please go to **section 5**.

4. Considering the impact on equality, diversity, cohesion and integration

If you can demonstrate you have considered how your proposals impact on equality, diversity, cohesion and integration you have carried out an impact assessment. Please provide specific details for all three areas below (use the prompts for guidance).

- **How have you considered equality, diversity, cohesion and integration?** (**think about** the scope of the proposal, who is likely to be affected, equality related

information, gaps in information and plans to address, consultation and engagement activities (taken place or planned) with those likely to be affected)

- **Key findings**

(**think about** any potential positive and negative impact on different equality characteristics, potential to promote strong and positive relationships between groups, potential to bring groups/communities into increased contact with each other, perception that the proposal could benefit one group at the expense of another)

- **Actions**

(**think about** how you will promote positive impact and remove/ reduce negative impact)

5. If you are not already considering the impact on equality, diversity, cohesion and integration you will need to carry out an impact assessment.

Date to scope and plan your impact assessment:	
--	--

Date to complete your impact assessment	
---	--

Lead person for your impact assessment (Include name and job title)	
--	--

6. Governance, ownership and approval

Please state here who has approved the actions and outcomes of the screening

Name	Job title	Date
Adam Brannen	Head of Regeneration	14/03/2023
Date screening completed		28/02/2023

7. Publishing

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

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

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

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

For Executive Board or Full Council – sent to Governance Services	Date sent: 15/03/2023
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For Delegated Decisions or Significant Operational	Date sent:
--	------------

Decisions – sent to appropriate Directorate	
All other decisions – sent to equalityteam@leeds.gov.uk	Date sent: