



Leicester
City Council

Minutes of the Meeting of the
ECONOMIC DEVELOPMENT, TRANSPORT AND TOURISM SCRUTINY
COMMISSION

Held: WEDNESDAY, 5 FEBRUARY 2020 at 5:30 pm

P R E S E N T :

Councillor Waddington (Chair)
Councillor Sandhu (Vice-Chair)

Councillor Broadwell
Councillor Rae Bhatia
Councillor Valand

In Attendance:

Sir Peter Soulsby – City Mayor

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52. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Fonseca and Councillor Joel.

53. DECLARATIONS OF INTEREST

Councillor Broadwell declared an Other Disclosable Interest in the general business of the meeting in that she was the Acting Chair of the Leicester Transport Users Union. In accordance with the Council's Code of Conduct, this interest was not considered so significant that it was likely to prejudice Councillor Broadwell's judgement of the public interest. She therefore was not required to withdraw from the meeting.

54. MINUTES OF PREVIOUS MEETINGS

AGREED:

That the minutes of the ordinary meeting of the Commission held on 16 October 2019 and the inquorate meeting of the Commission held

on 4 December 2019 be confirmed as correct records of the respective meetings.

55. PROGRESS ON MATTERS RAISED AT THE LAST MEETING

a) Minute 45, “Social Value and Procurement Update” (4 December 2019)

Members noted that the Head of Procurement had provided a written response to questions recorded under this minute, which had been included in the agenda.

Further information was requested about what was meant by reference to the inclusion of Social Value requirements/criteria in “a lot” of intermediate contracts and how officers “could however look to measure/report on” the inclusion of these criteria in those contracts.

Members also felt that the statement that, subject to a more detailed review, the statement that a stronger commitment to Large Contracts, so that they were worded the same as for EU Contracts, was being taken was vague. The Commission asked for further information on this.

The Commission welcomed the information that the time before temporary staff would receive a Living Wage would reduce to eight weeks. However, there was some concern that in construction contracts the staff whose salaries were to be augmented could be those of supply chain partners. If the main contractor applied price pressure, small supply chain partners could be unable to cover any increased employment costs.

The Commission also queried whether a list had been published on the internet showing contracts, including suppliers’ names, in which a Living Wage condition had been included.

AGREED:

That the Head of Procurement be asked to provide further information to the next meeting of this Commission on the issues recorded above in relation to Social Value and Procurement.

b) Other Matters

In response to queries from Members raised at the meeting, it was noted that:

- The timing of the discussion that it was suggested be held on the emerging Local Transport Plan, (minute 43(a), “Questions, Representations and Statements of Case – Questions on behalf of Climate Action Leicester and Leicestershire Transport Action Group”, referred), was being considered and would be agreed once the Plan had progressed sufficiently; and
- It had been hoped that a report on an audit of disability access and facilities at City Hall would be considered at this meeting, but compilation and analysis of the data had taken longer than anticipated, so the report would

be submitted to the next meeting of the Commission. (Minute 44, “City Centre Accessibility Update”, referred).

56. PETITIONS

The Monitoring Officer reported that no petitions had been received.

57. QUESTIONS, REPRESENTATIONS AND STATEMENTS OF CASE

a) Question on behalf of Climate Friendly Homes for All, Climate Action Leicester and Leicestershire's working group on Housing

Zina Zelter asked the following question:

“We are aware that work will be starting quite soon on the Waterside development and that a lot of new homes will be built as a part of this development.

As the Goldsmith passivehaus development in Norwich shows, highly energy efficient housing which will be resilient to climate change in the coming decades does not have to be very expensive (the Goldsmith development as verified by Norwich council has come in at only 5 to 10% more expensive than standard build), nor does it need to take up any more space than normal build (the Goldsmith development has been developed in the style of terraced housing and is very space efficient while also giving residents high levels of both privacy and easier opportunities to connect with their neighbours). They will also be far more affordable for residents with bills between 70 to 90% lower.

Could you please tell us what plans the council has around requiring energy efficiency by design and locally based renewable energy generation (eg on-building solar; heat pumps driven by renewable electricity) for the new buildings in the Waterside development? Specifically what energy efficiency standards and levels of local renewable energy generation is Leicester council working towards on this development, and how possible will it be for people to live in these homes in 30 years time when much higher temperatures and more extreme weather events are far more common without expensive remedial work on the buildings, given that according to the Prometheus study by Exeter University, almost all buildings built and being built at today's standards will be subject to overheating by 2035?”

The Director of Planning, Development and Transportation advised Ms Zelter that he had discussed this with colleagues from Housing and other services across the authority, as the debate about energy efficiency and low energy living was part of the Council's Climate Emergency Conversation and also was an aspect of the developing Local Plan, (consultation on which would start in March 2020).

Waterside was a large and complex scheme, of which energy efficiency was one aspect. Its location near the city centre had created an opportunity to build-in opportunities to encourage sustainable ways of living, including walking and cycling links to the city, which would will impact positively on climate and air quality challenges.

In terms of energy efficiency and generation at Waterside, the aim was to require the highest standards practicable. Recent high-density developments at Vaughan Way/Highcross Street, (one being residential and one being hotel, office and leisure uses), incorporated high standards of insulation and air tightness, rooftop PV arrays, air source heat pumps and heat recovery systems, along with the ability to connect to the district heating system when available.

The phase 1 Keepmoat scheme was more complicated and involved significant additional costs to bring about its development. Consideration had to be given to the viability of the site and substantial grant funding needed to be secured. In terms of sustainability, Sustainable Urban Drainage systems would be included on the site, resulting in improved water quality in the river and Canal and reduced flood risk within and downstream of the site.

Discussion was ongoing on how policies from this Council's new Climate Emergency Plan and Local Plan could support this agenda. A number of different standards had been applied nationally and a review of policy options was underway, including standards such as Passivhaus.

It was intended that the Local Plan would be as clear and prescriptive as possible within the limits of national planning policy guidance, and the Council would be pushing for the most challenging standards to be adopted. However, it was recognised that some flexibility needed to be retained. For example, "viability" for complex and expensive schemes could be different to that for other schemes. In addition, some systems, such as Passivhaus, were challenging to install correctly. For example, for Passivhaus it was often difficult to get a building airtight and it was understood that some developments had experienced issues. The Director of Planning, Development and Transportation stressed that the standards in the Local Plan would relate to all relevant development, including that undertaken by the Council.

It was recognised that currently there was a shortage of people with the skills required to build to Passivhaus standards, but it was hoped that those with the skills would share them with others in the construction industry, so that training schemes could emerge over time.

b) Question on behalf of Climate Friendly Homes for All, Climate Action Leicester and Leicestershire's working group on Housing

Zina Zelter asked the following question:

"Please could you tell us what it is about passivehaus design at Saffron Acres which reduces the numbers of homes you can build, given that it

doesn't require special orientation and has pretty much the same spatial footprint as standard build houses, as shown by the recent award winning Goldsmith development in Norwich?"

The Director of Planning, Development and Transportation explained that the scheme at Saffron Acres cost approximately £20-30,000 per unit more to build than conventional housing units would have cost, which raised questions about the viability of such schemes.

The orientation of properties to benefit from passive solar gain could have an impact on the numbers of properties that could be developed in a given area. For example, in a row of terraced houses at Saffron Acres, each one was stepped back to maximise passive solar gain, meaning that fewer properties could be built. The developers of the Saffron Acres site specifically wanted the development to be south-facing, as solar gain was an aim of the development.

The following issues were noted during discussion on this:

- How easy would it be to add properties to the district heating network?;
- The cost of properties built using Passivhaus principles could be a deterrent;
- Some people could be reluctant to move in to properties that did not have conventional heating systems. Low take-up could lead to the construction industry not seeing new alternatives as viable options;
- Consideration could be given to how the development of the new ideas and skills needed would impact on economic development; and
- The Director of Tourism, Culture and Inward Investment advised that funding recently had been secured from the Construction Industry Training Board for the development of new skills needed as a result of the developments at Ashton Green and Glen Parva.

AGREED:

That the Director of Planning, Development and Transportation be asked to submit a report to this Commission at an appropriate time on how the issues raised during discussion on the questions recorded above will be addressed through the Climate Emergency Plan and Local Plan.

58. QUESTIONS FOR THE CITY MAYOR

No questions were raised.

59. DRAFT GENERAL FUND REVENUE BUDGET 2020/21 - 2021/22

The Director of Finance submitted a report setting out the City Mayor's proposed General Fund Revenue budget for 2020/21 to 2021/22. Members

noted a summary of revenue budgets for 2020/21 that were relevant to this Commission's areas of work that had been tabled at the meeting. A copy of the summary is attached at the end of these minutes for information.

The Deputy Director of Finance introduced the report, explaining that the Council had approved a one-year budget for 2019/20, as it had been expected that the system of local government funding would change during that period. It had been announced that there would be three elements to this, namely a "fair funding review" (determining the distribution of funding between councils), a review of business rates retention (to increase the proportion of business rates collected that local authorities could retain), and a review of total government funding. However, due to other national political priorities during the year, all three issues were deferred and would be implemented from 2021/22 at the earliest. Consequently, it was proposed that a one-year budget be agreed for 2020/21.

The Deputy Director of Finance drew attention to the proposed 4% increase in Council Tax for 2020/21, noting that 2% of this was for adult social care funding and the remaining 2% was for general expenditure.

It was recognised that cuts in government funding to local authorities made an increase in Council Tax necessary, but concern was raised at the impact this increase would have on households and the consequent effect on the local economy. As there was a projected £0.7m reduction in spend on the Council Tax Support Scheme, it was suggested that consideration could be given to using the Collection Fund surplus to support vulnerable households, for example by transferring it to the Council Tax Support Scheme.

During discussion on this, Members noted that the Council's policies on the collection of Council Tax were sensitive to those who could not pay what they owed, including strict policies regarding enforcement and the use of bailiffs. However, it was recognised that some people were able to pay their Council Tax but chose not to do so.

The Commission noted from media reports that intensive lobbying was being undertaken by some authorities as part of the "fair funding review" regarding perceived extra costs in rural areas. It was suggested that similar lobbying should be done by urban authorities, to seek recognition of the costs faced by those authorities. The Deputy Director of Finance assured the Commission that opportunities were taken to do so.

The following points also were noted during discussion on the report:

- The proposed budget for 2020/21 included a provision for inflation, as this was an anticipated pressure on the budget;
- Each year an estimate had to be made about what business rate and Council Tax income would be received in the Collection Fund during the following year. Any amount above this was a surplus, but was described as a one-off surplus, as it was not guaranteed that a surplus would be

received and, if it was, the amount varied from year to year;

- Reductions in the cost of the Connexions and Education Welfare Services were projected due to continued pressure to devolve funding to schools, who now had to commission their own services. This would have implications for young people not in employment, education or training;
- The Adult Education Grant was not included in the grants referred to under paragraph 8.12 of the report, as those listed were corporate, or had a wide impact on the Council's finances, but the Adult Education Grant was ring-fenced to a specific service;
- Fine income from bus lane enforcement cameras reduced following the initial period after their introduction, as drivers' behaviour adjusted. Previous experience showed that fine income reduced quite quickly, but then stabilised;
- Savings had been made on Highways expenditure, as the Council no longer had to illuminate all bollards. Changes in regulations meant that high luminosity materials could now be used instead, thereby reducing power and maintenance costs;
- The future Revenue Support Grant settlement would arise from the "fair funding review". The Local Government Association had prepared a number of models of the proposals known about so far and figures recently reported in the press were based on those models, but to date no decisions on the review had been taken;
- The uncommitted balance of the managed reserves strategy would be fundamental to managing budget reductions in future years;
- The Council had a detailed treasury management strategy, which was reported annually to Council for adoption;
- At this stage, an Equality Impact Assessment had only been done for the whole budget, as Assessments were made on a scheme-by-scheme basis as they came on-line;
- When submitted to Council for approval, the final report on the General Fund Revenue Budget 2020/21 to 2021/22 would be updated with any new information received in the final Local Government Finance Settlement; and
- Councillors were encouraged to actively participate in the determination of the financial envelopes within which the City Mayor had authority to act.

AGREED:

- 1) That the draft General Fund Revenue Budget 2020/21 to 2021/22 be received; and

2) That the Overview Select Committee be asked to:

- a) support the suggestion that consideration be given to using the projected Collection Fund surplus to support households particularly affected by the proposed Council Tax increase, for example by transferring it to the Council Tax Support Scheme;
- b) support the suggestion that lobbying be undertaken by urban authorities under the government's "fair funding review", to seek recognition of the particular costs faced by those authorities; and
- c) take the comments recorded above into account when scrutinising the draft General Fund Revenue Budget 2020/21 to 2021/22.

60. UPDATE ON THE TASK GROUP REVIEW OF ECONOMIC DEVELOPMENT AT LOCAL LEVEL

The Chair advised the Commission that the Task Group reviewing Economic Development at Local Level had last met on 18 February 2020. Some very useful evidence had been received from Public Health officers and two professors from De Montfort University regarding deprivation in the city.

There had been good attendance at Task Group meetings, so good progress was being made. It was hoped that preparation of the final report of the review would be begin shortly.

The Task Group would be visiting Preston on 18 March 2020, to discuss work undertaken there on economic development at a local level. There was a space for one additional Councillor to attend, so anyone interested in doing was asked to indicate their interest by 6 February.

The Chair reminded the Commission that it had been hoped to have a discussion with the Assistant City Mayor (Policy Delivery and Communications) about the Living Wage in the public sector. This had been deferred due to the General Election called for December 2019, but would now be arranged. Details would be circulated as soon as they were available.

61. WORK PROGRAMME

The Commission's received its 2019/20 work programme.

It was noted that a draft report from the Task Group review of Economic Development at Local level and a report on the draft Local Plan were likely to be submitted to the meeting on 7 April 2020.

62. CLOSE OF MEETING

The meeting closed at 7.00 pm

Minute Item 59

Revenue Budgets 20/21 relevant to EDTT areas of work

	£000 Employee Costs	£000 Running Costs	£000 Total Costs	£000 Income/ recharges	£000 Net Budget Ceiling
<u>Adjusted 2019/20 Budget</u>					
City Centre	153.6	22.3	175.9	0.0	175.9
Place Marketing Organisation	203.3	172.0	375.3	0.0	375.3
Economic Development	1,230.5	571.6	1,802.1	(1,713.0)	89.1
Markets	521.1	573.5	1,094.6	(1,391.4)	(296.8)
Adult Skills and Learning	3,422.0	672.5	4,094.5	(4,964.9)	(870.4)
Transport Strategy	3,586.6	12,771.3	16,357.9	(6,333.9)	10,024.0
Highways	8,345.8	13,640.3	21,986.1	(17,967.8)	4,018.3
Planning & Development	2,518.9	255.2	2,774.1	(1,799.7)	974.4
Total	19,981.8	28,678.7	48,660.5	(34,170.7)	14,489.8

Less: Spending Reviews approved:

Markets	(80.0)		(80.0)		(80.0)	Markets review
Transport Strategy			0.0	(150.0)	(150.0)	More Bus lane enforcement income
Highways		(100.0)	(100.0)		(100.0)	Replacement bollards & efficiencies
Total	(80.0)	(100.0)	(180.0)	(150.0)	(330.0)	

= 2020/21 Budget Ceiling

City Centre	153.6	22.3	175.9	0.0	175.9
Place Marketing Organisation	203.3	172.0	375.3	0.0	375.3
Economic Development	1,230.5	571.6	1,802.1	(1,713.0)	89.1
Markets	441.1	573.5	1,014.6	(1,391.4)	(376.8)
Adult Skills and Learning	3,422.0	672.5	4,094.5	(4,964.9)	(870.4)
Transport Strategy	3,586.6	12,771.3	16,357.9	(6,483.9)	9,874.0
Highways	8,345.8	13,540.3	21,886.1	(17,967.8)	3,918.3
Planning & Development	2,518.9	255.2	2,774.1	(1,799.7)	974.4
Total	19,901.8	28,578.7	48,480.5	(34,320.7)	14,159.8

