



SCRUTINY BOARD (CITY DEVELOPMENT)

Call-In Meeting to be held in Civic Hall on
Tuesday, 1st July, 2008 at 10.00 am

MEMBERSHIP

Councillors

R Pryke (Chair)	-	Burmantofts and Richmond Hill
C Beverley	-	Morley South
B Gettings	-	Morley North
R Harington	-	Gipton and Harehills
A Hussain	-	Gipton and Harehills
J Jarosz	-	Pudsey
M Lobley	-	Roundhay
R Procter	-	Harewood
N Taggart	-	Bramley and Stanningley
G Wilkinson	-	Wetherby
A Barker	-	Horsforth
J Matthews	-	Headingley
A Ogilvie	-	Beeston and Holbeck

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

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Richard Mills
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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

AGENDA

Item No	Ward/Equal Opportunities	Item Not Open		Page No
1			<p>APPEALS AGAINST REFUSAL OF INSPECTION OF DOCUMENTS</p> <p>To consider any appeals in accordance with Procedure Rule 25 of the Access to Information Rules (in the event of an Appeal the press and public will be excluded).</p> <p>(*In accordance with Procedure Rule 25, written notice of an appeal must be received by the Chief Democratic Services Officer at least 24 hours before the meeting)</p>	

Item No	Ward/Equal Opportunities	Item Not Open		Page No
2			<p>EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC</p> <p>1 To highlight reports or appendices which officers have identified as containing exempt information, and where officers consider that the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons outlined in the report.</p> <p>2 To consider whether or not to accept the officers recommendation in respect of the above information.</p> <p>3 If so, to formally pass the following resolution:-</p> <p>RESOLVED – That the press and public be excluded from the meeting during consideration of the following parts of the agenda designated as containing exempt information on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information, as follows:-</p> <p>Appendices E, F and G of the report of the Director of City Development to the Executive Board on 11th June 2008 – Item 7 refers.</p>	
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 circumstance shall be specified in the minutes.)</p>	

Item No	Ward/Equal Opportunities	Item Not Open		Page No
4			<p>DECLARATION OF INTERESTS</p> <p>To declare any personal/prejudicial interests for the purpose of Section 81(3) of the Local Government Act 2000 and paragraphs 8 to 12 of the Members' Code of Conduct.</p>	
5			<p>APOLOGIES FOR ABSENCE</p>	
6			<p>CALL-IN OF A DECISION - BRIEFING PAPER</p> <p>To receive and consider the attached report of the Head of Scrutiny and Member Development.</p>	1 - 4
7		10.4(3) (Appendices E, F and G only)	<p>REVIEW OF DECISION - THE FUTURE OWNERSHIP AND MANAGEMENT OF THE COUNCIL'S SMALL INDUSTRIAL UNIT PORTFOLIO, ST ANN'S MILLS/ABBAY MILLS, KIRKSTALL AND THE INVESTMENT AND AGRICULTURAL PROPERTY PORTFOLIOS</p> <p>In accordance with the Scrutiny Procedure Rules concerning Call-In, to review the attached decision (Minute No. 24) of the Executive Board at its meeting on 11th June 2008.</p> <p>Appendices E, F and G of the report of the Director of City Development to the Executive Board are designated as exempt under Access to Information Procedure Rule 10.4(3).</p>	5 - 54
8			<p>OUTCOME OF CALL-IN</p> <p>In accordance with the Scrutiny Procedure Rules, to consider the Board's formal conclusions and recommendation(s) arising from consideration of the Called-In decision.</p>	

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Report of the Head of Scrutiny and Member Development

Scrutiny Board (City Development)

Date: 1st July 2008

Subject: CALL- IN OF DECISION – BRIEFING PAPER

Electoral Wards Affected:

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

1.0 INTRODUCTION AND BACKGROUND

- 1.1 In accordance with the Council's Constitution, a decision of the Executive Board has been Called In.¹ The background papers to this particular decision are set out as a separate agenda item and appropriate witnesses have been invited to give supporting evidence.
- 1.2 This report advises the Scrutiny Board (City Development) on the procedural aspects of Calling In the decision.
- 1.3 The Board is advised that the Call In is specific to the report considered by the Executive Board and issues outside of this decision, including other related decisions, may not be considered as part of the Board's decision regarding the outcome of the Call-In.

2.0 REVIEWING THE DECISION

- 2.1 The process of reviewing the decision is as follows:
- Members who have requested the Call-In invited to explain their concern/reason for Call-In request.
 - Relevant Executive Member/Officer(s) asked to explain decision.
 - Further questioning from the Board as appropriate.

¹ Scrutiny Board Procedure Rules Paragraph 22

OPTIONS AVAILABLE TO THE BOARD

- 3.1 Having reviewed the decision, the Scrutiny Board (City Development) will need to agree what action it wishes to take. In doing so, it may pursue one of three courses of action as set out below:

Option 1- Release the decision for implementation

- 3.2 Having reviewed this decision, the Scrutiny Board (City Development) may decide to release it for implementation. If the Scrutiny Board (City Development) chooses this option, the decision will be immediately released for implementation and the decision may not be Called In again.

Option 2 - Recommend that the decision be reconsidered.

- 3.3 The Scrutiny Board (City Development) may decide to recommend to the decision maker that the decision be reconsidered. If the Scrutiny Board chooses this option a report will be submitted to the Executive Board.

- 3.4 In the case of an Executive Board decision, the report of the Scrutiny Board will be presented to the next scheduled meeting. The Executive Board will reconsider its decision and will publish the outcome of its deliberations within the minutes of the meeting. The decision may not be Called In again whether or not it is varied.

Option 3 - Recommend that the decision be reconsidered and refer the matter to full Council if recommendation not accepted.

- 3.5 This course of action would only apply if the Scrutiny Board determined that a decision **fell outside the Council's Budget and Policy Framework** and this determination were confirmed by the Council's Section 151 Officer (in relation to the budget) or Monitoring Officer (in relation to other policies).
- 3.6 If, at the conclusion of this meeting, the Scrutiny Board forms an initial determination that the decision in question should be challenged on the basis of contravening the Budget and Policy Framework, then confirmation will subsequently be sought from the appropriate statutory officer.
- 3.7 Should the statutory officer support the Scrutiny Board's determination, then the report of the Scrutiny Board will be presented in the same manner as for Option 2. If the decision maker accepts the recommendation of the Scrutiny Board in these circumstances, then the revised decision will be published in the same manner as for Option 2 and the decision may not be Called In again. If, however, the decision maker does not accept the recommendation of the Scrutiny Board, then the matter will be referred to full Council for final decision. Decisions of full Council may not be Called In.
- 3.8 Should the appropriate statutory officer not confirm that the decision contravenes the Budget and Policy Framework, then the report of the Scrutiny Board would normally be progressed as for Option 2 (i.e. presented as a recommendation to the decision taker) but with no recourse to full Council in the event that the decision is not varied. As with Option 2, no further Call-In of the decision would be possible.

3.9 However, the Scrutiny Board may resolve that, if the statutory officer does not confirm contravention of the Budget and Policy Framework, then it should be released for implementation in accordance with Option 1.

4.0 FAILURE TO AGREE ONE OF THE ABOVE OPTIONS

4.1 If the Scrutiny Board, for any reason, does not agree one of the above courses of action at this meeting, then Option 1 will be adopted by default, i.e. the decision will be released for implementation with no further recourse to Call-In.

5.0 FORMULATING THE BOARD'S REPORT

5.1 If the Scrutiny Board decides to release the decision for implementation (i.e. Option 1), then the Scrutiny Support Unit will process the necessary notifications and no further action is required by the Board.

5.2 If the Scrutiny Board wishes to recommend that the decision be reconsidered (i.e. Options 2 or 3), then it will be necessary for the Scrutiny Board to agree a report setting out its recommendation together with any supporting commentary.

5.3 Because of the tight timescales within which a decision Call-In must operate, it is important that the Scrutiny Board's report be agreed at the meeting.

5.4 If the Scrutiny Board decides to pursue either of Options 2 or 3, it is proposed that there be a short adjournment during which the Chair, in conjunction with the Scrutiny Support Unit, should prepare a brief statement proposing the Scrutiny Board's draft recommendations and supporting commentary. Upon reconvening, the Scrutiny Board will be invited to amend/ agree this statement as appropriate (a separate item has been included in the agenda for this purpose).

5.5 This statement will then form the basis of the Scrutiny Board's report (together with factual information as to details of the Called In decision, lists of evidence/witnesses considered, Members involved in the Call-In process etc).

5.6 The Scrutiny Board is advised that there is no provision within the Call In procedure for the submission of a Minority Report.

6.0 RECOMMENDATION

6.1 The Scrutiny Board (City Development) is asked to note the contents of this report and the procedure as detailed within it.

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Report of the Head of Scrutiny and Member Development

Scrutiny Board (City Development)

Date: 1st July 2008

Subject: Review of Decision – The Future Ownership and Management of the Council’s Small Industrial Unit Portfolio, St Ann’s Mills/Abbey Mills Kirkstall, and the Investment and Agricultural Property Portfolios

Electoral Wards Affected: ALL

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

1.0 INTRODUCTION AND BACKGROUND

1.1 This paper presents the background papers to a decision which has been Called In in accordance with the Council’s Constitution.¹

1.2 Papers are attached as follows:

- Copy of completed Call-In request form
- Report of the Director of City Development
- Executive Board Minutes of 11th June 2008

1.3 The report of the Director of City Development contains information which is exempt from publication, in accordance with Access to Information Procedure Rule 10.4 (3). It is provided to the Scrutiny Board and the signatures of the Call-In on a “need to know” basis. The information is to be used exclusively for Scrutiny Board business and must not be disclosed to any other party.

1.4 Appropriate Members and/or officers have been invited to attend the meeting in order to explain the decision and respond to questions.

2.0 RECOMMENDATION

2.1 The Scrutiny Board (City Development) is asked to review this decision and to determine what further action it wishes to take.

¹ Scrutiny Board Procedure Rules Paragraph 22

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CALL IN REQUEST

A Call In request may be made by:

- a) Any five non-executive Members of council, OR**
- b) two non-executive Members of council if they are not from the same political group¹**

Date of decision publication: 13 June 2008

Executive Board Minute no: 24 on 11th June 2008

Area Committee Name and decision ref:

Decision description: The Future Ownership and Management of the Council's Small Industrial Unit Portfolio, St Ann's Mills / Abbey Mills, Kirkstall and the Investment and Agricultural Property Portfolios

Reasons for Call In:
All requests for Call In must detail why, in the opinion of the signatories, the decision was not taken in accordance with the principles set out in Article 13 of the Council constitution (decision making) (principles of decision making) or where relevant issues do not appear to be taken into consideration. *Please tick the relevant box(es) and give an explanation.*

<input checked="" type="checkbox"/>	Proportionality (ie the action must be proportionate to the desired outcome)
<input checked="" type="checkbox"/>	Due consultation and the taking of professional advice from officers
<input checked="" type="checkbox"/>	Respect for human rights
<input checked="" type="checkbox"/>	A presumption in favour of openness
<input checked="" type="checkbox"/>	Clarity of aims and desired outcomes
<input checked="" type="checkbox"/>	An explanation of the options considered and details of the reasons for the decision
<input checked="" type="checkbox"/>	Positive promotion of equal opportunities
<input checked="" type="checkbox"/>	Natural justice

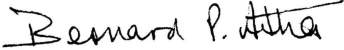
Explanation: This is a very complex decision, initiated in 2004. Much of the original justification has proved to be erroneous, and some of the current justification is wrong or incomplete. Elected members and the public have been needlessly excluded from the decision making process, and as a result the Executive Board were unaware of important information that was material to their decision. Alternative outcomes have not yet been considered that would achieve a better match to national government policies, local aspirations and the council's published plans.

¹ In the case of decisions made by Area Committees, a Member cannot count as one of the two / five signatures if they are a member of that Area Committee.

Leeds City Council Scrutiny Support Unit

The following signatories request that the above decision be called in:


1) Signature		Political group LABOUR
Print name Cllr John Illingworth		

2) Signature		Political group LABOUR
Print name Cllr Bernard Atha		

NB: Only two signatures are required if the councillors signing this form are not from the same political group (option b above).

For option a) continue to fill in the rest of the signatures.

3) Signature		
Print name Cllr Lucinda Yeadon		

4) Signature		
Print name Cllr Elizabeth Nash		

5) Signature		
Print name Cllr Jane Dowson		

This form should be submitted to the Head of Scrutiny and Member Development (Scrutiny Support Unit, 1st Floor West, Civic Hall) by **5.00pm on the fifth working day after the decision publication date**. The office is open from 9.00am to 5.00pm.

(For further information on the Call In procedure please refer to the Scrutiny Support Unit intranet site, or contact the Unit on 39 51151).

Leeds City Council Scrutiny Support Unit

For office use only: (box A)

Received on behalf of the Head of Scrutiny and Member Development by:

.....(signature)

Date: Time: SSU ref:

For office use only: (box B)

Exemption status checked:

Call In authorised: Yes / No

Date checked:

Signed:

Signatures checked:

Date:

Receipts given:

Validity re article 13

Receipt details:

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Agenda:
Originator: Paul Brook
Tel: 2474233

**APPENDICES E, F AND G OF THIS REPORT ARE EXEMPT/CONFIDENTIAL UNDER ACCESS TO INFORMATION PROCEDURE RULES 10.4 (3).
A FURTHER CONFIDENTIAL APPENDIX WILL ALSO BE CIRCULATED AT THE MEETING.**

Report of the Director of City Development

Executive Board

Date: 11 June 2008

Subject: The Future Ownership and Management of the Council's Small Industrial Unit Portfolio, St Ann's Mills/Abbey Mills Kirkstall, and the Investment and Agricultural Property Portfolios

Electoral Wards Affected:

All Wards

Ward Members consulted (referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In (Details contained in the report)

EXECUTIVE SUMMARY

Over the last 3 years the Council has been reviewing the ownership and management options for its Small Industrial Unit (SIU) portfolio. The Council owns 12 estates with some 250 individual units and these are in various states of repair. The portfolio generates a net income of around £600k per annum, which is an important element of the Council's revenue budget. However, this income stream, and the regeneration/employment benefits derived from the portfolio have been under threat due to the Council's inability to fund necessary improvement works to the properties. At its September 2005 meeting Executive Board confirmed that the SIU portfolio would not be given priority in terms of the allocation of Capital Programme resources and instructed officers to pursue partnership type options to generate the necessary capital funds to bring the portfolio back to a fit and proper state of repair.

This report updates Members on three separate but related matters:-

- (i) the outcome of the SIU partnering exercise
- (ii) the outcome of the St Ann's Mills/Abbey Mills partnering/marketing exercise
- (iii) the current position regarding capital receipts and the funding of the Capital Programme.

It informs Members that the outcome of both the marketing of the SIU portfolio and the separate marketing of St Ann's Mills/Abbey Mills have produced disappointing results. There are a number of reasons for this but central to the matter would appear to be that the Council's need to maintain its net revenue income stream from these properties and the requirement for the partner to provide capital for upgrade, combined with the desire for the Council to have significant influence over policy relating to and management of the portfolio, has proved to be incompatible with the aspirations of potential partners.

The report recommends that the Council needs to review its position on the provision of Council run SIUs and determine what priority these have with regard to its core business and statutory functions. The report provides supporting information for such a review and recommends that, in the context of Capital Programme pressures, selective SIU sites which generate a poor financial return could be sold and the Council could rely upon the commercial sector to meet the need for SIUs (which to some extent it already does). The report also suggests that the Council should consider rationalising its investment property and agricultural property holdings as a part of this review process.

1.0 PURPOSE OF THE REPORT

- 1.1 The purpose of the report is to update Members on the outcome of the partnering/marketing exercises for the SIU portfolio and for St Ann's Mills/Abbey Mills Kirkstall. The report sets these outcomes in the context of the current Capital Programme pressures.
- 1.2 The report falls into three separate but related parts:-
- (i) the outcome of the SIU partnering exercise
 - (ii) the outcome of the St Ann's Mills/Abbey Mills partnering/marketing exercise
 - (iii) the current position regarding capital receipts and the funding of the Capital Programme.

2.0 THE OUTCOME OF THE SIU PARTNERING EXERCISE

2.1 Background

- 2.1.1 The Council's SIU portfolio comprises 12 estates (see Appendix A) with a total of approximately 250 units. Typically units range in size from 27.8m² (300 sq ft) to 139.4m² (1,500 sq ft). Most of the estates are situated in inner city locations, within three miles of the City Centre and were originally established to assist businesses displaced by development in the 1960's. Later in the 1970's/early 1980's units were built to encourage the unemployed to start their own businesses. Much of the portfolio was constructed between 1978 and 1983 with assistance provided by the Government's Urban Programme and by the European Union. The private sector is now also a major provider of SIUs but, it has been argued, on less flexible terms than local authorities.
- 2.1.2 Following a review of the portfolio in 2002, it was recognised that the portfolio was performing well in terms of financial return, but the economic development return needed to be improved by updating and diversifying the stock to meet the changing needs of the Leeds economy. At the same time it was also recognised that the capital investment to achieve this could not be funded from the Council's own resources and would therefore have to be provided from external/alternative sources.
- 2.1.3 In September 2005, Executive Board authorised officers to undertake a marketing exercise in order to determine the interest in the portfolio with a view to forming a partnership for the future ownership and management of the portfolio. This was because, in the context of the then Capital Programme pressures, Executive Board was unwilling to prioritise spending on the SIU portfolio above spending on core services. Executive Board also instructed officers to consider the inclusion of a number of other industrial properties in the portfolio (see Appendix B) The aims and objectives of any future partnership are summarised below:-
- make best use of the portfolio by encouraging tenants to expand and relocate at an appropriate time for their development
 - attract new investment to modernise stock
 - create a more flexible portfolio which meets modern business needs
 - create more small workspace units let on flexible terms
 - work in partnership with other agencies to integrate the provision of workspace, including industrial and incubation centres, with business support

- maximise redevelopment opportunities within the portfolio and achieve a financial return on capital invested
- maintain a rental income to the Council from the portfolio
- maximise the financial return

2.1.4 In early 2006 a Project Board was established to oversee the partnering/marketing exercise and in August 2007 the outcome of the exercise was reported to Executive Board and Members approved the three shortlisted parties and the list of properties to be included in the portfolio for the purpose of inviting bids from those short-listed parties. The list of properties included in the bidding exercise is listed in Appendix C. In addition, as some estates were recognised as being of strategic regeneration importance, the Council also reserved the right to remove or add industrial premises to the list as it considered appropriate.

2.1.5 In November 2007, a second stage brief was issued by the Council's Corporate Procurement Unit (CPU) to the three short-listed parties (details in confidential Appendix G). The brief set out the requirements of the Council, and the criteria and weighting that bids would be assessed upon, together with the timetable. The assessment criteria and weighting are contained within Table 1 below. The key requirements in the brief were in line with the aims and objectives as detailed in paragraph 2.1.3 above. The proposed legal structure was based upon the Council entering into a partnership agreement with the successful bidder and granting a long leasehold interest of the portfolio. In order to safeguard the Council's budgetary commitments, there was also a requirement that the Council should continue to receive the existing net annual rental income (£600,000). It was proposed that the Council's net rental income would increase each year in line with the Retail Price Index. In addition bidders were asked to provide information to demonstrate how they intended to meet the expected criteria and were therefore asked to include information such as outline business and capital expenditure plans in support of their submission. The closing date for bids was 12 noon, 30 January 2008.

Table 1

Criteria	Weighting
Economic Development Proposals	
- Demonstrate policies/procedures for prioritising lettings to new/small businesses	
- Strategy for providing space for existing tenants to expand	30%
- Evidence how tenants will be encouraged to expand and any meetings/advice/support offered to tenants to assist this process	
Investment Proposals	
- The quality of your capital expenditure plan and the level of capital investment proposed	35%
- The quality of your business plan	
- The extent to which your bid fits within the proposed legal structure	
Revenue Return	
- Ability to meet the minimum annual rental income required by the Council	25%
- The level of profit share the Council will receive for any uplift/increase in rental value	

Future Capital Value		
-	The projected increase in capital values	10%

2.2. The Outcome of the Bid Stage

2.2.1 Following the issue of the second stage brief (16 November 2007) to the three short-listed parties, bidders were invited to submit pre-clarification questions to officers in order to address any queries they had. At this stage, officers advised bidders that with regard to such matters as the proposed legal structure, there was a willingness by the Council to consider alternative proposals, providing a compelling case to support the change could be made. Despite this, two of the bidders, A and B, decided not to proceed and their reasons for not proceeding included the perceived level of risk associated with having to pay the Council a guaranteed rental income, their ability to make sufficient profit and the Council reserving the right to add or remove sites from the portfolio. There were also some concerns raised regarding the level of control/the decision making process, as bidders again felt that if they did not have significant control over the portfolio and especially with regard to financial matters, the risk would be unacceptable to them.

2.2.2 The remaining bidder C, submitted a bid on 30 January 2008, however, the bid arrived over four hours past the 12 noon deadline and on the advice of CPU was deemed to be a non compliant bid. Furthermore, whilst the submission had very detailed economic development proposals, officers considered that the financial information was lacking, especially in respect of the outline business and capital expenditure plans. Indeed, had the bid been submitted at the correct time, officers are of the opinion that they would not have been able to recommend proceeding with bidder C.

2.3 Conclusions

2.3.1 The Council's desire to protect its financial position (in terms of guaranteed rental income and the requirement for the partner to invest capital in the portfolio) and to also retain significant control over policy on/management of the portfolio appears to have been incompatible with the aspirations of the potential private sector partners. It would appear that the Council now has three options:-

- (i) do nothing. As has already been explained, without capital investment the condition of the portfolio will continue to deteriorate and the current economic and financial benefits of ownership will continue to decline. This option cannot, therefore, be recommended
 - (ii) to find additional capital itself to invest in the partnership. Executive Board has already determined that the SIU portfolio is not a Capital Programme priority.
- or
- (iii) to seek to relax its requirements in terms of controlling policy/management of the portfolio. If this option was to be pursued then it does bring into question the value of a partnership which would be based purely around a sharing of the financial benefits. Given that the private sector is already a provider of SIUs, albeit not on the same flexible terms as local authorities, the Council might arguably derive the same financial benefits from not entering into a partnership but by taking rent from the better performing estates and disposing of the under performing ones. This matter is revisited in Section 4.

3.0 THE OUTCOME OF THE ST ANN'S MILLS/ABBAY MILLS PARTNERING/MARKETING EXERCISE

3.1 Background

- 3.1.1 The Council owns two former mill premises in Kirkstall known as Abbey Mills and St Ann's Mills. Both are operated by Asset Management on behalf of Economic Services as small industrial units (SIUs). Both properties had been held within the Council's greater SIU portfolio, which mainly comprises purpose built industrial estates, which provide small unit accommodation for new and small businesses in Leeds. Following the departure of key tenants at both sites, Abbey and St Ann's Mills are largely vacant. Abbey Mills and St Ann's Mills differ from most other properties in the SIU portfolio in that they are old mill buildings with several floors and are not therefore purpose built SIU accommodation.
- 3.1.2 In December 2004, Executive Board considered a report about the condition of the Mills and their future use within the Council's SIU portfolio. As former mill buildings, neither property, in their existing condition, was considered to be ideal for their continued use as SIUs. Furthermore Abbey Mills, a Grade II listed building with a complex internal structure, was considered in both redevelopment, planning and conservation terms to be more suitable for residential use. In the context of retaining some small industrial units in Kirkstall, Executive Board instructed officers to explore the possibility of retaining and refurbishing St Ann's Mills for employment use, and funding its redevelopment from the capital receipt generated by the disposal of Abbey Mills.
- 3.1.3 The future of the mills was considered again by Executive Board in July 2006, at which time proposals to remodel/refurbish each of the buildings were considered in more detail, together with updated costings and valuations.
- 3.1.4 Inter alia, the reports outlined the findings of Asset Management surveys, identifying large items of backlog maintenance for each property, and, in view of the fact that funds would not be available from mainline capital resources, considered options for the funding/refurbishment/remodelling of the Mills.
- 3.1.5 At the July 2006 meeting Executive Board re-affirmed its commitment to continue to explore the previously preferred option of selling Abbey Mills and re-investing the proceeds in St Ann's Mills and the report acknowledged that the scale of investment required at St Ann's Mills would necessitate the then Development Department having to seek a private sector partner for the project.
- 3.1.6 In Summary therefore, Executive Board in July 2006:-
- (i) re-endorsed the objectives agreed at Executive Board in 2004, that was, to retain some high quality employment units in Kirkstall, whilst seeking also to ensure that St Ann's Mills and Abbey Mills were brought back to their former glory through investment by the Council and/or the private sector, but minimising the requirement for investment by the Council.
 - (ii) instructed officers to await the outcome of a bid to Yorkshire Forward for capital funding for St Ann's Mills (Option A) and, should the bid be unsuccessful, that officers formally seek a private sector partner to help deliver the Council's aspirations (Option B).

- (iii) agreed that should a suitable partner not be identified then St Ann's Mills be included in the Council's greater SIU portfolio for which a private sector partner was at that time being sought (Option C).
- (iv) approved test marketing of Abbey Mills so as to determine its value more accurately for further consideration in the project.
- (v) approved the revised planning brief for Abbey Mills
- (vi) noted the service aspirations outlined by a Kirkstall Ward Member for recreation/voluntary use at St Ann's Mills and connected to the proposed Kirkstall Valley Park and that the possibility of them being delivered other than by use of the St Ann's building, be the subject of further discussion.

3.2 Current Position

3.2.1 In October 2006 Yorkshire Forward informed officers that the bid for capital funding in support of the redevelopment of the St Ann's Mills site (Option A) had been unsuccessful. In accordance with the July 2006 Executive Board instruction, officers therefore sought to secure a private sector partner to deliver the scheme (Option B). However, a number of key challenges faced officers, namely:-

- obtaining the necessary capital investment which had been estimated at between £3.8 million and £5.1 million in 2006, whilst at the same time keeping the Council's capital contribution to a minimum. Abbey Mills had been independently valued at £1.2 million in 2006, thus leaving a significant funding gap after applying any such capital receipt to fund works at the St Ann's site
- in order to facilitate development at St Ann's Mills, an appropriate relocation solution for the three remaining tenants was required
- to negotiate with the tenants of Abbey Mills the offer of alternative accommodation, preferably at the refurbished St Ann's Mills site

Furthermore, it became apparent that in order to offer the tenants of Abbey Mills a realistic relocation prospect, the test marketing of Abbey Mills would have to be deferred to allow time for the advancement of the redevelopment /refurbishment proposals for St Ann's Mills.

3.2.2 Discussions with the tenants of Abbey Mills, identified that one tenant had already decided to vacate the site and that all three remaining tenants were prepared to give further consideration to the possibility of relocating to St Ann's Mills. In addition, two of the tenants expressed an interest in purchasing a unit at St Ann's Mills, as they felt that owning their business premises could present a more attractive investment opportunity.

3.2.3 With regard to St Ann's Mills, negotiations with the remaining tenants had concluded with two of the three tenants confirming that they did not want to remain at St Ann's Mills in the longer term and they therefore agreed to surrender their existing tenancy/lease agreements, and enter into a form of lease whereby the Council can terminate their occupation upon the service of three months written notice. The third tenant at St Ann's Mills has a relatively minor interest, that is held by way of an annual ground tenancy, and as such, vacant possession of the site, to facilitate development, can be obtained relatively quickly.

3.2.4 Having due regard to the issues detailed above, it was considered that granting a long lease was the most appropriate means to achieve a balance between retaining sufficient control and ownership of the site, against providing the necessary security that a private sector partner would require to fund the development, ahead of any potential capital receipt from the sale of Abbey Mills. In addition, a long lease would also afford the tenants of Abbey Mills an opportunity to either occupy a unit at a market rent, on similar terms and conditions to their existing agreements, or alternatively, those tenants wishing to purchase a unit could take a greater legal interest through the granting of a sub ground lease. Under this arrangement the sub ground lease would be granted for a slightly shorter term than the head lease, the tenant would pay for the construction of their unit and only be responsible for a nominal ground rent.

3.3 Marketing of St Ann's Mills

3.3.1 The St Ann's Mills site was marketed in September 2007. In addition to the usual terms and conditions contained within a commercial lease, in order to facilitate the wider economic development aspirations for the site and the accommodation requirements of the tenants at Abbey Mills, the proposed development agreement and lease included the following specific obligations:-

- to construct three new build, high quality units for the displaced tenants at Abbey Mills
- in support of new and small businesses, all subsequent lettings, with the exception of the accommodation to be made available to the Abbey Mills tenants, to be limited to a term of three years or under
- the sub division of the mill building to be restricted to office units with a floor area up to a maximum of 21.5 square metres (2000 sq ft), again in support of new and small business requirements
- the Council to retain tenant nomination rights for a period of 25 years
- the use of the two smaller new build units to be restricted to Class B1 c of the Town and Country Planning Use Classes Order (industrial)
- the land to the rear of the mill building to be excluded from the lease and retained by the Council with rights of access reserved in favour of the Council

All of the above should be seen in the context of the Council's main objective to secure sufficient capital investment in the St Ann's Mills site.

Bidders were instructed to provide information in support of their offer, including such criteria as their track record of delivering similar schemes and evidence of their ability to fund the development in order to be evaluated against this. The table below sets out the evaluation criteria used:

Criteria		Weighting
-	Financial offer including financial appraisal/investment plan	70%
-	Proof of sufficient and available funds	5%
-	Proposed timetable and ability to meet the 2 year development programme	5%
Deliverability		
-	Demonstrate the ability to meet the development obligations, including the provision of three new build units for the Council's nomination rights (if required)	10%
-	Track record and previous experience of delivering successful refurbishment/development schemes	10%

During the marketing period significant interest was generated and the closing date for offers was 26 October 2007. Unfortunately, only two offers were received, which was disappointing, given the earlier level of interest shown.

A number of the parties that had expressed interest during the marketing exercise, but subsequently decided not to bid, informed officers of their reasons for not proceeding. These included concerns about the Council's requirement for nomination rights, the poor quality of some of the privately owned properties adjacent to the Council's ownership, the obligation to construct units for the displaced Abbey Mills tenants and the exclusion of the land to the rear of the mill building. It is officer's professional opinion that these factors have been reflected in the value of the bids received.

A schedule of the offers together with valuation opinion and other financial implications will be circulated at the meeting.

The information contained in the circulated paper relates to the financial or business affairs of a particular person, and of the Council. This information is not publicly available from the statutory registers of information kept in respect of certain companies and charities. It is considered that since this information was obtained through inviting of best and final offers for the property/land then it is not in the public interest to disclose this information at this point in time as this could lead to random competing bids which would undermine this method of inviting bids and affect the integrity of disposing of property/land by this process. 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 offers which may prove acceptable to the Council. It is considered that whilst there may be a public interest in disclosure, much of this information would be publicly available from the Land Registry should this transaction be completed and 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.

3.4 Conclusions

- 3.4.1 Following the failure of the bid to Yorkshire Forward for funds for St Ann's Mills (Option A) officers were charged by Executive Board with seeking a partner for the project (Option B). The result of this exercise has, like that of the marketing of the greater SIU portfolio, been disappointing, and neither of the offers received and detailed in the circulated paper can be recommended to Members.
- 3.4.2 Once again, one of the key issues appears to have been the Council's desire for control/influence over the management of the units whilst also protecting its financial interests. It would appear that, especially in the current economic downturn, these two aspirations are, perhaps, not deliverable together.
- 3.4.3 As with the SIU portfolio therefore, the Council needs to review its priorities and options. These can be summarised as:-
- (i) do nothing. This option is not recommended because both Abbey and St Ann's Mills require significant investment in order to restore them to their former glory. In addition, both sites are largely vacant and therefore face an increased risk from vandalism and arson. Abbey Mills is a Grade II listed building and is considered to be more suitable for residential conversion than the existing industrial/commercial use.
 - (ii) accept the highest offer for St Ann's Mills and enter into lease/partnership with the successful bidder. Although this would deliver the Council's objectives in terms of regenerating the St Ann's Mills site and fulfilling the obligations contained within the development agreement/lease, the financial offers are disappointing and officers do not believe that they reflect the value of the site.
 - (iii) reject the highest offer for St Ann's Mills and retain ownership of Abbey Mills and St Ann's Mills for employment use, with the Council finding the capital to refurbish both. This option is not recommended because, as identified in previous reports to Executive Board, both properties require significant capital investment which is unlikely to be forthcoming from the mainline Capital Programme, and as detailed in Option 1 above, Abbey Mills is considered more suitable for conversion to residential use.
 - (iv) reject the highest offer for St Ann's Mills, dispose of Abbey Mills, reinvest the capital receipt generated in the St Ann's Mills site and provide employment units and accommodation for the remaining tenants at Abbey Mills. The sale of Abbey Mills would not generate sufficient capital for the redevelopment of the St Ann's site and therefore the Council would have to make additional capital funding available at risk on the assumption that future rents would cover prudential borrowing costs. Furthermore, as a Grade II listed building, it is considered that the disposal of Abbey Mills would be a lengthy and complex process. If the redevelopment of St Ann's Mills was dependent upon the capital receipt realised from the disposal of Abbey Mills, it is likely that the delay would place the St Ann's Mills building, already vacant, at increased risk from further deterioration of the fabric and arson/vandalism. The redevelopment of Abbey Mills would also be delayed, as the tenants would not be able to vacate until the new build units at St Ann's Mills had been completed.

- (v) reject the highest offer for St Ann's Mills, dispose of Abbey Mills, reinvest the capital receipt generated in the St Ann's Mills site and provide community facilities as previously requested by one Ward Member. As with option (iv) it is not believed that the sale of Abbey Mills would generate sufficient capital for the redevelopment of the St Ann's Mills site. A previous report to this Board has addressed this matter (see extracts at Appendix D) and at that time Executive Board concluded that there was no case for a conversion of the St Ann's Mills main building completely to community use. However, Members may wish to revisit this proposal.
- (vi) reject the highest offer and dispose of both mills on the open market including the currently unused adjoining land at St Ann's Mills and offer the tenants of Abbey Mills appropriate assistance/support to relocate. This option would ensure the regeneration of both sites and generate a capital receipt in support of the Council's capital programme. In addition, it is also expected that best consideration would be achieved by selling the freehold interest of these sites, without the obligations as detailed in paragraph 3.3.1 above. It is anticipated that the refurbishment of both sites, particularly St Ann's Mills, would be achieved more expeditiously if this option was agreed by Members. However, this option would not necessarily achieve Members previous aspiration of retaining some accessible employment units in Kirkstall.
- (vii) reject the highest offer and, as previously determined by Executive Board (option C), include St Ann's Mills in the greater SIU portfolio for which a private sector partner has been sought. Unfortunately, Members will note from Section 2 of this report that the marketing of the greater SIU portfolio has also proved disappointing and that therefore this option would not now appear to be viable.

3.4.4 Members should note that the Capital Programme already assumes that a capital receipt will be generated from the sale of Abbey Mills in the financial year 2010/11.

4.0 CAPITAL RECEIPTS AND THE FUNDING OF THE CAPITAL PROGRAMME

4.1 The 2008-12 Capital Programme approved by Executive Board on 8 February 2008 showed a £48.2m overprogramming position on an overall General Fund Programme for the four years of £989.3m. The Director of Resources considered this level of overprogramming was manageable given some likely programme slippage and by the prudent management of contractual commitments for new schemes.

4.2 Over the last 8 years, if major capital receipts such as Sharp Lane Middleton (£60m) and Leeds Bradford International Airport (£51m) are removed from the capital receipts analysis, the Council has generated an average of £20m per annum from disposals to support delivery of its key Capital Programme priorities. With the current downturn in the property market, and the pressure for the Council to enter into public consultation regarding Community Asset Transfer of its surplus property, this annual £20m target will prove more difficult to meet. At the same time, due to Executive Board's aspirations of delivering a £989.3m Capital Programme over the next four years the Council has concluded that the target for capital receipts in 2008/09 needs to be £30m (ie 50% greater than the trend over the last 8 years). The only way in which this target can be met is for the Council to examine its property investment portfolio to identify those properties which are providing relatively low rental returns compared with their capital values and to seek to dispose of these. This is an exercise which has been ongoing over the last few years but would need to be given greater priority if Members determine that the funding of the Capital Programme, as published, must be achieved.

4.3 The Property Investment Portfolio falls into 3 categories:-

- (i) the Small Industrial Unit Portfolio
- (ii) the Agricultural Portfolio
- (iii) the Miscellaneous Investment Properties

Officers have examined these properties and have identified a number of them which meet the criteria of relatively low rental income when compared to capital value. The details are given in Appendix E and can be summarised as:-

	Existing Use £m	Redevelopment Value £m
SIU portfolio	4.170	6.015
Agricultural portfolio	0.450	0.450
Misc Investment properties	1.080	1.080
Total	5.700	7.545

- 4.4 Members will note that even the higher redevelopment valuation of £7.545m does not provide the extra £10m (over and above the annual average of £20m) currently required to fund the Capital Programme.
- 4.5 There are no policy issues associated with the disposal of the selected miscellaneous investment properties. Similarly, there are no policy issues if the Council disposes of farm buildings but retains the associated farm land to provide extra safeguards on green belt issues. However, the Council is faced with a difficult decision regarding priorities in the case of the SIU portfolio. This is now discussed in some detail.
- 4.6 The portfolio of small industrial units provides a valuable contribution to small businesses as there is a general lack of small units in the city which are essential in providing businesses with start up opportunities. The Council provides a business support function assisting new businesses to set up and sign posting tenants to other economic development agencies.
- 4.7 Retention/part retention of the SIU portfolio would continue to provide an important business opportunity for the city and revenue for the Council. There is a lack of small units in the city as a whole, the City Council being one of the main providers of start up/small unit space. However, the City Council has not invested sufficiently in the maintenance of these units and it was considered that the formation of a partnership would have provided the necessary capital investment. As the exercise to procure a private sector partner was unsuccessful, any capital investment would fall to the Council, but the Council would continue to receive a substantial rental income. The retention of the Industrial portfolio links to the Strategic Outcomes of providing employment and business space in the city. The provision of industrial units does not necessarily have to be by the Council, although if retained under the Council's ownership it could control the portfolio.
- 4.8 The Council could decide to sell part of the portfolio and the various options for splitting up and selling parts are detailed in confidential Appendix E.
- 4.9 Disposal would produce a substantial capital receipt for the Council, although it would not make sense to sell off parts of the small industrial portfolio that either have future development potential or create additional value by being combined with adjacent Council sites.

- 4.10 The investment market has deteriorated over the last few months which can be seen in respect of the valuations originally undertaken in December 2007 and those undertaken in April 2008 (see confidential Appendix F). Also in terms of marketing these interests it is not necessarily considered to be the best time, but, in support of marketing them now, there are few investment opportunities in Leeds of this nature.
- 4.11 Appendices E and F are designated as confidential under Rule 10.4.3 of the Access to Information procedures in that the release of such information would undermine future lettings on these estates and therefore prejudice the Council's commercial interests.
- 4.12 As can be seen from the Appendix, some of the sites do have longer term redevelopment potential, particularly Domestic Street, which comprises two multi-storey industrial blocks plus a number of single storey industrial units with approximately 60 tenants. The two estates at Jack Lane which are on the city rim could fall within wider development/regeneration proposals for these areas. Also it would be better to dispose of the industrial units at Limewood Approach at the same time as the adjacent Print Unit should this become vacant at a later date, (consideration is currently being given to the potential relocation of the Print Unit).
- 4.13 Obviously the disposal of any of these estates would be sensitive in respect of the future occupation by the tenants and the impact this might have on their businesses. In addition Members may have concerns in respect of the sale of industrial units and the potential for new owners to close/redevelop estates for other uses although private sector operation of industrial estates is now common place. Tenants were previously advised that one of the reasons for seeking a partner was to ensure the long term future of the portfolio so tenants would need to be advised if the Council's intentions were to change.
- 4.14 From an economic development perspective the Council would still wish to see a good stock of small units in the city with flexible letting terms to cater for small and start up business. Of the voids within the Council's SIU portfolio some are within primarily regeneration areas and, where the LEGI programme is targeted, such units could therefore provide accommodation for businesses supported by the LEGI programme.
- 4.15 In order to assess the options to market the portfolio it would be necessary to seek external advice on the best way to dispose – either as individual estates or as a package of portfolios. Due to the current credit crunch there may be more interest from investors acquiring individual estates rather than packaging a number of estates together into a portfolio. If a decision is made to sell some of the industrial units then one option would be to dispose of them on a phased basis. This would limit the numbers of estates put on the market at any one time and allow the Council to review the prevailing market conditions to ensure it was obtaining best consideration. Due to the amount of work undertaken in preparing the marketing of the portfolio to seek a partner it is considered that it would not take long to put individual estates on the market. There are a number of companies that hold portfolios of industrial properties or specialise in industrial premises and may pay a premium for such a portfolio, particularly if the marketing is specifically targeted.

5.0 SUMMARY

- 5.1 Sections 2 to 4 of this report outline the challenges faced by the Council in terms of:-
- (i) identifying capital funding to upgrade the SIU portfolio
 - (ii) funding the approved Capital Programme
- 5.2 A part disposal of the SIU portfolio, would reduce the pressure to expend capital monies on its upgrade whilst at the same time generating capital receipts to fund the already approved Capital Programme. Any disposals would need to have regard to minimising the loss of rental income, or this would simply shift the budget pressure from the Capital Programme to the Revenue Budget.
- 5.3 There are important considerations also in terms of the economic benefits delivered through the Council operating and controlling its own SIU portfolio and Members will need to take a view about the importance of retaining either the whole or a reduced portfolio in the future as against the delivery of the Council's key objectives as reflected in the Capital Programme.
- 5.4 The SIU properties identified as available/suitable for disposal (total value £4.17m-£6.015m in the table at 4.2) include St Ann's Mills at Kirkstall, which is now void of tenants. Members will be aware of the sensitivities regarding this property within the Kirkstall community and therefore the recommendations at the end of this report request that Members give serious consideration to this matter and make a specific resolution with regards to the future of this property.

6.0 FINANCIAL IMPLICATIONS

- 6.1 Disposals in support of the Capital Programme
- 6.2 The disposal of the selected SIU properties, as outlined in Appendix E Table 1a, but excluding St Ann's Mills Kirkstall could generate a capital receipt of between £3.1m and £5.015m. The full year impact on the City Development revenue budget of these disposals would be a net loss in income of approximately £100k, based on a reduction in rental income of approximately £137k offset by a saving in associated running costs of approximately £37k. Consideration will need to be given as to how City Development will deal with this loss of rental income.
- 6.3 The disposal of the farm buildings and gardens, as outlined in Appendix E Table 2a, could generate a capital receipt of £0.45m and there would be no impact on the City Development revenue budget.
- 6.4 The disposal of selected miscellaneous investment properties, as outlined in Appendix E Table 3a and 3b, could generate a capital receipt of approximately £1m in 2008/09. The properties are currently owned by either City Development or Environment and Neighbourhoods. The revenue impact of the disposals will depend on which properties are actually sold, however, none of the properties provide significant revenue income with rental income varying from £50 to £10,000. The maximum full year impact on City Development and Environment and Neighbourhoods revenue budget would be a loss of income of approximately £60k. Again, consideration will need to be given as to how the Directorates will deal with the loss of rental income.

- 6.5 As already outlined in the report if the Council was to retain the current SIU portfolio then significant capital investment will be required to prevent the continued deterioration in its condition. Disposal of part of the Property Investment Portfolio will produce a substantial capital receipt to support the Capital Programme and will reduce the need for future capital investment in the portfolio.
- 6.6 St Ann's Mills Kirkstall
- 6.7 St Ann's Mills is currently vacant and as such is not providing any rental income to support the City Development revenue budget. Disposal of the St Ann's Mill's Kirkstall would generate a significant capital receipt. If it was retained in Council ownership then Capital Programme provision would need to be identified or the building is at increased risk of further deterioration.
- 6.8 With regard the option for use by community groups, a fully costed appraisal of this option has not been carried out and although potential partners have been identified there are at present no firm funding commitments.

7.0 RECOMMENDATIONS

7.1 Members are asked to note:-

- (i) the failure to identify a suitable partner to manage the Council's SIU portfolio
- (ii) the failure to identify a suitable partner and to receive a credible offer for St Ann's Mills Kirkstall

7.2 Members are asked to agree the disposal in support of the Capital Programme of:-

- (i) selected miscellaneous investment properties as detailed in Appendix E Tables 3a and 3b
- (ii) the farm buildings and gardens, but not the associated farm land, of the agricultural properties detailed in Appendix E Table 2a.
- (iii) the selected SIU properties detailed in Appendix E Table 1a (but with the exclusion of St Ann's Mills which is considered below)

7.3 Members are asked to instruct officers with regard to the future of St Ann's Mills Kirkstall and whether the site (including land to the rear of the Mill Building) should be:-

- (i) sold
- (ii) retained for Council use as SIUs and the necessary Capital Programme provision for its upgrading made
- (iii) examined further for use by community groups

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APPENDIX A

LIST OF SMALL INDUSTRIAL ESTATES

INDUSTRIAL ESTATE	WARD
Penraevons I Meanwood Leeds 7	Hyde Park & Woodhouse
Ashton Road Harehills Leeds 8	Gipton & Harehills
The Idas Pontefract Lane Leeds10	City & Hunslet
Jack Lane – Car Repair Hunslet Leeds 10	City & Hunslet
Jack Lane Hunslet Leeds 10	City & Hunslet
Kildare Terrace Holbeck Leeds 11	Beeston & Holbeck
Domestic Street Holbeck Leeds 11	Beeston & Holbeck
Moorside Maltings Beeston Leeds 11	Beeston & Holbeck
Cross Lane Wortley Leeds 12	Farnley & Wortley
Seacroft Limewood Approach Leeds 14	Killingbeck
Ledston Luck Enterprise Park Kippax, Leeds 25	Kippax & Methley
Little Fountain Street Morley Leeds 27	Morley North

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Appendix B

OTHER INDUSTRIAL PROPERTIES

INDUSTRIAL ESTATE	WARD
Aire Street Workshops, Leeds 1	Hyde Park & Woodhouse
Penraevons II Meanwood Leeds 7	Hyde Park & Woodhouse
Chapelton Business Centre Chapelton Leeds 7	Chapel Allerton
Site 38 and Site 39 Cross Green Industrial Estate, Leeds 9	Burmantofts & Richmond Hill
Kenneth Street Industrial Estate, Leeds 11	Beeston & Holbeck

NB – The Council owns the freehold of the Penraevons II estate, however a 125 year lease was granted to a developer to construct the estate, the term remaining is 99 years. The completed estate has subsequently been leased to the Council via a series of medium term leases, the current lease expires in 2017. The lease granted to the Council operates on the basis of a turnover rent, whereby the Council has to pay an annual rent of 85% of the rent achieved.

Sites 38 and site 39 Cross Green Industrial Estate are ground leases, whereby the Council holds the freehold subject to the grant of long ground leases.

Kenneth Street Industrial Estate was demolished and is a vacant, cleared site.

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APPENDIX C

LIST OF INDUSTRIAL PREMISES INCLUDED IN THE SIU PORTFOLIO BID

INDUSTRIAL ESTATE	WARD
Penraevons Meanwood Leeds 7	Hyde Park & Woodhouse
The Idas Pontefract Lane Leeds10	City & Hunslet
Jack Lane – Car Repair Hunslet Leeds 10	City & Hunslet
Jack Lane Hunslet Leeds 10	City & Hunslet
Kildare Terrace Holbeck Leeds 11	Beeston & Holbeck
Domestic Street Holbeck Leeds 11	Beeston & Holbeck
Moorside Maltings Beeston Leeds 11	Beeston & Holbeck
Cross Lane Wortley Leeds 12	Farnley & Wortley
Seacroft Limewood Approach Leeds 14	Killingbeck & Seacroft
Ledston Luck Enterprise Park Kippax, Leeds 25	Kippax & Methley
Little Fountain Street Morley Leeds 27	Morley North
Aire Street Workshops	Hyde Park & Woodhouse

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APPENDIX D

PROPOSAL REGARDING COMMUNITY USE

The proposal for community use from a Ward Member can be summarised as:-

St Ann's Mills

Longer term use for leisure/community purposes in connection with the proposed Kirkstall Valley Park (KVP) and the West Leeds Country Park (WLCP). A long term, full repairing lease, for the lowest possible rent is requested by the Kirkstall Valley Park Group. Uses might include canoeing, fishing, walking, cycling and natural history pursuits. In particular an aspiration for a white water canoeing facility on the river Aire is stated. This might involve using boulders from the nearby forthcoming Kirkstall Hill excavation to create the obstacle course in the River Aire. The St Ann's Mills building could be used for canoe storage and repair, changing accommodation, refreshment, garaging and for a wildlife visitor/interpretation centre. There might also be space for community groups.

In the short to medium term the proposal is to use the buildings as a Community Punishment Centre, providing free labour to develop the KVP and WLCP. This would build upon the current Home Office scheme which operates further down the valley at Burley Mills Allotments, but would also explore new ways of treating offenders. In good weather the offenders would work outdoors in the park supervised by Home Office staff and in bad weather they would work indoors building park furniture etc. They would also receive teaching in basic literacy and numeracy as well as specific employment skills. Some of this may be provided by the FE Colleges.

As the park approaches completion Community Punishment would undertake a phased withdrawal from St Ann's Mills leaving predominantly leisure uses on the site. The claimed benefits of the proposal are that it utilises free labour. Materials and other costs may, it is proposed, be met from S106 agreements with local developers.

Abbey Mills

The proposal here is to retain the buildings in Council ownership, leave the existing tenants in situ, and carry out minor repairs with a view to creating a possible mixed use development. This might include some incubation units and sheltered accommodation for frail, elderly or mentally or physically disabled people. The intention would be to carry out a redevelopment which 'washed its face' in financial terms but would not necessarily generate any significant profit. The proposals are stated to generate low car usage.

Officer Comments on Community Use

The proposal builds upon the KVP and WLCP proposals which are supported in principle by the Council. However, there is no option appraisal provided which supports the view that retention of Abbey Mills and use of St Ann's Mills or Community Punishment (and subsequently leisure uses) is the only and best way to deliver the parks and leisure facilities. There may be other ways of providing accommodation which are more appropriate. From a planning perspective mixing community and industrial units on the site at St Ann's Mills creates a number of difficulties.

While indications of informal discussions with potential partners are given there are no formal letters of support offering resources accompanying the the proposals. These would be required from the Home Office, West Yorkshire Police, the Environmental Agency, and the FE Colleges amongst others.

The proposals for the buildings differ from the officer proposal in one fundamental way. The officer proposal seeks a full restoration of both sets of buildings to a high specification. This has been the Council's asset management philosophy for some years now where major refurbishment is undertaken. The existing problems at Abbey Mills and St Ann's Mill result from the minimalist approach taken to building maintenance in the past and officers do not believe that to continue with such an approach in the case of these two sets of buildings is in the best interests of the residents of Leeds. The community based proposal suggests limited investment in the buildings on the basis that they are essentially fit (in their current condition), for the purposes proposed.

Recreation Services currently has visitor attractions at both Armley Mills and Kirkstall Abbey, less than a mile east and west of St Ann's Mills respectively, and has no aspiration to operate a visitor/interpretation centre at St Ann's Mills. While the Kirkstall Valley Park Group may have an aspiration to manage such a facility the impact upon other visitor attractions would need to be considered.

It is acknowledged that it has been difficult for the Ward Member to fully develop his proposals without access to professional and technical resources, and that consequently desirable, accurate financial information is not available for his preferred option, and there is certainly not enough information to carry out a detailed discounted cash flow comparison of this option with those others of the Council. It is suggested therefore, that at this stage, Members may wish to limit their consideration of the proposal to whether:-

- (i) The service aspects of the proposals are desirable in terms of the Council's key objectives and, if so:
- (ii) Whether Executive Board wishes to instruct officers to explore ways of delivering these service benefits in Kirkstall, either on the lines proposed by the Ward Member, or through other means.

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EXECUTIVE BOARD

WEDNESDAY, 11TH JUNE, 2008

PRESENT: Councillor R Brett in the Chair

Councillors A Carter, J L Carter,
R Finnigan, S Golton, R Harker, P Harrand,
J Procter, S Smith, K Wakefield and
J Blake

Councillor J Blake – Non-voting advisory member

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

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

- a) Appendix 1 to the report referred to in minute 15 under the terms of Access to Information Procedure Rule 10.4 (3) and on the grounds that the public interest in maintaining the exemption outweighs the public interest in disclosing the information on the basis that disclosure of the information could prejudice the Council's position in commercial negotiations if the PFI credits are allocated and the project proceeds.
- b) Appendix C to the report referred to in minute 5 under the terms of Access to Information Procedure Rule 10.4 (3) and on the grounds that this is information relating to the financial or business affairs of the parties identified in the report and of the Council. In the circumstances it is felt that any negotiations which have already taken place should not be in the public domain prior to any future competitive process as this may prejudice commercial interests. The Council acknowledges that, whilst there may be a public interest in disclosure, much of this information will be publicly available from the Land Registry following completion of this transaction and consequently the public interest in maintaining the exemption outweighs the public interest in disclosing this information at this point in time.
- c) Appendix 3 to the report referred to in minute 23 under the terms of Access to Information Procedure Rule 10.4(3) and on the grounds that it is considered that since the proposed means of disposal will be through inviting offers for the property by public auction, then it is not in the public interest to disclose this information at this point in time as this could undermine this method of inviting bids and affect the integrity of disposing of property by this process. 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

Draft minutes to be approved at the meeting
to be held on Wednesday, 16th July, 2008

about the nature and level of offers which may prove acceptable to the Council. It is considered that whilst there may be a public interest in disclosure, much of this information will be publicly available from the Land Registry following completion of this transaction and consequently the public interest in maintaining the exemption outweighs the public interest in disclosing this information at this point in time.

- d) Appendices E, F and G to the report referred to in minute 24 under the terms of Access to Information Procedure Rule 10.4(3) and on the grounds that it is considered that its non disclosure outweighs the public benefit of disclosure as disclosure could seriously prejudice the outcome of future commercial dealings relating to this matter and could result in the Council suffering financial loss.
- e) A second report referred to in minute 7 under the terms of Access to Information Procedure Rule 10.4(3) and on the grounds that it contains financial and other confidential information relating to the Caddick and unsolicited offers. This information relates to the financial or business affairs of those particular companies, and of the Council. This information is not publicly available from the statutory registers of information kept in respect of certain companies and charities. It is considered that since this information was obtained either through the negotiations with Caddick, which were conducted on a confidential basis, or in relation to the unsolicited offer, from the letter of offer which was made to the Council on a confidential basis, then it is not in the public interest to disclose this information at this point in time as to do so could lead to further competing bids from these companies or from the market generally, and in turn this would undermine the process for disposing of this site which the Council selects and affect the integrity of the disposal process. It is considered that whilst there may be a public interest in disclosure, much of this information will be publicly available from the Land Registry following completion of this transaction and currently there is a greater public interest in ensuring that the site is disposed of in a fair and equitable manner with no party gaining a commercial advantage over another by having details of the likely level of other offers. Consequently, it is considered that in all the circumstances the public interest in maintaining the exemption outweighs the public interest in disclosing this information at this point in time.

2 Declaration of Interests

Councillors A Carter, J L Carter, Finnigan, Golton, Harker, Harrand, Smith and Blake declared personal interests in the item relating to the Primary Capital Programme (minute 14) as Primary School Governors.

Councillor Wakefield declared personal interests in the item relating to Leeds Local Enterprise Growth Initiative (minute 26) as a member of the Catalyst project and in the items relating to the Joint Area Review (minute 11) and the review of the Children and Young People's Plan (minute 12) as a member of the Learning and Skills Council.

Councillor Harrand declared a personal interest in the item relating to Small Industrial Units (minute 24) as an unpaid director of an organisation occupying such a unit.

3 Minutes

RESOLVED – That the minutes of the meeting held on 14th May 2008 be approved.

ENVIRONMENTAL SERVICES

4 Deputation to Council - West Yorkshire Animals in Need seeking to ban the giving of goldfish as prizes

The Director of Environment and Neighbourhoods submitted a report responding to the deputation from West Yorkshire Animals in Need to Full Council on 9th April 2008. The report detailed the Council's current position with regard to this issue and offered proposals to strengthen that position.

RESOLVED – That approval be given to the insertion of a suitable clause in the land licenses provided to operators of events and fairs, to specifically prohibit the giving of goldfishes as prizes.

DEVELOPMENT AND REGENERATION

5 Deputation to Council - Local Residents Requesting the Council to Purchase Sports Facilities at Leeds Girls High School for use by Primary Schools and the Local community

The Director of City Development submitted a report providing a full response to the deputation from local residents to Full Council on 16th January 2008, following the holding response submitted to Executive Board on 12th March 2008.

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

RESOLVED- That the conclusions of the report be noted and

- (a) That the principle of any public greenspace requirement associated with a residential scheme, to comply with UDP Policy, being mainly provided at Ford House Garden be supported
- (b) That, over and above what is required by UDP Policy, and subject to it being affordable to the Council support be given to negotiations for the acquisition of the land south of Victoria Road, for use as informal greenspace, through a negotiated agreement, and that officers be authorised to continue to investigate this with the school.
- (c) That it be further noted that any proposal that the Elinor Lupton Centre become a licensed premises would not be supported by this Board and that the proposed use of the sports hall and swimming pool by a private operator with a 'community access agreement' would be supported by this Board.

(Councillor Finnigan declared a personal interest in this matter as a member of Plans Panel (East))

6 Deputation to Council- Retailers and Residents of Morley regarding the number of Charity Shops in Morley Shopping Centre

The Director of City Development submitted a report responding to the deputation from Retailers and Residents of Morley to Full Council on 9th April 2008.

RESOLVED-

- (a) That the Morley Mayor and traders be advised that, Leeds City Council, whilst sympathetic, is not disposed, at this stage, to support a national campaign to change national planning legislation, but will continue to support town and district centres through a range of positive interventions.
- (b) That discussions be held with other local authorities via the Local Government Association with a view to identifying any commonality of view and that a further report be brought to this Board on the outcome of those discussions.

7 Quarry Hill, Leeds 9

Referring to minute 34 of the meeting held on 11th June 2003, the Director of City Development submitted a report advising of the current situation relating to the disposal of the Council owned site at Quarry Hill.

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

RESOLVED-

- (a) That the Director of City Development be authorised to complete the disposal of land at Quarry Hill to Caddick Developments Limited on the terms reported, subject to the adjustments set out in the report.
- (b) That all decisions relating to the disposal of this site at Quarry Hill be delegated to the Director of City Development.

NEIGHBOURHOODS AND HOUSING

8 Activity in the Private Rented Sector regarding Energy Efficiency

The Director of Environment and Neighbourhoods submitted a report on the current position and activity in relation to energy efficiency measures within the private rented sector.

RESOLVED –

- (a) That the proposed actions to promote energy efficiency measures in the private rented sector as contained in paragraph 5.0 of the report, and which build on those undertaken to date, be approved.
- (b) That the discretionary elements of housing benefit provisions be examined to determine whether they could be used in a manner which

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would provide an incentive to landlords to improve energy efficiency in their properties.

9 Update on the Supporting People Programme

The Director of Environment and Neighbourhoods submitted a report providing an update on developments relating to the Supporting People programme since the Audit Commission inspection in January 2007.

RESOLVED – That the report be noted and that the Director of Environment and Neighbourhoods report to this Board on proposals for any changes to current governance and funding arrangements relating to the Supporting People programme once the Communities and Local Government Department confirm what changes they intend to make to the delivery of the programme.

10 Under Occupation in Council Housing

The Director of Environment and Neighbourhoods submitted a report providing details of the extent of under-occupation in Leeds, and proposing that new incentive schemes be developed to encourage under-occupying Council tenants to move to smaller properties to promote best use of housing stock. The report also clarified how the Leeds Arm's Length Management Organisations should use Ground 16 powers under the Housing Act 1985 to move under-occupying tenants who have succeeded to a Council tenancy following the death of the tenant.

RESOLVED –

- (a) That approval be given to expenditure of up to £300,000 in 2008/09 on encouraging under-occupiers in the largest stock to move to more appropriately sized accommodation.
- (b) That the available legal powers to manage under-occupation be used in accordance with section 3.3.5-6 of the submitted report.
- (c) That a further report be brought to the Board in February 2009 providing a detailed action plan with targets on how incentives for under-occupation can be adopted for 2009/10.

CHILDREN'S SERVICES

11 Leeds Joint Area Review

The Director of Children's Services submitted a report advising of the outcome of the inspection and of the formal requirements on actions arising from the inspection.

RESOLVED – That the outcome of the Joint Area Review and resultant actions to be undertaken be noted and that the Action Plan in that respect be brought to the July meeting of the Board.

12 The 2008 Review of the of the Children and Young People's Plan

The Director of Children's Services submitted a report presenting the 2008 review of the Children and Young People Plan and seeking endorsement of the revised Plan.

RESOLVED - That the 2008 Children and Young People's Plan Review be approved and endorsed.

13 Carlton Primary School - School Hall Extension

The Chief Executive of Education Leeds submitted a report on a proposed new build extension to Carlton Primary School to provide a new hall and kitchen, and associated remodelling works.

RESOLVED –

- (a) That the design proposals be approved and that authority be given to proceed with an extension to Carlton Primary School to provide a new hall and kitchen, and associated remodelling works;
- (b) That expenditure of £1,008,000 from capital scheme 14130 be authorised.

14 Primary Capital Programme Strategy for Change

The Chief Executive of Education Leeds submitted a report on the proposed strategic approach towards renewing primary schools, including prioritisation of need, within the first four years, and on the proposed Strategy for Change prior to final submission to the Department for Children, Schools and Families.

RESOLVED-

- (a) That the Strategy for Change formal submission to the DCSF, to ensure capital funding is received by Leeds, be approved
- (b) That specific proposals for school projects for the first two years of the programme will be considered by this Board in due course and in accordance with usual procedures.

LEISURE

15 Endorsement of Expression of Interest for PFI Credits for Holt Park New Leaf Well Being Centre Project

The Director of City Development submitted a report on an Expression of Interest for the Holt Park New Leaf Wellbeing Project submitted to the Department of Health.

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

RESOLVED-

- (a) That the content of this report be noted and that the submission of the Expression of Interest for the Holt Park New Leaf Wellbeing Project be endorsed.
- (b) That approval be given to the combining of the Well Being Leisure Project with the New Leaf Well Being Centre Project, under the Education PFI Project Board should Credits be allocated for the project.

ADULT HEALTH AND SOCIAL CARE

16 Deputation to Council - Access Committee for Leeds Regarding Disability Inclusion Through Meaningful Involvement

The Director of Adult Social Services submitted a report responding to the deputation from the Access Committee for Leeds to Full Council on 9th April 2008.

RESOLVED

- (a) That the report be noted
- (b) That elected members and officers be supported and encouraged to work with the Independent Disability Council on a broad range of issues concerning disabled people.
- (c) That the widest possible participation in the debate on the future of social care, which is being undertaken by the government over coming months be supported and encouraged.
- (d) That the City Council's commitment to consultation and engagement with disabled people, in particular in addressing the major challenges to independent living arising from demographic change and the increasing costs of personal care, be confirmed.

17 Income for Community Care Services - Proposals for Consultation

The Director of Adult Social Services submitted a report setting out the current position of the review of income for non-residential adult social care services and on proposals for consultation on options.

RESOLVED-

- (a) That the contextual information outlined in the report and how it impacts on the contributions review be noted.
- (b) That the context for the consultation process be supported as the need to generate more income from service user contributions to improve our ability to invest in social care services and to support fairness, equity and consistency
- (c) That the contributions options set out in section 8.4 of the report be approved as the basis of stakeholder consultation.

(Under the provisions of Council Procedure Rule 16.5 Councillor Wakefield required it to be recorded that he abstained from voting on this decision)

18 Safeguarding Vulnerable Adults in Leeds

The Director of Adult Social Services submitted a report on the work underway in the city to strengthen arrangements designed to ensure that vulnerable adults in Leeds are adequately safeguarded.

RESOLVED-

- (a) That the report be noted in relation to the revisions to the Safeguarding Adults structures in the City and that the content of the annual report 2007/08, attached to the report be also noted
- (b) That the overall arrangements for Safeguarding Adults in the City be referred to the Scrutiny Board (Adult Social Care) so that consideration

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can be given to the terms of an enquiry designed to test the strength and efficacy of Safeguarding work conducted across the partnership.

CENTRAL AND CORPORATE

19 Council Business Plan 2008-2011

The Assistant Chief Executive (Planning, Policy and Improvement) submitted a report providing information on the development, approach and broad content of the Council Business Plan 2008-11, and seeking endorsement of the plan prior to its formal approval by Full Council.

RESOLVED

- (a) That the Council Business Plan 2008-11 as attached at Appendix 1 to the report be endorsed
- (b) That the Assistant Chief Executive (Planning, Policy and Improvement) be authorised to update and complete the Council Business Plan with any outstanding information prior to its submission for approval to Full Council on 2nd July 2008.
- (c) That Council be recommended to approve the Council Business Plan 2008-11 at their meeting on 2nd July 2008.

20 Corporate Assessment 2008

The Assistant Chief Executive (Planning, Policy and Improvement) submitted a report detailing the outcome of the Corporate Assessment Inspection and highlighting the main findings and key issues for action.

RESOLVED -

- (a) That the Corporate assessment report and the action plan as attached at appendices 1 and 2 to the report be noted.
- (b) That the proposals outlined in the report for monitoring delivery of the action plan be noted.

21 Ward Based Initiatives 2008/2009

The Director of Resources submitted a report on a proposed Ward Based Initiative scheme to allow Elected Members to sponsor capital projects within their respective Wards

RESOLVED – That the report be noted and that expenditure of £990,000 be authorised, subject to approvals in line with procedures set out in the Guidance Notes attached to the report, and subject to an amendment to those notes to make clear the sums of money which can be awarded to such schemes.

22 Financial Performance - Outturn 2007/08

The Director of Resources submitted a report on the Council's financial performance for the year ending 31st March 2008, prior to submission of the annual accounts to the Corporate Governance and Audit Committee for approval, and subject to Audit.

RESOLVED -

- (a) That the report be noted
- (b) That £300,000 be transferred to the contingency fund in 2008/09 in accordance with paragraph 3.4 of the submitted report
- (c) That the additional contributions to and the creation of, earmarked reserves of £3,800,000 in respect of the HRA be agreed as outlined in the HRA report attached at Appendix 1 to the report
- (d) That the creation of two new General Fund earmarked reserves as outlined in paragraph 3.5 of the report be agreed
- (e) The Board noted that right to buy capital receipts that are not required in 2007/08 to fund the HRA capital programme have been used to fund the general fund, thereby reducing borrowing costs with compensating resources to be returned to the HRA programme in 2008/09.

(Under the provisions of Council Procedure Rule 16.5 Councillor Wakefield required it to be recorded that he abstained from voting on this decision)

DEVELOPMENT AND REGENERATION

23 Deputation to Council -Muslim Society of Leeds regarding the future of Bentley Primary School

The Director of City Development submitted a report responding to the deputation from the Muslim Society of Leeds to Full Council on 9th April 2008.

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

RESOLVED- That the request from the Muslim Society of Leeds to acquire the former Bentley Primary School for community purposes be noted, but that the proposed sale on the open market in support of the Council's capital programme proceed as soon as possible in this financial year.

24 The Future Ownership and Management of the Council's Small Industrial Unit Portfolio, St Ann's Mills/ Abbey Mills, Kirkstall and the Investment and Agricultural Property Portfolios

The Director or City Development submitted a report providing an update on the outcome of the partnering / marketing exercises for the SIU portfolio and for St Ann's Mills / Abbey Mills, Kirkstall and setting out the outcomes in the context of the current Capital Programme pressures.

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

RESOLVED-

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- (a) That the Board notes:
 - (i) the failure to identify a suitable partner to manage the Council's SIU portfolio
 - (ii) the failure to identify a suitable partner and to receive a credible offer for St Ann's Mills, Kirkstall
- (b) That disposals in support of the Capital Programme be agreed as follows:
 - (i) selected miscellaneous investment properties as detailed in Appendix E Tables 3a and 3b of the report
 - (ii) the farm buildings and gardens, but not the associated farm land, of the agricultural properties detailed in Appendix E Table 2a.
 - (iii) the selected small industrial unit properties detailed in Appendix E Table 1a (including St Ann's Mills, Kirkstall), subject to discussion with ward members on details relating to the proposed Ledston Luck disposal

(Under the provisions of Council Procedure Rule 16.5 Councillor Wakefield required it to be recorded that he abstained from voting on this decision)

25 City Centre Vision Conference

The Director of City Development submitted a report advising of the outcomes arising from the City Centre Vision Conference held in January and recommending how best to take forward the issues and ideas that emerged.

RESOLVED-

- (a) That the successful outcome of the City Centre Vision Conference and the ongoing work regarding the arena, funding and the removal of street clutter be noted
- (b) That officers investigate the feasibility of implementing the 'Big Ideas' from the Conference and the work as proposed in section 5.0 of the report
- (c) That the Council work with and consult the Leeds Initiative and other partnership groups to help develop more detailed proposals
- (d) That an annual update on overall progress be brought back to this Board in January 2009 and that reports on individual projects be brought back at the appropriate time.

26 Sharing the Success: Leeds Local Enterprise Growth Initiative (LEGI)

The Director of City Development submitted a report on progress made on the implementation of Sharing the Success, the Leeds LEGI programme.

RESOLVED-

- (a) That the programme as commissioned to date by the programme Board be endorsed

- (b) That decisions on expenditure in line with the approved Officer Delegation Scheme be taken by the Director of Development in consultation with the LEGI Board
- (c) That further annual reports on progress in implementing the LEGI programme be brought to the Board.

27 Kirkgate Market Development Strategy Update

Further to minute 274 of the meeting held on 18th May 2005, the Director of City Development submitted a report detailing the outcome of the public consultation regarding Kirkgate Market and inviting consideration of the alternatives available for moving the preferred redevelopment option forward.

RESOLVED-

- (a) That the results of the public and tenant and trader consultation be noted and that development proposals continue to be advanced on the basis of those set out in the consultation document and on the basis of the accord shown in the public, tenant and trader opinions as set out in section 3 of the report;
- (b) That the informal discussions with the Leeds Partnership be noted;
- (c) That the commencement of an initial three month period of exclusivity with the Leeds Partnership in order to identify a suitable development option for Kirkgate Market be approved;
- (d) That officers bring back a further report to this Board detailing the outcome of the discussions with the Leeds Partnership.

DATE OF PUBLICATION 13TH June 2008
 LAST DATE FOR CALL IN (5.00 PM) 20TH June 2008

(Scrutiny Support will notify Directors of any items Called In by 12 noon on Monday 23rd June 2008)

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