

**SCRUTINY BOARD (INFRASTRUCTURE, INVESTMENT & INCLUSIVE GROWTH)**

**FRIDAY, 8TH DECEMBER, 2023**

**PRESENT:** Councillor A Marshall-Katung in the Chair

Councillors N Buckley, S Firth, B Flynn,  
J Garvani, S Hamilton, S Lay, A Rontree,  
M Shahzad, N Sharpe, E Thomson and  
I Wilson

**54 APPEALS AGAINST REFUSAL OF INSPECTION OF DOCUMENTS**

There were no appeals against refusals of inspection documents.

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

There were no items excluded from the public domain.

**56 Late Items**

There were no late items.

**57 Declarations of Interests**

There were no declarations of interest.

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

Apologies were received from: Cllr M Foster (Cllr S Firth attended as a substitute), Cllr M Millar (Cllr A Rontree attended as a substitute), Cllr A Hussain (Cllr E Thomson attended as a substitute).

Cllr D Coupar also requested that her apologies be noted.

**59 Minutes - 1 November 2023**

The minutes of the 1 November 2023 were approved as a correct record.

**60 Locality Building Review**

The Chair introduced the item noting that the report in front of members provided an update on the locality building review, set in the context of the recommendations of the 2023 LGA Peer Review and the Council's current financial challenge.

Those in attendance for this item were:

Minutes approved at the meeting  
held on Wednesday, 3rd January, 2024

- **Cllr J Pryor** (Executive Member substituting for Cllr D Coupar)
- **Angela Barnicle** (Chief Officer, Asset Management & Regeneration)
- **Lee Hemsworth** (Chief Officer, Community Hubs, Welfare & Business Support)
- **Mark Mills** (Head of Asset Management)
- **Eve Roodhouse** (Chief Officer, Culture and Economy)

Angela Barnicle outlined the progress of the Council's estate rationalisation over the last 11 years, highlighting the focus to date on buildings which have provided office accommodation for staff.

Over that period, the programme has reduced the Council's estate by over 125 buildings, delivered over £8m of revenue savings and generated over £25m of capital receipts through asset disposals.

Members were informed that the Council's estate remains substantial with over 900 individually listed assets, which vary significantly in size, nature and use. The associated cost pressures linked to the maintenance of these buildings is unaffordable.

A review of the Council's current estate is therefore underway and aims to make sure the Council's estate better reflects the size of its services and the required use of buildings.

Members were provided with a summary of the distribution of assets across the city, categories of buildings and patterns of use. It was noted that locality buildings are often utilised for 30-50% of their capacity during opening hours whereas the target for office space utilisation is 80%. There is an ambition to improve 'out of hours' usage for many locality-based assets.

In response to member concern, officers confirmed that further due diligence will be required to determine whether individual buildings have any title restrictions preventing disposals or have received grant funded investment, which would include clawback provisions.

The review of locality buildings is being carried out in parallel to a separate review of how the Council delivers services in its localities, which is being led by the Director for Communities, Housing and Environment.

The Scrutiny Board was informed that the locality buildings review is being carried out in two phases. Phase 1 is focusing on data gathering to assess the number of buildings, their condition and approximate usage. This phase will also include the identification of any potential 'quick wins' where services can be relocated into alternative, appropriate buildings to release a community building for disposal.

Members were advised that phase 2 will see further building releases but these will be identified through the locality service transformation programme. Members were informed that this parallel review will include consideration of

how to better embed multi-disciplinary teams in localities, improve the use of public facing Council owned buildings and make better use of other non-Council owned assets in communities.

Officers provided an overview of the principles guiding their work, including aiming for a utilisation rate of at least 80% in retained building and providing a range of community spaces, which can be hired more easily than dedicated community centres.

The Scrutiny Board was informed that there are several categories of buildings that are excluded from the review, including residential accommodation, depot facilities and sports and recreational facilities.

Further information was provided to members about routes to release buildings including Community Asset Transfers and disposal as part of the capital programme.

The Scrutiny Board was advised that following the first phase of the review initial proposals will be presented to the Executive Board for consideration.

Members discussed the scope for investment in the retained estate to enable services to relocate into alternative buildings, the need to consider long-term maintenance requirements and the development of a new booking system for community spaces that would enable internal and external hire.

Members queried how usage figures were calculated and were advised this is based on a broad indication of the number of hours a building is open and the proportion of the building in use during that time. There is a particular challenge in establishing usage for buildings that provide 'drop in' services.

Members sought clarity about whether there is a target number of buildings that it is hoped can be sold or a savings target it is hoped can be achieved within a specified timeframe. The Board was informed that there is not a specific target but there is a recognition that savings can be delivered, and officers estimate there is scope to release around 60% of buildings.

Concern was raised about the potential to create long-term void properties that present risks to their communities and additional costs associated with security and maintenance. It was agreed that there would be a need to move at pace to release buildings identified for disposal.

It was agreed that an improved, centralised booking system for community spaces would benefit both the Council and communities.

Eve Roodhouse updated members on a commercial review of the museums and galleries service and confirmed a plan will be put in place for each Council site that will connect to broader work across different service areas.

Officers were asked how much of the locality buildings review relied upon officers working from home. In response members were informed that in this

review there is a greater focus on ‘touch down’ spaces for workers traveling between different community locations.

Members sought reassurance about the way in which the locality buildings review and the local service transformation programme are complementing one another and sought clarification about how to assess the social and economic outcomes of both reviews. Members proposed potential future joint working with the Environment, Housing and Communities Scrutiny Board to consider progress across both reviews.

Further matters examined by members included:

- The process for the disposal of buildings that have been used for education including the requirement to seek permission from the Secretary of State.
- The potential to offer longer term leases to encourage investment in Council-owned assets.
- The development of a more standardised approach to Community Asset Transfers to make the system easier to navigate for both community groups and council officers.
- The process for consultation with ward members as part of the determination of the role of specific buildings in local communities.
- Examples of successful changes to service provision in localities, which has involved a change of use for community buildings.
- Proposed engagement with local communities about assets in their areas.
- The energy efficiency requirements of corporate landlords and the assessment of locality assets against these criteria. It was noted that further national policy changes are anticipated in relation to EPC ratings, and this may impact upon the future business case of any potential community asset transfer.
- Ways in which to maximise the value generated through asset disposals.
- The ‘one public estate’ programme in West Yorkshire and the role of the Leeds Strategic Estates Board.
- The future use of the Town Hall and progress with its refurbishment.

Members sought reassurance that plans to reduce buildings will align with ambitions to facilitate sustainable local service delivery by alternative providers in communities including third sector organisations.

Members sought clarity about the way in which the Council would consider its responsibilities relating to equalities, diversity and inclusion in any planned relocation of services and release of buildings.

Concern was raised about the capacity of the service to deliver the ambitions of the locality buildings review. Members were reassured that the phased approach is in part designed to mitigate this risk.

## **RESOLVED:**

Members agreed to:

- a. Note the contents of the report and the approach to the locality buildings review.
- b. Schedule a future update on the progress of phase one in 2024/25, including reference to planned investment in the retained estate.
- c. Consider future joint working with the Environment, Housing and Communities Scrutiny Board in relation to the interaction between the locality buildings review and the local services transformation programme.

## **61 Business Support In Leeds**

The Chair began by thanking Eve Roodhouse and her team for her recent member briefing on employment data, which was well received by members.

Cllr Marshall-Katung went on to introduce the item on business support in Leeds, noting the importance of encouraging productivity in the context of the ambitions of the Inclusive Growth Strategy.

Those in attendance for this item were:

**Cllr Jonathan Pryor** (Executive Member for Culture, Economy & Education)  
**Eve Roodhouse** (Chief Officer, Culture & Economy)  
**Phil Cole** (Head of Funding Programme and Business Support)

Members were provided with an overview of private sector businesses in Leeds, including the challenges and opportunities for small and medium sized enterprises.

Eve Roodhouse reiterated the ambitions of the relaunched Inclusive Growth Strategy and stressed the importance of helping to create local conditions that enable businesses to thrive, which in turn creates and retains good jobs in the city.

Phil Cole outlined the work of the Business Growth Service with SMEs and the role of the Key Account Management service for larger businesses. He went on to summarise activity linked to key growth and grant programmes including Ad:venture, Digital Enterprise, and Inclusive Growth Rates Relief.

Members considered the role of the employment and skills service, particularly in relation to recruitment and retention, and the 'no wrong door' approach to supporting businesses in Leeds.

Phil Cole highlighted the impact of the Council's various business support programmes in terms of new jobs created, addition to Gross Value Added for the city and region, and return on investment.

Members considered the funding arrangements for this service, noting the high proportion of external funds secured by the team. Concern was raised about a planned reduction of 11% in the LCC budget for 2024/25. Members were reassured that the role that is being deleted from the Council budget is now being funded through an external source.

Members were advised that it is difficult to provide direct comparisons with performance across other cities due to differences in boundaries and populations. However, the latest data for Leeds relating to indicators such as business start ups will be provided to the Scrutiny Board as part of regular performance reporting in January.

Phil acknowledged it has been a challenging few years for many businesses. He reassured members that business stock in Leeds has, however, remained healthy and there has been 9% growth in the digital sector during a period in which other areas have seen a reduction in growth within the sector.

The Scrutiny Board welcomed the "engaged, thoughtful approach" of the Business Support Team.

Matters considered by members included:

- Ways in which the awareness of the availability of the business support service could be evaluated.
- The proportion of grant funding available for 'business to business' organisations as compared to 'business to consumer' organisations.
- Incentives to encourage landlords to improve the energy efficiency of their properties. Officers shared the example of the refurbishment of the Leeds media centre while considering the challenge and investment required to meet energy efficiency standards.
- The importance of developing and retaining familiar brands such as Ad:venture and Digital Enterprise, despite changes in funding arrangements for the schemes following the UK's exit from the European Union.
- A reduction in the availability of overall funding for business support following the UK exit from the European Union.
- The role of discretionary rates relief as a relatively cost-effective local lever to support businesses in the city. It was confirmed this is included in the proposed budget for 2024/25.
- Ways in which councillors can advocate for the business support service in their local communities.
- The challenges in securing good quality data in relation to the businesses in the city.
- The number of businesses that have engaged with the Ad:venture programme since it began.

- The number of organisations involved in the Business Anchors network.
- Opportunities to publicise the work of the Business Support Service at events in the city.
- An increase in anti-social behaviour affecting city centre business. Cllr Pryor noted he had recently met with partners including the city centre BID and West Yorkshire Police to discuss this issue.
- The availability of business support for people from diverse backgrounds including access to 'trial stalls' at Kirkgate Market.

Members queried what constraints on growth have been identified by local business and the levers available to help organisations respond to those challenges. The Board was informed that that recruitment and retention are regular challenges, and the Council can assist organisations by connecting them to education and training institutions. Wider constraints include travel planning, access to large warehouse space for manufacturers and the availability of flexible 'grow on' premises for high growth companies.

WYCA can no longer provide financial incentives to encourage businesses to locate in Leeds. A broader range of support services covering business sustainability, innovation and business productivity are provided through the WYCA Business Support team.

The Scrutiny Board requested an all-member briefing on how to signpost local organisations to business support services.

### **RESOLVED:**

Members agreed to note the contents of the report.

It was agreed that an all-member briefing will be arranged in early 2024 to update councillors on how to signpost local organisations to business support services.

12:26pm Cllr Lay left the meeting.

12:45pm Cllr Sharpe and Cllr Flynn left the meeting.

## **62 Work Schedule**

Members considered the Scrutiny Board's work schedule for the 2023/24 municipal year and noted that a remote working group would be taking place at 9.30am on Thursday 14 December to discuss the initial budget proposals so far as they relate to the remit of the Scrutiny Board.

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

The next meeting of the Scrutiny Board will take place on **10 January 2024** at **10.30am**. There will be a pre-meeting for all Scrutiny Board members at **10.15am**.

The meeting ended at 12.48pm.