



EXECUTIVE BOARD

Meeting to be held in Civic Hall, Leeds on
Wednesday, 4th July, 2007 at 1.00 pm

Councillors

M Harris (Chair)
A Carter
R Brett
J L Carter
R Harker
P Harrand
J Procter
S Smith

MEMBERSHIP

K Wakefield
*J Blake

R Finnigan

*non voting advisory member

CONFIDENTIAL AND EXEMPT ITEMS

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

9.0 Confidential information – requirement to exclude public access

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

9.2 Confidential information means

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

10.0 Exempt information – discretion to exclude public access

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

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

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

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

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

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

A G E N D A

Item No K=Key Decision	Ward	Item Not Open		Page No
1			<p>APPEALS AGAINST REFUSAL OF INSPECTION OF DOCUMENTS</p> <p>To consider any appeals in accordance with Procedure Rule 25 of the Access to Information Procedure Rules (in the event of an Appeal the press and public will be excluded)</p>	
2			<p>LATE ITEMS</p> <p>To identify items which have been admitted to the agenda by the Chair for consideration</p> <p>(The special circumstances shall be specified in the minutes)</p>	
3			<p>EXCLUSION OF PUBLIC</p> <p>To agree that the public be excluded from the meeting during the consideration of the appendix to Item 12.</p>	
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 13 of the Members Code of Conduct</p>	
5			<p>MINUTES</p> <p>To confirm as a correct record the minutes of the meeting held on 13th June 2007.</p> <p><u>CHILDREN'S SERVICES</u></p>	1 - 8

Item No K=Key Decision	Ward	Item Not Open		Page No
6 K	Alwoodley		<p>DESIGN AND COST REPORT - ALLERTON C OF E PRIMARY SCHOOL - PROVISION OF A NEW CHILDREN'S CENTRE</p> <p>To consider the report of the Chief Executive of Education Leeds on proposals to incur expenditure of £650,000 in respect of a scheme to provide a Children's Centre at Allerton C of E Primary School.</p> <p><u>LEISURE</u></p>	9 - 14
7 K	Armley; Middleton Park; Roundhay; Temple Newsam;		<p>DESIGN AND COST REPORT - IMPROVEMENTS TO GOLF COURSES</p> <p>To consider the report of the Chief Recreation Officer requesting authority to spend £589,400 on improvement works at Temple Newsam, Roundhay Park, Middleton Park and Gotts Park golf courses arising from the Capital Receipt from the long-lease of Oulton Park golf course.</p> <p><u>ADULT HEALTH AND SOCIAL CARE</u></p>	15 - 18
8			<p>RESPONSE TO DEPUTATION FROM PARENTS AND CARERS ACTION GROUP FOR TERRY YORATH HOUSE</p> <p>To consider the report of the Director of Adult Social Services on issues raised by the deputation to Council on 18th April 2007 regarding the future provision of service at Terry Yorath House.</p>	19 - 28
9 K			<p>CAPITAL SPENDING PLAN - IMPROVEMENTS TO CARE HOMES</p> <p>To consider the report of the Director of Adult Social Services on a proposal to inject £1.645m into the capital spending plan and to spend up to that amount on improvements to care homes.</p> <p><u>CENTRAL AND CORPORATE</u></p>	29 - 34

Item No K=Key Decision	Ward	Item Not Open		Page No
10			<p>REVISED CORPORATE PLANNING FRAMEWORK</p> <p>To consider the report of the Chief Officer (Executive Support) on changes to the corporate planning framework for the city.</p>	35 - 42
11			<p>PROGRESS REPORT ON THE PPP / PFI PROGRAMME IN LEEDS</p> <p>To consider the report of the Deputy Chief Executive providing a six-monthly update on the governance and management framework for the Authority's PPP and PFI projects.</p> <p><u>DEVELOPMENT AND REGENERATION</u></p>	43 - 52
12		10.4(3)	<p>DESIGN AND COST REPORT - PROPOSED ARENA DEVELOPMENT</p> <p>To consider the report of the Director of City Development on progress made in the operator procurement process for the proposed arena development.</p> <p>(The appendix to this report is designated exempt under Access to Information Procedure Rule 10.4 (3.)</p>	53 - 64
13 K	Beeston and Holbeck; City and Hunslet;		<p>DESIGN AND COST REPORT - NEVILLE STREET ENVIRONMENTAL IMPROVEMENTS</p> <p>To consider the report of the Director of City Services on progress made on environmental improvements to the Neville Street area and a proposal to incur expenditure of £5,091,400, on the scheme of which £3,091,400 would be funded from third party sources.</p> <p><u>NEIGHBOURHOODS AND HOUSING</u></p>	65 - 74

Item No K=Key Decision	Ward	Item Not Open		Page No
14			<p>SUPPORTING PEOPLE PROGRAMME - AUDIT COMMISSION INSPECTION</p> <p>To consider the report of the Director of Environment and Neighbourhoods and the Director of Adult Social Services on the key findings and recommendations arising from the recent Audit Commission inspection of the Supporting People Programme.</p>	75 - 82
15	Chapel Allerton; Gipton and Harehills; Hyde Park and Woodhouse;		<p>LEASE AT LESS THAN BEST CONSIDERATION - AGREEMENT TO LEASE 12 MISCELLANEOUS PROPERTIES TO LATCH ON A 25 YEAR LEASE AGREEMENT</p> <p>To consider the report of the Director of Environment and Neighbourhoods on a proposal to grant a long lease at less than best consideration for 12 Leeds City Council owned miscellaneous properties to Leeds Action To Create Homes Ltd (LATCH)</p>	83 - 90
16	Pudsey		<p>DISPOSAL AT LESS THAN BEST CONSIDERATION - WATERLOO ESTATE, PUDSEY - FOR THE PROVISION OF AFFORDABLE HOUSING</p> <p>To consider the report of the Director of Environment and Neighbourhoods on disposal of the Waterloo Estate site to Yorkshire Housing Association, for the purpose of developing 30 new build affordable homes through the Housing Corporation's Approved Development Programme.</p>	91 - 98

Agenda Item 5

EXECUTIVE BOARD

WEDNESDAY, 13TH JUNE, 2007

PRESENT: Councillor M Harris in the Chair

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

Councillor Blake – Non-voting Advisory Member

1 **Late Items**

There were no late items but supplementary/additional information was provided since the despatch of the agenda as follows:

- Minute 9 - Additional supplementary information in relation to consultations and discussions undertaken contained in a report circulated on 11th June 2007 and a further report tabled at this meeting.
- Minute 11 - The current draft of the Council Plan 2007/08 document tabled at this meeting.
- Minute 14 - The Children and Young People's Plan Review document circulated on 7th June 2007.
- Minute 19 - A revised version of appendix 2 to the report tabled at this meeting.

2 **Exclusion of Public**

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

- (a) The appendix to the report referred to in minute 10 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 as disclosure would, or would be likely to, prejudice the commercial interests of the Council, disclosure of costs and details about the relationships between parties could prejudice the Council's position in dealing with claims and future negotiations. Maintaining the exemption protects the Council's negotiating position and prevents potential wasteful public expenditure.

3 **Declaration of Interests**

Draft minutes to be approved at the meeting
to be held on Wednesday, 4th July, 2007

Councillor Wakefield declared a personal interest in the item relating to the Review of 14-19 provision in Leeds as a member of the Learning and Skills Council.

Councillor Finnigan declared a personal interest in the same item as a governor of Joseph Priestley College.

4 Chair's Announcements

- (a) The Chair reported that Paul Rogerson, the Chief Executive was not present at the meeting by reason of the investiture of his award of Commander of the British Empire on this same day. The Board expressed congratulations to Mr Rogerson upon his receipt of the award which reflected upon his services to the City and the region.
- (b) The Chair announced that the Council had on the day of this meeting received an award from CIPFA in respect of its financial reporting arrangements.
- (c) The Chair welcomed Councillor Finnigan to his first meeting of the Board.

5 Minutes

RESOLVED - That the minutes of the meeting held on 16th May 2007 be approved.

CHILDREN'S SERVICES

6 Review of 14 - 19 Provision in Leeds

Further to minute 242 of the meeting held on 16th May 2007 the Chief Executive of Education Leeds submitted a report on progress of the review of 14-19 provision and on the proposed next stage to develop a detailed implementation plan in conjunction with key partners.

RESOLVED – That approval be given to the vision and approach outlined in the report and to the development of a detailed implementation plan based on the model proposed in the report.

7 Deputation to Council - Community Language Teaching in Leeds Secondary Schools (Sikh Welfare Trust)

The Chief Executive of Education Leeds submitted a report on the deputation to Council on 18th April 2007 regarding community language teaching in Leeds secondary schools.

RESOLVED –

- (a) That the concerns expressed by the deputation and the next steps described in the report be noted.
- (b) That a further report be brought to the Board following the conclusion of the consultation exercise currently underway.

LEISURE

8 Proposed Development of a Dance Headquarters on Quarry Hill for Northern Ballet Theatre Company and Phoenix Dance Company

Further to minute 114 of the meeting held on 15th November 2006 the Director of City Development submitted a report on the proposed development at Quarry Hill for the Northern Ballet Theatre and Phoenix Dance Company. Following consideration of the history of negotiations to date with private developers, it was concluded that partnership with a commercial developer via a developer led delivery model was unlikely to result in the required dance facilities. The report considered proposed delivery models with the Council taking the lead in the delivery of the project namely the Council acting as developer or the Council taking the lead on the project. The report also outlined the option of the Council taking no action, of relocating the proposed development or of attracting another commercial developer to the project.

RESOLVED –

- (a) That the current position regarding the proposed development of a new dance/theatre headquarters on site 1 Quarry Hill for Northern Ballet Theatre and Phoenix Dance Company at a total estimated cost of £11,675,000 be noted.
- (b) That support be given to the principle of a revised delivery mechanism to be pursued for the development of a new dance/theatre headquarters on site 1 Quarry Hill for use by Northern Ballet Theatre and Phoenix Dance Company, the specific mechanism to be agreed by the Director of City Development under the Council's scheme of delegation
- (c) That an additional £7,025,000 be injected into the Capital Programme for expenditure on the proposed development of a new dance/theatre headquarters, to be funded by a grant of £3,560,000 from Arts Council England, £400,000 from Northern Ballet Theatre and an additional contribution of £3,065,000 from the City Council.
- (d) That additional expenditure of £7,025,000 on the proposed development of a new dance/theatre headquarters on site 1 Quarry Hill for use by Northern Ballet Theatre and Phoenix Dance Company be authorised.
- (e) That the thanks of the Board be conveyed to those officers involved in the progression of this development since its first inception.

(Under the provisions of Council Procedure Rule 16.5 Councillor Finnigan required it to be recorded that he voted against this decision).

9 River Safety Management at Wharfemeadows Park, Manor Park and Tittybottle Park, Otley

Further to minute 241 of the meeting held on 16th May 2007 the Chief Recreation Officer and Assistant Chief Executive (Corporate Governance) submitted a report presenting the previous report on the need for water safety measures at the above location, on public meetings held and on the intention to circulate a further report to the Board following a display of the options at Otley Civic Centre on 8th June 2007.

Draft minutes to be approved at the meeting
to be held on Wednesday, 4th July, 2007

Further reports as referred to in minute 1 were also considered.

RESOLVED –

- (a) That the scheme to erect signage and to fence parts of the parks adjacent to the River Wharfe as detailed graphically in Appendix four to the report submitted to the Board on 16th May 2007 be implemented as soon as is practically possible.
- (b) That the height, design and colour of the fencing be as described in the report tabled at this meeting following the recent consultation exercise.

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

10 Swimming and Diving Centre, John Charles Centre for Sport

Further to minute 127 of the meeting held on 13th December 2006 the Director of City Development submitted a report on the anticipated final budget shortfall in respect of the above scheme, on the work areas that have contributed to the shortfall, the reasons and the actions taken and being undertaken, to try and reduce the anticipated shortfall.

Following consideration of the appendix to the report designated 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 recommendations identifying funding to meet the anticipated final budget shortfall, as contained in the exempt appendix to the report, be approved.

CENTRAL AND CORPORATE

11 The Council Plan 2007/08

The Chief Officer Executive Support submitted a report on the production of the Council's Best Value Performance Plan – the Council Plan 2007/08 to be submitted to the Council meeting on 20th June 2007 for approval to publish on 30th June 2007.

Copies of the current draft of the Plan were circulated at the meeting.

RESOLVED – That Council be recommended:

- (a) To approve the Council Plan to allow publication by 30th June 2007
- (b) To authorise the Chief Executive to upgrade and complete the Council Plan with any outstanding information prior to its publication on 30th June 2007
- (c) To authorise the Executive to make any necessary in-year amendments to the Council Plan subject to the amendments being reported to the next available Council meeting.

12 Performance Outturn 2006/07

The Director of Resources submitted a report on the Council's financial performance for the year ending 31st March 2007 prior to the submission of the annual accounts to the Corporate Governance and Audit Committee for approval, and subject to audit.

RESOLVED – That the report be noted and that approval be given to the creation of an earmarked reserve and an injection to the capital programme in respect of the Housing Revenue Account as detailed in paragraph 7.8 of the submitted report.

DEVELOPMENT AND REGENERATION

13 EASEL Area Action Plan Preferred Options

The Director of City Development submitted a report on proposals to consult on the Preferred Options for the EASEL Area Action Plan.

The report detailed actions taken to date to arrive at the Council's preferred options and presented the Council's response to comments received on the Alternative Options consultation, the summary of the Area Action Plan Sustainability Appraisal Report and the preferred options development plan document.

RESOLVED –

- (a) That the outcome of the informal consultation undertaken as part of the preparation of the Preferred Options be noted
- (b) That the East and South East Leeds Preferred Options be approved for publication together with its Sustainability Appraisal Summary Report and other supporting documents and that representations be formally invited between 18th and 30th July 2007.

CHILDREN'S SERVICES

14 The 2007 Review of the Children and Young People's Plan and the Annual Performance Assessment

The Director of Children's Services submitted a report on the 2007 Review of the Children and Young People's Plan.

A copy of the revised Plan had been circulated subsequent to the despatch of the agenda.

RESOLVED –

- (a) That the Children and Young People's Plan Review be approved as necessary in year amendments to the Plan and those amendments be reported for information to the next meeting of the Council.
- (b) That the final document be submitted to the next meeting of this Board for information.

15 The Future of Youth Services in Leeds

The Director of Children's Services submitted a report on the implications of the Education and Inspections Act 2006 for youth services in Leeds.

RESOLVED –

- (a) That an Integrated Youth Support Service as described in the report, be established in Leeds as from April 2008
- (b) That approval be given to the full integration of Leeds Youth Service and the localised Connexions Service into the Integrated Youth Support Service as part of a wider universal offer for 0-19 year olds.
- (c) That the Director of Children's Services progress all aspects set out in the report for the integration of services for young people.
- (d) That 2007/08 be regarded as a year of transition and change.

16 Design and Cost Report - New Wortley Children's Centre

The Acting Chief Officer for Early Years and Youth Services submitted a report on the construction of an extension to the existing Castleton Primary School to create New Wortley Children's Centre.

RESOLVED – That approval be given to the transfer of £935,000 from the Phase 2 Children's Centre Parent Scheme 12394 and that authority be given to incur expenditure of £768,000 on construction, £40,000 on equipment and £127,000 on fees.

17 Primary Review - Guiseley Primary Planning Area

The Chief Executive of Education Leeds submitted a report on the outcome of a review of primary provision in the Guiseley Planning Area.

The report presented options which had been considered as follows:

- 1 Increase the admissions number at both Guiseley Infant School and St Oswald's Junior School from 80 to 90 with effect from September 2009
- 2 Expand provision at either Tranmere Park or Hawksworth
- 3 Expand provision in Queensway
- 4 Convert both Guiseley Infants School and St Oswald's Junior School into through primaries (either 1.5FE or 2FE)

RESOLVED – That the choice of Option 1, with consultation taking place through the Annual Admissions process, be noted

18 Primary Review - Wetherby Primary Planning Area

The Chief Executive of Education Leeds submitted a report on the outcome of a review of primary provision in the Wetherby Planning Area.

The report presented options which had been considered as follows;

- 1 Maintain all current provision
- 2 Reduce the admissions limit of Deighton Gates Primary from 60 to 45
- 3 Reduce the admissions limit of Deighton Gates Primary from 60 to 30

- 4 Amalgamation of Deighton Gates with Crossley Street to form a 2 form entry school
- 5 Amalgamation of Deighton Gates with St James CE (VC) to form a 2 form entry school

RESOLVED – That the choice of option 1 be noted

19 Amendments to Home to School Transport Policy

The Chief Executive of Education Leeds submitted a report on proposed amendments to the Home to School Transport Policy in accordance with the Education and Inspections Act 2006 to be implemented from September 2008.

A revised version of appendix 2 to the report was circulated at the meeting.

RESOLVED – That the report be noted and that the revised policy, as contained in the tabled appendix 2 to the report, be approved for implementation.

DATE OF PUBLICATION: 15TH JUNE 2007
LAST DATE FOR CALL IN : 22ND JUNE 2007

(Scrutiny Support will notify Directors of any items called in by 12.00 noon on Monday 25th June 2007)

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Report of: The Chief Executive of Education Leeds

To: Executive Board

Date: 4 July 2007

Subject: Executive Summary

1. Purpose

This report seeks approval to proceed with the proposed scheme to provide a Children's Centre at Allerton C of E Primary School. Approval will also be sought to incur the necessary capital expenditure.

2. Main Issues and Options

Allerton C of E Primary School will open in September 2007 on the former Archbishop Cranmer C of E Primary School site as a result of the Review of Primary School Provision in the Alwoodley Planning area. Archbishop Cranmer C of E Primary School and Fir Tree Primary School will cease to exist in August 2007.

The new school has also been identified by colleagues in Early Years as the site of a full Children's Centre facility. However, the present building is not capable of housing the required number of children together with a children's centre. The school will therefore require to be supplemented by an area of new building.

It has been agreed that the best location for the Children's Centre is in the present building, which will subsequently result in the need to construct additional basic classroom accommodation to house the displaced school age pupils. The works will be split into two phases; this report seeks approval to proceed with Phase 1 of the programme, consisting of remodeling works to the present building to house the Children's Centre. The cost of the scheme will be financed by Children's Centre Capital Grant. 'Phase 2' will consist of the construction of the additional basic classroom accommodation, to be completed for operational use in September 2008. The Phase 2 works will be the subject of a future report to Executive Board. Whilst these works proceed there is the need to house six classes of key stage 2 children in a block of temporary classrooms. These works will be financed by the same Children's Centre Capital Grant in line with the grant conditions.

3. Recommendations

Members of the Executive Board are requested to:

- a) Approve the design proposals in respect of the scheme to provide a Children's Centre at Allerton C of E Primary School;
- b) Authorise expenditure of £650,000 from capital scheme 13767/CEN/000.

Report of: The Chief Executive of Education Leeds

To: Executive Board

Date: 4 July 2007

Subject: Design & Cost Report

Scheme Title ALLERTON C OF E PRIMARY SCHOOL – PROVISION OF NEW CHILDREN’S CENTRE

Capital Scheme Number 13767/CEN/000

Electoral Wards Affected:
 Alwoodley

Specific Implications For:

Ethnic minorities

Women

Disabled people

Eligible for Call In

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

1.00 Purpose of this Report

1.01 The purpose of this report is to:

- a) Seek approval to the design proposals in respect of the scheme to provide a Children’s Centre at Allerton C of E Primary School;
- c) Seek approval to incur expenditure of £650,000 in respect of the above scheme from capital scheme number 13767/CEN/000.

2.00 Background Information

2.01 Allerton C of E Primary School will open in September 2007 on the former Archbishop Cranmer C of E Primary School site as a result of the Review of Primary School Provision in the Alwoodley Planning area. Archbishop Cranmer C of E Primary School and Fir Tree Primary School will cease to exist in August 2007.

2.02 The new school has also been identified by colleagues in Early Years as the site of a full Children’s Centre facility. However, the present building is not capable of housing the required number of children together with a children’s centre and will therefore required to be supplemented by an area of new building.

- 2.03 Following a number of meetings attended by representatives from Early Years, the school Head Teacher designate and members of the school Temporary Governing Body it was agreed that the best location for the Children's Centre is in the present building, adjacent to the school's existing Reception class area. As a consequence, this will result in the need to construct additional basic classroom accommodation to house the displaced school age pupils.
- 2.04 The works will be split into two phases; this report seeks approval to proceed with Phase 1 of the programme, consisting of remodeling works to the present building to house the Children's Centre. Phase 2 will consist of the construction of the additional basic classroom accommodation, to be completed for operational use in September 2008. The Phase 2 works will be the subject of a future report to Executive Board.
- 2.05 Whilst the Children's Centre is provided by remodeling of the present building, and prior to the newly constructed accommodation being completed, there is the need to house six classes of key stage 2 children in a block of temporary classrooms. Approval to proceed with the temporary accommodation element of the overall scheme was made by the Director of Corporate Services.

3 Design Proposals / Scheme Description

- 3.01 The area identified for conversion (approximately 470m²) presently consists of five classrooms, an IT suite, a small library, boys and girls toilets, cloakrooms and storage.
- 3.02 The area when converted will consist of a 0-5 years of age childcare facility for up to 50 children, a 32 place out of school club/multi purpose/training room a counseling room, kitchen cloakrooms, toilets, and storage.
- 3.03 The area will also house a 45 place reception class, which will operate in conjunction with the childrens centre facility.
- 3.04 Construction costs are estimated in the sum of £570,000. The City Council's Strategic Design Alliance has been appointed to carry out all pre and post tender design and supervision works.

4 Consultations

- 4.01 This scheme has been the subject of consultations with Education Leeds and Early Years officers, the school and the governing body. The scheme proposals have been approved by the Education Leeds Capital Projects Board.

5 Programme

- 5.01 The strategic programme for the proposed scheme is as follows:

Tenders out:	8 August 2007
Tenders in	5 September 2007
Start on Site	22 October 2007
Practical Completion	9 May 2008

6 Implications for Council Policy and Governance

These works will contribute to the following themes outlined in the Vision for Leeds 2004-2020.

Cultural Life:

To enhance and increase cultural opportunities for everyone.
To develop talent.

Enterprise and the Economy

To contribute to the development of a future healthy skilled workforce.

Environment City

Provide a better quality environment for our children.

Harmonious Communities

Contribute to tackling social, economic and environmental discrimination and inequality. To make sure that children and young people have a healthy start to life.

Health and Wellbeing

Contributing to the protection of people's health and support people to stay healthy.

Learning:

Contribute to the development of equal educational achievement between different ethnic and social groups.

Improving numeracy, literacy and levels of achievement by young people throughout the city.

Make sure that strong and effective schools are at the heart of communities.

Promote lifelong learning to encourage economic success, achieve personal satisfaction and promote unity in communities.

Thriving Places

Actively involve the community.

Improve public services in all neighbourhoods

Regenerate and restore confidence in every part of the city.

7 Legal and Resource Implications

- 7.01 Estimated costs for this scheme have been determined by qualified quantity surveyors based on an approved costing system, using the fourth quarter of 2006 as the base date for the cost estimate
- 7.02 The estimated construction cost of the project is £570,000, which equates to approximately £1,200 per m². Design fees and associated planning and building regulation costs are estimated at £80,000. This report seeks approval to expend these amounts.

8 Capital Funding and Cash Flow

8.01

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2007 £000's	FORECAST					
			2007/08 £000's	2008/09 £000's	2009/10 £000's	2010/11 £000's	2011 on £000's	
LAND (1)	0.0							
CONSTRUCTION (3)	150.0		100.0	50.0				
FURN & EQPT (5)	0.0							
DESIGN FEES (6)	0.0							
OTHER COSTS (7)	0.0							
TOTALS	150.0	0.0	100.0	50.0	0.0	0.0	0.0	0.0

Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2007 £000's	FORECAST					
			2007/08 £000's	2008/09 £000's	2009/10 £000's	2010/11 £000's	2011 on £000's	
LAND (1)	0.0							
CONSTRUCTION (3)	570.0		420.0	150.0				
FURN & EQPT (5)	0.0							
DESIGN FEES (6)	80.0		80.0					
OTHER COSTS (7)	0.0							
TOTALS	650.0	0.0	500.0	150.0	0.0	0.0	0.0	0.0

Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2007 £000's	FORECAST					
			2007/08 £000's	2008/09 £000's	2009/10 £000's	2010/11 £000's	2011 on £000's	
Childrens Centre Capital Grant	-800.0		-600.0	-200.0				
Total Funding	-800.0	0.0	-600.0	-200.0	0.0	0.0	0.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Parent Scheme Number : 13767/000/000

Title : Allerton C of E Primary School – Children’s Centre and School Extension

The scheme will be funded from Children’s Centre Capital Grant. This grant, totaling £800,000 is currently held in the Early Years capital programme within scheme number 12394/000/000. The DfES has agreed that this capital project can be completed after the grant deadline date of 31st March 2008.

8.02 Revenue Effects

It is proposed to allocate each Children’s Centre a share of the Children’s Centre revenue grant based on the deprivation of the area served by the Children’s Centre, the size of the centre and a contribution to the school’s utility costs. In addition the Children’s Centre will have access to a citywide outreach service.

The following table illustrates the alterations that may be necessary to the Early Years Service’s revenue budget:

REVENUE EFFECTS	2007/08 £000's	2008/09 AND SUBSEQUENT YEARS £000'S
EMPLOYEES		
PREMISES COSTS		
SUPPLIES & SERVICES	20.0	85.0
CC REVENUE GRANT	-20.0	-85.0

8.03 Risk Assessments

Operational risks will be addressed by effective use of CDM regulations, close supervision with the contractors and continual liaison with the school.

9 Recommendations

9.01 The Executive Board is requested to:

- a) Approve the design proposals in respect of the scheme to provide a Children's Centre at **Allerton C of E** Primary School;
- b) Authorise expenditure of £650,000 from capital scheme 13767/CEN/000.

Originator: D Preston
Tel: 78395

Report of Chief Recreation Officer

To Executive Board

Date: 4th July 2007

Subject: Design & Cost Report – Improvements to Golf Courses – Scheme No. 12552

Electoral Wards Affected:
 Armley
 Middleton Park
 Roundhay
 Temple Newsam

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

The purpose of this report is to request authority to spend £589,400 on improvements to the four golf courses under the management of the City Council funded from the Capital Receipt from the lease of Oulton golf course. The funds will be spent on the purchase of equipment, machinery and course improvement works.

1.0 Purpose of this Report

- 1.1 This report provides details of the intended implementation of work at Temple Newsam, Roundhay Park, Middleton Park and Gotts Park golf courses and requests authority to spend £589,400 on the works outlined below.
- 1.2 These improvement works are funded from the Capital Receipt received on the grant of a long lease of Oulton Park Golf course to De Vere's Hotels, which was injected in to the 2006/7 Capital Programme. Executive Board, at its meeting on 13th February 2004 approved the grant of the lease and the use of the Capital Receipt for refurbishment of existing sports facilities and golf courses..

2.0 Background Information

- 2.1 Parks and Countryside manage four pay and play golf courses. The courses in brief comprise of:
 - Temple Newsam – Two 18 holes
 - Middleton Park – 18 holes
 - Gotts Park – 18 holes
 - Roundhay – 9 holes

- 2.2 To ensure the golfer experience at the courses is improved and to help keep income levels maintained, it is essential that the golf courses benefit from investment to support developments and maintenance. The four public pay and play courses provide affordable golf to the people of Leeds and support their healthy living and physical activity agendas.
- 2.3 In 2006/7 there were 133.5 closure days on these four courses due to inclement weather and its impact on drainage. Refurbishment and proper equipment to maintain courses should lead to a reduced number of closure days and therefore less loss of income.
- 2.4 £9,255 has been spent in 2006/2007 on emergency works at Temple Newsam golf course on the replacement of a bridge, which was in a dangerous condition and posed a possible threat to public safety.

3.0 Design Proposals/Scheme Description

3.1 The proposed works to be carried out in summary are;

a) Purchase of new machinery for use across all the courses

- Thatching Reels
- Greens Vertidrainers
- Proseeder overseeder
- Greens Corer
- Topdresser
- Boom sprayer x 2
- Leaf collection (Trilo)

Total cost £78,000

b) Improvements at Gotts Park

- New Irrigation Tank
- Irrigation system upgraded
- Car park improvements
- Provision of footpaths on heavily used traffic routes
- Improved 15th fairway drainage

Total cost £61,000

c) Improvements at Temple Newsam

- Bridge repairs
- Bunker reconstruction
- Traffic routes
- Fairway drainage

Total cost £191,867

d) Improvements at Roundhay

- Install Irrigation system
- Fairway drainage

Total cost £65,000

- e) Improvements at Middleton
- Irrigation system upgrade
 - Fairway drainage
 - Traffic routes
 - Tee construction
 - Club House and Shop Improvements

Total cost £133,000

- f) Consultants fees for the marketing exercise for the disposal of Oulton Golf Course, £51,278.

3.2 Work is expected to commence during late Summer 2007 with completion expected by Spring 2008. The works will be phased to be undertaken at the most appropriate time and to cause least disruption to the courses, golfers, members of the public and the service's income stream.

3.3 The majority of the work will be undertaken by Parks and Countryside staff, however where necessary specialist contractors will be engaged.

4.0 Community Safety

4.1 Throughout all processes of implementation the appropriate measures will be taken to ensure that no member of the public is put at risk.

4.2 All aspects of safety will be considered to ensure that on completion of the project all current legislation is adhered to in respect of safety.

4.3 The on course works will fall under the Construction, Design and Management Regulations.

5.0 Scheme Design Estimate

5.1 The total cost for the implementation of work is £589,400.

5.2 This is divided into:

Machinery	£ 78,000
Bridge works	£ 9,255
Irrigation, drainage and course infrastructure	£450,867
Marketing costs	£ 51,278

Total £589,400

6.0 Risk Assessment

6.1 Full and comprehensive risk assessments will be undertaken prior to work commencing on site. Contractors will ensure that whilst work is being undertaken on the golf courses, the safety of members of the public is maintained at all times.

7.0 Capital Funding and Cash Flow

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2007 £000's	FORECAST				
			2006/07 £000's	2007/08 £000's	2008/09 £000's	2009/10 £000's	2010 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	0.0						
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	0.0						
OTHER COSTS (7)	0.0						
TOTALS	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2007 £000's	FORECAST				
			2006/07 £000's	2007/08 £000's	2008/09 £000's	2009/10 £000's	2010 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	460.2		9.3	231.0	219.9		
FURN & EQPT (5)	78.0			78.0			
DESIGN FEES (6)			51.2			0.0	
OTHER COSTS (7)							
TOTALS	589.4	0.0	60.5	309.0	219.9	0.0	0.0

Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2007 £000's	FORECAST				
			2006/07 £000's	2007/08 £000's	2008/09 £000's	2009/10 £000's	2010 on £000's
LCC Gen Rec & Borrowing	589.4		60.5	309.0	219.9		
Total Funding	589.4	0.0	60.5	309.0	219.9	0.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0	0.0

8.0 Revenue Effects

8.1 On going maintenance of the sites will continue to be undertaken by Parks and Countryside from existing revenue budgets.

9.0 Compliance with Council Policies

9.1 This project complies with Council Policies, Strategies and Initiatives and the Council's Corporate Plan. In particular health and safety, environmental matters, equal opportunities issues and customer care are all relevant to this project.

10.0 Recommendations

10.0 The Executive Board is requested to give authority to incur expenditure of £589,400 on the Golf Course Improvement works.



Originator: Mike Evans

Tel: 78702

Report of the Director of Adult Social Services

Executive Board

Date: 4 July 2007

Subject: Response to Deputation from Parents and Carers Action Group for Terry Yorath House

Electoral Wards Affected:

All

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity /

Community Cohesion /

Narrowing the Gap /

Eligible for Call In Y

Not Eligible for Call In
(Details contained in the re

EXECUTIVE SUMMARY

This report is in response to the Deputation before Council on 18 April 2007 and informs Members of the issues relating to the future provision of service at Terry Yorath House. The report will respond to the main issues raised in the deputation in turn.

The report concludes that the consultation is at an early stage and the Parents Action Group is a key stakeholder as the consultation proceeds.

The report recommends that Members note the response by the Director of Adult Social Services to the issues raised by the deputation. A further report will be presented to the Executive Board in November 2007 reporting on the outcomes of the consultation and making recommendations on the way forward with regard to the services at Terry Yorath House.

1. Purpose of This Report

- 1.1. This report is in response to the Deputation before Council on 18 April and to inform Members of the issues relating to the provision of service at Terry Yorath House.

2. Background Information

- 2.1. Terry Yorath House is owned by the City Council and care services are provided under contract by Disabilities Trust. The residential care home is located off Street Lane, in Roundhay, Leeds. It is a care home for disabled adults built in four wings around a central common room. The property provides single story residential accommodation for 10 permanent residents, and provides 2 respite places, which are used by approximately fourteen disabled people during year. All but one resident originate from Leeds, the exception is a resident placed and funded by Wakefield Social Services.
- 2.2. In 2005 the then Social Services Department received proposals from the Disabilities Trust with regard to the development of the service which included a request to purchase the freehold of the care home which remains the property of Leeds City Council. The Disabilities Trust proposals included improvements to the existing building, the expansion of the service as a regional facility and the development of outreach services for people living in the community. Following detailed consideration of the Disabilities Trust proposals the department decided to set up a commissioning project to consider the options available regarding both the accommodation and support services. The challenge for the project was to determine how the needs of those people currently receiving a service from Terry Yorath House could be met whilst at the same time planning services that would meet the future needs and expectations of disabled people in Leeds. The first part of the project was consultation with service users and carers.
- 2.3. Some of the parents of the residents of Terry Yorath House have expressed concern about the project considering the options available regarding both the accommodation and support services and have formed into an Action Group. In their deputation to the council the group suggest that:
 - change is not required
 - the consultation process was flawed,
 - the organisation chosen to do the research was inappropriate,
 - inappropriate research methods were used and
 - the concerns of residents and family carers have been misrepresented

3. Deputation Main Issues: Change is not required

- 3.1. The Disabilities Trust is a national organisation providing care services at Terry Yorath House as a joint venture with the council.
- 3.2. The home has groups of four single en-suite bedrooms that are built around a central lounge/ dining room and kitchen. The centre is purpose built and all on the ground floor. . If built today there would be greater opportunity to have self contained accommodation which would increase individual autonomy and privacy. .
- 3.3. Recent developments for older people and disabled people in Leeds have enabled individual's to receive 24 hour support within extra care and supported housing schemes as an alternative to residential care. Where such schemes have been developed they are in high demand. In contrast whilst it has been possible to fill

vacancies at Terry Yorath House, there was low demand for the three vacancies that have arisen over the past 12 months.

- 3.4. The Disabilities Trust, who have provided the care since the commencement of the service, had identified the need for change and development of the service. Adult Social Services concurred with their view on the need to examine the options, but decided that this was best led by the service which has responsibility for meeting the needs of all disabled people in the city and commissioning services to meet those needs.

4. Deputation Main Issues: Flawed Consultation Process

- 4.1. The Department considers that the consultation process which has been used so far represents good practice and follows a similar model to other consultation exercises in similar circumstances. A project manager has been appointed to lead the project and which is at an early stage in the consultation process.

- 4.2. To facilitate effective consultation and involvement the following steps have been taken:

- Allocating resources to involve service users and carers throughout the process
- Holding an open meeting at the outset for all service users and their carers to outline the process and explain how they will be involved at every key stage
- Commissioning Leeds Centre for Integrated Living (LCIL) which is an organisation of disabled people, to talk to each resident, user of respite services, their carers, and a sample of potential future disabled users, about their care and support wishes. Offering independent advocates for all who feel they need one to take part in the on-going consultation
- Allocating social worker time to update all formal community care assessments for people using Terry Yorath House
- Preparing and distributing accessible questions and answer sheets covering all questions raised during the consultation process to-date
- Producing a web page on the council's web-site that provides a summary of the project and copies of the key documents:
- Making a written commitment to proactively work with involve service users and carers during the whole project.

- 4.3. At a meeting with the Parents Action Group on the 6th March it was agreed that regular meetings will take place with the Group throughout the project.

- 4.4. The Leeds Centre for Integrated Living (LCIL) has prepared a draft report which everyone who has been involved in the process so far has been invited to comment on. Once comments have been gathered in a process of determining options will begin.

5. Deputation Main Issues: Inappropriate research organisation

- 5.1. The Leeds Centre for Integrated Living (LCIL) was asked to provide conduct the initial phase of consultation focusing on the wishes and needs of the current residents and the likely wishes and needs from disabled adults who may need accommodation and support in the future.
- 5.2. Adult Social Services asked Leeds Centre for Integrated Living (Leeds CIL) to carry out the consultation on behalf of the Department for four reasons:

- Leeds CIL is co-run by an Executive Committee of disabled people and Social Services. The Committee guides and develops all Leeds CIL's work. Some members of the Committee use supported living services, as does the Leeds CIL Manager, so they had direct experience of some the issues involved.
- Leeds CIL has experience of dealing with change and had provided support for people who had left residential care in the past and moved into Supported Independent Living.
- Leeds CIL runs the Direct Payments Support Service in Leeds, called ASIST. Therefore it had experience of assisting disabled people (including people with substantial support requirements) to make choices about how their personal support needs should be met and to have control over these services.
- Leeds CIL has experienced officers who could carry out the consultation.

6. Deputation Main Issues: Inappropriate research methods

- 6.1. Adult Social Services supported the consultation method used by LCIL and based on a social approach to disability, as described in a recent report prepared for Leeds City Council on consulting disabled people. The service considers that it has sought the best advice possible on an appropriate method for involving disabled people in this process
- 6.2. Specific advice was sought from Dr Mark Priestley (Reader in Disability Studies at the University of Leeds) who recommended the use of a 'user-defined outcomes' approach, as a means of identifying the type of accommodation and lifestyle that people wanted for themselves.
- 6.3. He provided an explanation of the usefulness of this approach to Leeds CIL and stressed the importance of the availability of choices as well as people being supported to make choices.
- 6.4. In undertaking this work the residents and their families have been asked if they require independent advocates and this has been arranged.
- 6.5. LCIL began by assessing 'Access Requirements' of people wanting to take part in the consultation. People were given the opportunity at this early stage to identify their access needs either by themselves or with help from parents / carers or support workers. Participants were asked about their access requirements; including choosing where they want the consultation meeting to take place and who (if anyone) they would like to have with them when they were consulted.
- 6.6. Leeds CIL then devised the following list of topics that would be discussed during meetings with disabled people who required supported living services and with their family/carers:
 - Your home
 - Your family
 - Your friends
 - During the day
 - In the evening
 - Holidays
- 6.7. Each person was asked to think about the future and describe the outcomes that they want in each of these areas.

- 6.8. The draft of LCIL's report has been shared with all those involved in the consultation and placed on the Council's Terry Yorath web page. The report contains a plain language executive summary for those who are not familiar with the background or have only limited time to spend on reading the report. In addition the report will be accompanied by an offer from the manager of LCIL to explain any aspect that people are unsure about.
- 7. Deputation Main Issues: concerns of residents and family carers have been misrepresented**
- 7.1. The draft report makes clear that there are strongly held differences of opinion with regard to options for the future.
- 7.2. There were points that everyone agreed with:
- Support services will need to be flexible enough to accommodate varying lifestyles, routines and personal care requirements.
 - Being able to easily meet and spend time with other people living on the Terry Yorath site is very important.
 - There should be support workers available who share some of the interests of the people they are assisting.
- 7.3. However there were also two strong opinions expressed during the consultation:
- Leave things as they are, the traditional residential model is best for disabled people who have high level support needs
 - Provide the option of people living in their own homes, with more flexible services and give people more choice of what to do during the day and evening and when going on holiday
- 7.4. The report concludes that what people described as the good points of traditional residential care (e.g. security, community spirit, and twenty-four hour support) can be provided in a variety of service models.
- 7.5. The Director of Adult Social Services fully understands the strength of feeling held by those people involved in this consultation who are opposed to changes in the service provided at Terry Yorath House. During the next phase, which is to consider the key messages from the consultation and prepare the options based on a business case approach, careful consideration will be given to these different views. The development of options and further work to find common ground will involve all those people who have been party to the consultation so far.
- 8. Implications for Council Policy and Governance**
- 8.1. It is important that the Executive Board notes that Council policy and governance requires that the all service users and carers have a voice in this process and we committed to ensuring this happens.

9. Legal and Resource Implications

- 9.1 Following comments from the Overview and Scrutiny Committee, and further legal advice, the contract for care services provided by the Disabilities Trust has been extended for a further 12 months with the option of an additional 2 x 12 months extension if required. The terms of the contract have been amended to include a 4 month termination notice period.
- 9.2 As part of ongoing service review and in line with Department of Health expectations as outlined in the recent White Paper "Our Health, Our Care, Our Say, the City Council is committed to ensuring that services can be delivered according to principles of best practice and best value. In view of the potential contract change the review of this service is being carried out in full consultation with service users and their carers to ensure that the future arrangements provide the best possible services for disabled people and services which afford them dignity and choice in the way they live their daily lives.

10. Conclusions

- 10.1. In conclusion, the consultation is at an early stage and the Parents Action Group are key stakeholders in the process. A commitment has been given that senior managers from the service will continue to meet with the group on a regular basis.

11. Recommendations

- 11.1 That Members note the response by the Director of Adult Social Services to the issues raised by the deputation.
- 11.2 That a further report be presented to the Executive Board in November 2007 reporting on the outcomes of the consultation and making recommendations on the way forward with regard to the services at Terry Yorath House.

Deputation – Leeds City Council Meeting
Wednesday 18th April 2007

Deputation Representatives:

Coleen Greenwood –	Co-ordinator Parent Carers Terry Yorath House (TYH) Action Group
John Moody	Parent Carer – TYH Action Group
Wendy Moody	Parent Carer – TYH Action Group
Margaret Smith	Parent Carer – TYH Acton Group
Tim McSharry	Access Committee for Leeds

Malcolm Naylor

Thank you Lord Mayor.

Why is Terry Yorath House so important to its residents and family carers?

Simply because Terry Yorath House offers a level of care and support that is truly exemplar and is of the highest standards and quality anywhere in Leeds.

The residents of Terry Yorath House **do** have choices in their everyday living and real opportunities to develop their own independence across a diverse range of social, health and educational activities.

Terry Yorath House is a purpose built fully accessible facility that offers a safe, friendly and inclusive environment that can be considered a "Model of Best Practice" with regards to the quality and professionalism of staff and a "Benchmark of Accessibility" when compared to many other facilities in Leeds.

Given this outstanding facility and the level of care and satisfaction of the residents of Terry Yorath House, there can be no common sense or logical basis for this Councils drive to introduce unnecessary and expensive changes.....changes that have already caused unacceptable levels of disruption and distress for residents and family carers involved.

The whole process behind the drive to "Remodel" Terry Yorath House and the manner in which the needs and concerns of the residents and family carers have been misrepresented should cause even this Council to question the validity and appropriateness of any recommendations for reconstruction of the building.

When considering that many of the residents of Terry Yorath House have hidden disabilities with complex support and communication needs, it is an appalling failure of this Council, and its alleged consultation process, to provide advocates for some residents, without ensuring that there was also a meaningful opportunity and timescale for the residents to develop a level of trust and understanding with their advocates, otherwise it is simply a box ticking exercise that exploits anyone who requires an advocate.

Also, when parent carers attend meetings to be informed that no decisions have been made and that everything depends on the findings of the consultation....**whilst at the same time** being informed that their needs will be recorded but will not count simply because the "Most Likely Outcome" is that Terry Yorath House will be tendered on a "Less Than Best Deal",**Would Surly** cause anyone to question the validity of the consultation.

It is inappropriate and cannot be acceptable for this Council to engage a wholly owned subsidiary to deliver a supposedly impartial and unbiased consultation. A fact that is underlined when the Chair of the organisation carrying out the consultation, openly makes public comments that are hostile to the needs and concerns of the residents and family carers involved, comments which under the standing orders of this Council may be considered to have conflicts of interest that clearly prejudice the consultation process.

In considering the distress that has already been caused by this policy, this Council has failed in your duty of care to the residents of Terry Yorath House, in addition to failing to meet your obligations to the family carers involved and you have also failed to have due regard for your legal obligations as defined by the many social care acts and the Equality Act 2005.

It is abundantly clear that this whole consultation process is irreversibly flawed, the Parent Carers Action Group on behalf of the carers and residents who we support call on this council to impose a moratorium on the process to allegedly "Refurbish" Terry Yorath House, to enable the appropriate committee sufficient time to thoroughly scrutinise the remodelling policy and its compromised consultation process;

Or failing that, we demand that the District Auditor is engaged without delay to fully investigate this whole self serving fiasco that is damaging the lives of the Terry Yorath House residents and their family carers.

Thank You.

Coleen Greenwood – Parent Carer

I would like to invite anyone on this council to visit Ty House & its residents to see first hand what this deputation has been about.



Originator: Andrew Cross
Tel: 0113 2478450

Report of the Director of Adult Social Services

Executive Board

Date: 4 July 2007

Subject: Design & Cost Report [Improvements to Care Homes – Older People Capital Scheme Number 13763 / 000 / 000]

Electoral Wards Affected:
All

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

- A capital grant of £1.04m is being provided by the Department of Health to enhance the physical environment in care homes registered to provide nursing or personal care where the majority of places are for older people.
- Leeds City Council's Adult Social Care have been asked to administer the distribution of this grant to both Local Authority run care homes, and independent sector care homes.
- All care homes were asked to submit bids, and following applications from care homes totaling £2.7m (£1.3m from Local Authority Homes and £1.4m from Independent Sector Homes), a selection process was undertaken which resulted in a conditional agreement that a total of £700K will be distributed to 56 different independent sector homes, and £327K to fund improvements in 16 different Local Authority run homes.
- All of the grant must be spent by March 31st 2008
- A capital receipt of £630K from the sale of the Breece, has been identified to contribute towards improvements in the physical environment for Local Authority care homes. Of the £630K, £170K is planned to be spent on 6 respite suites at Local Authority homes. The remaining £460K will be spent on further dignity improvements to help fund the shortfall between needs identified by LA Care Homes in their application, and the LA care homes allocation of DoH Grant.
- £25K of the £630K has already been approved to provide a respite suite at Suffolk Court care home.

1.0 Purpose of this Report

1.1 The purpose of this report is to obtain approval to inject £1.645m into the Capital Programme, and seek authority to spend up to a value of £1.645m.

2.0 Background Information

2.1 Leeds City Council owns and runs care homes for older people. In addition the Council works in partnership with the independent sector who also provide care homes for older people.

2.2 The Department of Health has provided Leeds City Council with £1.04m to improve the physical environment of registered care homes where the majority of service users are older people.

2.3 The capital grant is intended to support improvements which will make the greatest difference to the quality of life of the residents – improvements to areas exclusively used by staff would therefore be inappropriate.

2.4 The conditions of the grant are that;

- Improvements should not be of such magnitude as to prompt a demand for increased fees;
- Grants should not enable large scale or expensive redevelopments which benefit only a small number of care homes;
- Grants should not unreasonably favour homes owned by the Local Authority;
- Care home providers should be given a degree of discretion and flexibility in making the intended improvements;
- The grant must be spent by March 31st 2008, otherwise unspent funds will be returned to the Department of Health.

2.5 Additionally Leeds City Council has recently sold the Breece holiday home in Scarborough for £630K. Approval is sought for the capital receipt to be dedicated to making improvements to Local Authority care homes.

2.6 The report has been provided now, as the Department of Health will release £1.04m in May 2007, and the grant must be fully spent by 31st of March 2008.

3.0 Main Issues

Design Proposals / Scheme Description

3.1 With regards to the Department of Health Capital Grant, Care homes have been given a degree of flexibility over their intended improvements as per guidance from the Department of Health. The primary objective of the scheme is that the grants should support improvements that will make the greatest difference to the quality of life of residents. For example, intended improvements include:

- Upgrading bathrooms to enhance self care
- Improving gardens or outside spaces used by residents, to encourage outdoor exercise
- Providing information technology that benefits older residents
- Alterations that would give residents greater privacy

- 3.2 With regards to the Breece capital receipt, it is intended that a total of £170k will be spent on 6 respite units which will function as a direct replacement to the Breece. Of the £170K, £25K has already been approved for the Suffolk Court respite unit. Approval is being sought for the remaining £145K to be spent on 5 additional units.
- 3.3 It is intended that the remaining £430k of the Breece capital receipt will be spent on improvements outlined by Local Authority care homes in their applications for funding from the DoH grant, that have not been funded by the DoH grant.

Consultations

- 3.4 All registered care homes have been invited to apply for funding to improve the physical environment for service users.
- 3.5 Care homes identified desired improvements through consultation with residents, relatives and staff. This information forms the basis of applications submitted by care homes.
- 3.6 Applications with a total value of £2.7m were received, and a selection process was undertaken to distribute the grant in line with Department of Health grant objectives.
- 3.7 The DoH grant selection process to judge successful applications in line with the DoH objectives, included representatives from a relatives and residents group, and the Strategic Partnerships Group (which represents partner organisations).
- 3.8 Additionally the selection process included consultation with the care homes to provide assistance on what selection criteria they thought should be used for making selection decisions.
- 3.9 The decisions currently taken through the DoH Grant selection process resulted in 56 independent care homes receiving conditional approval for a total of £700K of DoH capital grant, and 16 Local Authority care homes receiving conditional approval for a total of £327K.
- 3.10 Funds were allocated by giving consideration to the number of Local Authority supported residents in each home.
- 3.11 The size of individual grants from the DoH capital grant to independent homes ranges from £5K to £41K.
- 3.12 It should be noted that information on the current list of successful care homes is indicative, based on current information. The values outlined are based on estimated expenditure, and represent the maximum amount which a care home could receive. If it transpires that a care home cannot meet its obligations, or that expenditure on improvements is less than estimated, then it is envisaged that unsuccessful applicants will be promoted from a reserve list of care homes.

Programme

- 3.13 Procedures have been established to ensure efficient use of public funds. For all Local Authority care homes, Leeds City Councils Financial Procedure Rules and Capital Procedure Rules will be followed.
- 3.14 For independent sector care homes, appropriate financial procedures have been outlined in a funding agreement with each home. The funding agreement covers procedures for purchasing, payments, monitoring and reporting . Internal Audit and Legal Services have been consulted as to the suitability of the procedures.

- 3.15 All works will be completed by July 2008.
- Works relating to the capital grant will be completed by 31st of March 2008
 - Works relating to the respite units will be completed by May 2008
 - Works relating to the physical improvements funded by capital receipt will be complete by July 2008.

4.0 Implications for Council Policy and Governance

Compliance with Council Policies

- 4.1 The proposed expenditure on care homes is in line with the Corporate Plan priority which states that,
‘At each stage of life people are able to live healthy, fulfilling lives’.

Community Safety

- 4.2 Many of the intended improvements are designed to increase wellbeing and the general safety in care homes for older and disabled people.

5.0 Legal and Resource Implications

Scheme Design Estimate

- 5.1 Scheme expenditure is equivalent to the total amount of external funding provided, and the Breece capital receipt.
- 5.2 Each independent care home will be provided with a grant equivalent to the maximum amount agreed during the DoH Grant selection process. Any overspend will be borne by the care home.
- 5.3 Any under spend will be used to fund applications that are on a reserve list. The reserve list is populated by applications from independent care homes that missed out on funding through not meeting the selection criteria as strongly as successful applications.
- 5.4 Each Local Authority care home will be provided with DoH funding equal to the amount decided through the DoH grant selection process. Each Local Authority care home will also receive additional funding towards identified improvements from the Breece capital receipt.
- 5.5 The summary table below outlines how the total funding from the DoH grant and the Breece capital receipt will be divided.

	Dignity Improvement to be funded from capital receipt (a)	Respite Units to be funded from capital receipt (b)	Capital Receipt Total (c)	DoH Grant - Dignity Improvement (d)	Total Home Care Improvement (e)
	a	b	c (a+b)	d	e (c+d)
LA Care Homes	£460K	£145K	£605K	£340K	£945K
Independent Homes	0	0	0	£700K	£700K
Total	£460K	£145K	£605K	£1040K	£1645K

Capital Funding and Cash Flow

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2007 £000's	FORECAST				
			2007/08 £000's	2008/09 £000's	2009/10 £000's	2001/11 £000's	2011 on £000's
CONSTRUCTION (3)	25.0	25.0	0.0				
TOTALS	25.0	25.0	0.0	0.0	0.0	0.0	0.0

Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2007 £000's	FORECAST				
			2007/08 £000's	2008/09 £000's	2009/10 £000's	2001/11 £000's	2011 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	1405.0	0.0	1168.0	237.0			
FURN & EQPT (5)	150.0	0.0	150.0				
DESIGN FEES (6)	90.0	0.0	90.0				
TOTALS	1645.0	0.0	1408.0	237.0	0.0	0.0	0.0

Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2007 £000's	FORECAST				
			2007/08 £000's	2008/09 £000's	2009/10 £000's	2001/11 £000's	2011 on £000's
Capital Receipt	630.0	25.0	368.0	237.0			
Government Grant	1040.0		1040.0				
Total Funding	1670.0	25.0	1408.0	237.0	0.0	0.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Revenue Effects

- 5.6 It is estimated that the improvements will cost each Leeds City Council care home on average £275 per year in additional maintenance. The total revenue effects will be approximately £6K per year for Adult Social Services. The additional costs will be found from existing budgets. Independent homes have been informed that there will be no revenue support for ongoing maintenance.

6.0 Risk Assessments

- 6.1 All of the DoH grant must be spent by March 31st 2008. Failure to act promptly may result in grant funding being lost.

7.0 Recommendations

- 7.1 It is recommended that Executive Board give approval for the remaining £605K of the capital receipt from the sale of the Breece to be used to fund this capital scheme.
- 7.2 It is recommended that Executive Board approves the injection of the scheme into the capital programme and provides authority to incur expenditure of £1.645m.
- 7.3 In relation to paragraph 3.12 of this report it is recommended that Executive Board note that the Director of Adult Social Services has the delegated powers to;
- Vary individual awards
 - Promote schemes from the reserve list

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Originator: James Rogers/
Jane Stageman
Tel: 2474352

Report of: Chief Officer (Executive Support)

Executive Board

Date: 4 July 2007

Subject: Revised Corporate Planning Framework

Electoral Wards Affected:

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)

There a number of drivers prompting a revision of the Council's corporate planning framework. These drivers include changes arising from the Local Government White Paper and the Local Government and Public Involvement in Health Bill, developments in regard to the Local Area Agreement and the Council's change programme.

This report identifies a number of key changes including: a move to an outcome based approach across our planning framework; the agreement of a set of key principles to underpin planning activity; a new planning framework to provide greater clarity and reduce duplication; a stronger emphasis on business planning within the Council; and, proposals to strengthen Elected Member involvement in corporate planning and LAA processes.

The report outlines the first phase in a move towards a new planning framework for the city.

The report proposes the merger of the new Local Area Agreement and the Council's Corporate Plan into a single document called the 'Leeds Strategic Plan' to cover the period 2008-11 supported by a separate Council Business Plan to guide business development, transformation and financial planning activity.

To ensure that Elected Members are at the heart of developments in respect of the new corporate planning framework, incorporating the new LAA, it has been agreed to establish a Member Reference Group, consisting of the three main party leaders (or their nominees), who will oversee the work of officers and advise on the best way to maximise involvement from a range of Elected Members and other stakeholders.

1.0 Purpose Of This Report

- 1.1 The purpose of this report is to propose some key changes to the corporate planning framework for the City. It provides the rationale for change, identifies a number of key principles to underpin a new approach to planning and outlines the first phase of a revised planning framework.

2.0 Background:

- 2.1 Our existing planning framework has worked well for a number of years and many aspects of it have been commended in previous discussions, assessments and inspections. It has enabled the city and the city council to have a clear set of priorities which inform both policy development activity and resource allocation.

- 2.2 However, we live in a changing world and with new policy requirements, greater expectations from citizens and a changing role for Local Authorities in terms of strategic leadership and place-shaping, it is important that we take this opportunity to further develop and improve our planning framework.

2.3 Why are changes needed?

- 2.4 **Outcome Based Approach.** The Council's change programme, influenced by national and local drivers, has introduced a whole conceptual change in thinking about the Council's approach to, and measurement of, its ambitions. Better results are being sought for Leeds citizens and other stakeholders through the development of an outcome based approach to prioritise our improvement activity. We need to understand what desired impact or effect is required, in terms that are meaningful to citizens and/or the place concerned, and be able to quantify the level of improvement required to achieve the outcomes agreed. We will need to examine new ways of working which will include, at the strategic level, prioritising and commissioning services on an outcome basis, whilst at the operational level it will require the linking of employee contributions at every level of the organisation to achieve the quantifiable improvements identified. An outcome based approach has been reinforced in all recent legislation from government. Therefore, this whole system change of thinking needs to be reflected in our revised approach to corporate planning.

- 2.5. **Leadership – Local Government as a Strategic Leader and Place-Shaper.** Government thinking emphasises the role that Local Authorities, particularly Elected Members, need to play in the developing place-shaping agenda. The White Paper (Strong and Prosperous Communities) and the draft Local Government and Public Involvement in Health Bill emphasise the legitimate leadership role that Local Authorities have to take in the place-shaping agenda.

- 2.6. With their democratic legitimacy, Local Authorities and their Elected Members must seize the opportunity to lead the place shaping agenda, providing the vision and leadership for the local partnership and their communities. This means that the leadership role of Elected Members will need to be enhanced, particularly in respect of partnership activity.

- 2.7. The development of a new Local Area Agreement (LAA) provides an ideal opportunity to respond to this leadership agenda as the new LAA will become the key tool in exercising this leadership responsibility. The new LAA will be the only place from April 2008 onwards where central government will agree improvement priorities and targets with local authorities and their partners. The focus of the new LAA is on what the Local Authority is "either doing on its own" or "in partnership with others" emphasising the clear leadership role that the Local Authority and its Elected Members need to have.

- 2.8. To ensure that Elected Members are at the heart of developments in respect of the new planning framework and the new LAA, it has been agreed to establish a Member Reference Group, consisting of the three main party leaders (or their nominees), who will oversee the

work of officers and advise on the best way to maximise involvement from a range of Elected Members and other stakeholders.

- 2.9. The 2008 -11 LAA will draw on priorities identified in the Vision for Leeds and become the key delivery plan for this strategy. There has been a recent recommendation by the Overview and Scrutiny Committee's Inquiry into Narrowing the Gap to create better connectivity between the Vision for Leeds, the Local Area Agreement and the Leeds Regeneration Plan. There is now an opportunity for the Council, utilising its statutory duty in leading the LAA, to provide a new clarity to planning processes in the city.
- 2.10. **Scrutiny Involvement.** In support of the new LAA and the leadership role of the Local Authority, the Local Government and Public Involvement in Health Bill will give new powers to Scrutiny Committees to review and scrutinise the actions of key named partners. This means that the contributions of partners will need to be clearly identified in plans at the strategic level.
- 2.11. **Locality Involvement.** Government thinking emphasises neighbourhoods as a focus for service delivery and governance. This thinking aims to enhance the local leadership role of elected members ensuring local citizens become more actively involved in priority setting and planning.
- 2.12. **Performance Assessment.** The new Comprehensive Area Assessment will provide an assessment of performance, risk and future prospects of local services provided by the local authority, either on its own or in partnership with others. The baseline of performance will be against a new national indicator set of 200 indicators and up to 35 improvement targets, plus 18 educational related targets. These indicators, and any others locally agreed, will need to be an integral part of monitoring and assessing progress in a future planning framework.
- 2.13. **Business Planning.** The Council's business planning arrangements are currently contained in a number of plans including sections of the Corporate Plan, the Annual Council Plan and the Financial Plan. The Audit Commission have previously identified service prioritisation as an area where the council needs to improve and provide a more transparent and coherent process to demonstrate the alignment of resources to priorities. Now that we are approaching the end of our current corporate planning cycle, consideration has been given to having a single Council Business Plan to guide business development and transformation and financial planning activities.

3.0 Main Issues

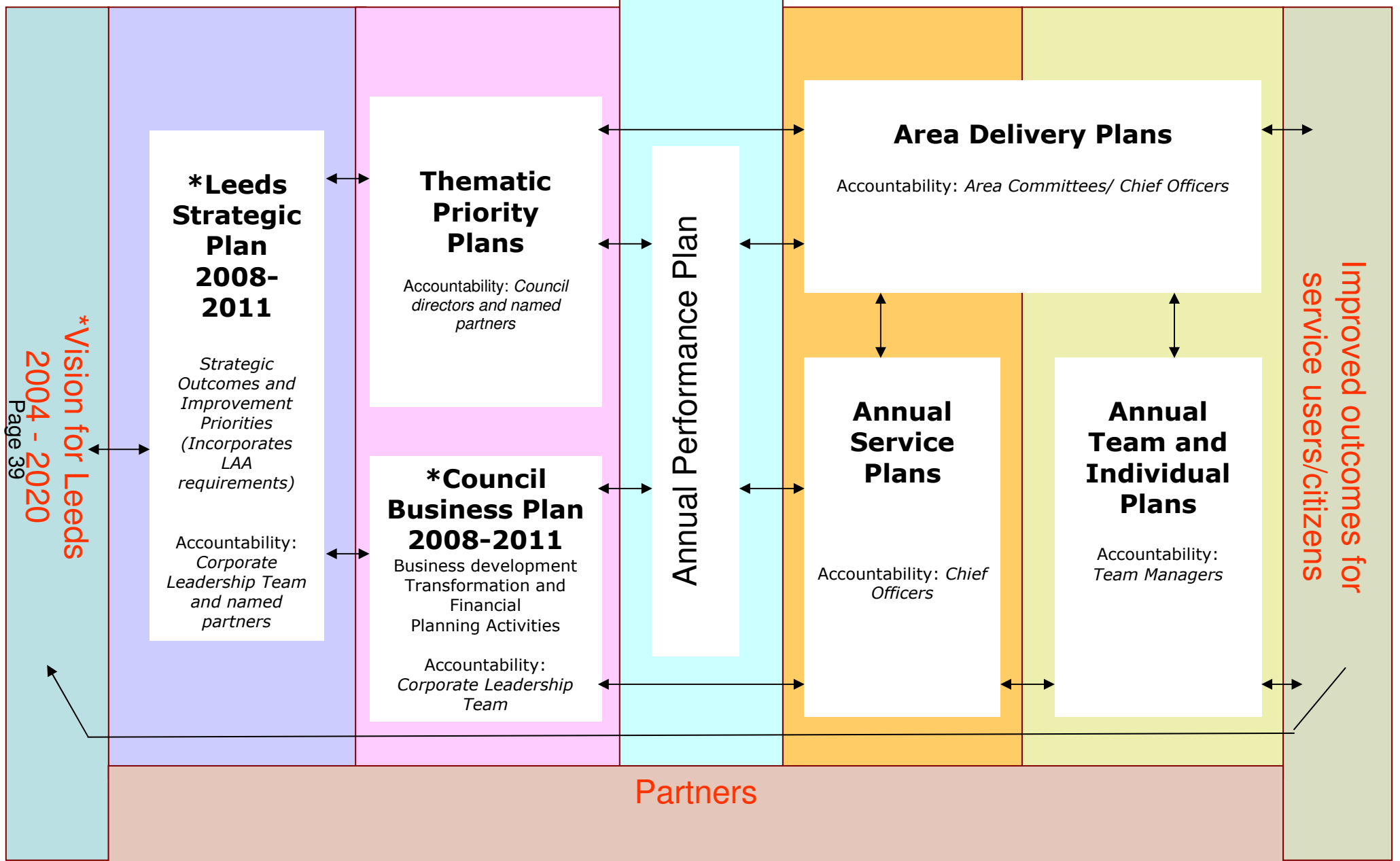
- 3.1. **Principles.** A series of principles need to underpin the development of a new outcome based approach to planning for the Council and these include:
- **Clarity in Terminology.** There is much confusion caused by the different use of terms. There is a need for labels such as 'outcome', 'target', 'indicator' to have the same meaning for all those commissioning, planning and delivering services and measuring their effectiveness. Work will be progressed to ensure consistency in the use of terminology.
 - **Connectivity and Streamlining.** The intention should be to produce a road map or 'golden thread' that links contributions at all levels to the Vision for Leeds outcomes and improvement priorities in the City. This 'golden thread' needs to be as streamlined as possible, reducing bureaucracy, improving understanding, within and across service provision, and facilitating effective partnership working.
 - **Accountability.** Responsibility for actions needs to be assigned in all plans. This will ensure that people understand their accountabilities and can be held to account for their delivery. Accountability is strengthened by having an outcome based approach accompanied by clear targets and indicators and a connected and streamlined framework.

- **Risk Analysis.** An assessment of risk needs to take place in all plans that form part of the planning framework.
- **Elected Member Involvement.** Elected Members have a key role to play in developing an outcome based approach, both in respect of providing the leadership that is required in respect of the place shaping and partnership agendas, but also in terms of identifying the priority outcomes for the city. Elected Members' knowledge of their local areas and local challenges should be fully utilised in determining priorities for the city.
- **People, Place and Partner Considerations.** An outcome based approach involves seeking the views of people for which the desired impact is being sought, either directly or through representatives or research. It also requires, where appropriate, key partner engagement in agreeing outcomes, targets and indicators and an understanding of their accountabilities for meeting the quantifiable improvements identified.
- **Evidence and Intelligence.** Robust evidence and intelligence is needed to inform the identification and selection of outcomes, targets and indicators at all levels of the planning framework. This needs to be available at different spatial levels and ideally include demographic, service user, incident and service perception data. It needs to be easily accessible and accompanied by a sound analysis that can be easily understood.
- **Performance Management.** A robust approach to managing performance is needed to assess and ensure outcomes are being achieved in all plans that form the planning framework. Targets and indicators need to adequately measure progress and achievement. They also need to relate to the relevant spatial level e.g. super output area, ward, area and city wide and be monitored and evaluated on a consistent basis. The performance required by people to achieve outcomes and targets needs to be clarified at all levels.
- **Challenge and Learning.** There must be a preparedness to challenge existing ways of doing things and be genuinely open to new ideas and good practice from any place or partner to improve planning processes.

4.0. **A proposal for a new City planning framework**

- 4.1. An outline for a new planning framework is shown on the next page. A brief description of the purpose of the key plans highlighted is provided below to aid consideration.
- 4.2. **Vision for Leeds 2004 to 2020.** Leeds' Sustainable Community Strategy that sets out the long term ambition and aspirations of the City. The Vision for Leeds was first published in 1999 and updated in 2004.
- 4.3. **Leeds Strategic Plan 2008 to 2011.** The key delivery plan for the Vision for Leeds. This plan would set out the key strategic outcomes and key improvement priorities over a three year period, to be delivered either by the Council on its own or in partnership with others. This plan would elevate the role of the current Corporate Plan to a broader level, encompassing the requirements of the local area agreement.
- 4.4. **Thematic Priority Plans.** Following agreement of our strategic outcomes, consideration will then be given to the preparation of Thematic Priority Plans. Thematic Priority Plans will be the key delivery plans for ensuring delivery of the relevant strategic outcomes and improvement targets detailed in the Leeds Strategic Plan. Some of these plans essentially already exist (e.g. Children and Young People's Plan) and they will, therefore, both inform, and be informed by, the development of the Leeds Strategic Plan. The themed priority plans will identify 'thematic outcomes' and linked targets and indicators, developed, as appropriate, with key partners and with reference to the new national indicator set which will be published in the Autumn.

Proposed Planning Framework



*Vision for Leeds
 2004 - 2020
 Page 39

*Proposal that these plans form part of the Council's Budget and Policy Framework.

- 4.5. **Council Business Plan 2008 to 2011.** This plan would act as the key strategic driver for business development, transformation and financial planning activity for the three year period of the Leeds Strategic Plan. The plan would detail our priorities in respect of business change requirements, resource and financial allocation and business transformation activity in support, and in furtherance of, the outcome and improvement priorities determined in the Leeds Strategic Plan. It would replace the 'Modernising our Council' and 'Transforming Our Services' aspects of the current Corporate Plan and the currently separate Financial Plan. The plan would be produced primarily for internal Council use.
- 4.6. **Annual Performance Plan.** This plan would undertake a similar function to the existing Council Plan insofar as reviewing year-by-year progress against the agreed priorities in the Leeds Strategic Plan and Council Business Plan and outlining the priority activities for the next 12 months. It can also be used as a mechanism to review priorities if circumstances require outside of the formal 3 year Strategic Plan timescale.
- 4.7. **Area Delivery Plans.** These would set out how an area contributes to achieving the strategic outcomes and improvement priorities set out in the Leeds Strategic Plan and the Thematic Priority Plans, with a particular emphasis on local priorities. The plans would identify key actions for delegated services, influenced services and influence the spending of local area committee funding. Area Delivery Plans would be used by Area Committees to monitor progress regularly with deliverers of delegated services being held accountable. Area Delivery Plans will also inform priorities contained within Service Plans. Area Delivery Plans will be developed and overseen by the relevant Area Committee. A sub-set of Area Delivery Plans may be Priority Neighbourhood Plans which would aim to set out key actions to improve deprivation indices in key neighbourhoods and to increase service user and citizen involvement. Further work is required in respect of the area dimension to the corporate planning framework and further work will be progressed in this regard.
- 4.8. **Annual Service Plans.** These would set out how the service contributes to achieving relevant thematic outcomes, targets, indicators and improvement priorities set out in the Thematic Priority Plans and the Council's Business Plan. Each service plan would identify key actions, resource allocation issues and incorporate appropriate measures from the new national indicator set of 200 to assess progress against agreed priorities and expectations.
- 4.9. **Team and Individual Plans.** Below the Service Plan level, team managers may wish to set out within a team plan how their area/team will contribute to achieving key actions set out in the Service Plan. Individual team managers will be held accountable for achieving their contribution to relevant targets. Individual plans (as part of the personal development process) should be used to determine individual contributions and objectives to help achieve the priorities of the relevant Service Plan.
- 4.10 **Timetable for Implementation.** The intention is to have the Leeds Strategic Plan, Thematic Priority Plans and the Business Plan in place and operational from 1 April 2008. Implementation will need to recognise a number of key drivers:
- a) The new LAA is progressing at a pace and in July we will be starting detailed discussions with GOYH on potential improvement targets – these plainly, from our perspective, need to be linked to the key strategic outcomes to be developed as part of the Leeds Strategic Plan.
 - b) Involvement and engagement of Elected Members and key partners is critical if we are to secure broad agreement, support and ultimately leadership for ensuring determination of a new set of strategic outcomes and improvement priorities. In this respect, it is important, therefore, that both Members and partners are involved in the development of the outcomes during the period July to September 2007. To ensure that Elected Members are at the heart of developments in respect of the new planning framework and the new LAA, it has been agreed to establish a Member Reference Group, consisting of the three main party leaders (or their nominees), who will oversee the work of officers and advise on the best

way to maximise involvement from a range of Elected Members and other stakeholders.

- c) Beyond consultation with Members and partners it is also imperative that citizens, staff and broader communities of interest are communicated with, and consulted upon, in respect of our proposals. It is anticipated that this activity will take place during October 2007.
- d) In December 2007, we will be subject to a Corporate Assessment and Joint Area Review and it is imperative that we provide clarity for the inspection teams on our future ambitions and capacity to deliver. Our work in respect of the key plans (Leeds Strategic Plan, Thematic Priority Plans and the Business Plan) will be key in this regard as will evidencing the process we have gone through to demonstrate that our priorities are grounded in reality in terms of need and that there has been extensive consultation and involvement in their preparation.
- e) Whilst finalised plans are not needed until March 2008, it does need to be recognised that Service Plans will be being prepared in the early months of 2008 and again it is imperative that next year's Service Plans are informed by our new strategic outcomes and priorities.

5.0. Implications for Council Policy and Governance

- 5.1. This report has significant implications for the Council's policy and governance arrangements with the proposal for a new Council planning framework. It is proposed that the Community Strategy (the Vision for Leeds), Leeds Strategic Plan, the Council Business Plan and the Annual Performance Plan form part of the Council's Budget and Policy Framework requiring consultation with Scrutiny, prior to consideration by members of the Executive Board and final approval by Members of Full Council. The current exception that exists in respect of reporting the Council Plan to Scrutiny would continue to be required for the Annual Performance Plan as a consequence of the statutory requirements for producing this plan. Whilst it is not proposed that the Thematic Priority Plans form part of the Council's Budget and Policy Framework, there may be exceptions to this rule if there are particular statutory requirements associated with a particular plan.

6.0 Recommendations

- 6.1. It is recommended that Executive Board agree to:
 - (a) adopt the new corporate planning framework proposed in this report;
 - (b) refer to the Corporate Governance and Audit Committee the proposal to amend the Constitution as detailed at paragraph 5.1 above, and;
 - (c) request that the Chief Executive develops an implementation plan in accordance with paragraph 4.10 above.
 - (d) note the proposal to establish a Member Reference Group to oversee developments in respect of the new corporate planning framework and the new LAA requirements.

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Originator: David Outram

Tel: 2143939

Report of the Deputy Chief Executive

Executive Board

Date: 04th July 2007

Subject: Progress Report on the PPP/PFI Programme in Leeds

Electoral wards affected:

All

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

At its meeting on the 9th March 2005 the Board approved the governance and management framework for Leeds City Council PPP/PFI projects and programmes. Members subsequently requested a six monthly update on these.

This fourth update report provides:

- A progress report on Leeds City Council PPP/PFI projects and programmes
- An update report on PPP/PFI governance

1.0 **BACKGROUND**

1.1 Executive Board requested at its meeting on the 9th March 2005, six monthly updates on:

- the progress of PPP/PFI projects and programmes
- the implementation of the governance framework.

This is the fourth update report.

2.0 **Leeds City Council PPP/PFI projects and programmes**

2.1 October 2006 – April 2007 has continued to provide a challenging agenda for the delivery of Leeds City Council PPP/PFI schemes.

The scope of these initiatives are outlined in Appendix 1, including currently:

- Education - Building Schools for the Future Programme (with a capital investment of £249m in Wave 1). Procurement of the programme started in August 2005 with the contract signed on the 03rd April 2007. Wave 1 includes the re-building or re-modeling of 14 secondary schools. This programme supports the Corporate Plan priority of aiming to make sure that our children and young people are healthy, safe and successful. The contract for Phase 1 and the establishment of Local Education Partnership for Leeds was completed in record time, reported by Partnerships for Schools (the Programme support body established by the DfES) as 'a shining example for other local authorities engaged in BSF around the country'.

This success has enabled the City Council, and Education Leeds, to start to lobby for the reprogramming of the investment for our Wave 2 bid. This is required to address the remaining high schools in the city, and currently programmed, for 2017, by the DfES at the end of this national programme. Outline Business Cases for Phase 2 & 3 will be presented to Executive Board in August for the delivery of the new schools in 2009 and 2010.

- Social Services - Independent Living PFI Project to replace existing hostel provision with small units which promote independent living. This project is now in procurement, with optimum bids now to be received in June 2007. A report will be submitted to Executive Board in August 2007 which will seek approval for the expansion of the scope of the Independent Living Project to take in the Children's Services Project. The Unit has secured a further £5m of credits on behalf of the Council from the DfES, which will be proposed to cover the capital cost of the extension of the project to provide accommodation for up to 20 young people aged 16 to 19. This project supports the Corporate Plan priority of making sure that all communities are thriving and harmonious places where people are happy to live.

2.2 Evidence of the Councils' successes since October 2006 can be shown through:

- Neighbourhoods and Housing - The approval of the Outline Business case by the Department for Communities and Local Government (DCLG) for Little London following close cooperation between the Regeneration Team in Neighbourhoods and Housing and the PPPU in the Chief Executives Department. This project supports the Corporate Plan priority of making sure that all communities are thriving and harmonious places where people are happy to live.
- Learning and Leisure – The Expression of Interest was approved by the Department of Culture, Media and Sport for the replacement of two leisure Centres. Executive Board on the 9th February 2007, approved the

recommendation that discussions should commence with DCMS following an indication that there may potentially be additional credits available for a third leisure centre in Leeds. This project supports the Corporate Plan priority of making sure that at each stage of life, people are able to live healthy, fulfilling lives.

- Leeds PPPU were one of only 4 public sector procurement teams interviewed for the recent National Audit Office (NAO) Improving the PFI tendering process study. Our last two schools projects (Leeds Primary Schools PFI and the Combined Secondary Schools PFI project) were surveyed for the report (from a total of 74 surveyed). The NAO promotes our work in the report as a Case Example of the advantages of internal expertise and experience. The NAO cites Leeds City Council as an example of how to undertake such complex projects, with our ability to bring procurement, and commercial, expertise to a well defined, and scoped, proposal receiving particular attention.
- The work of the Unit, and the role of the Deputy Chief Executive, as Project Owner, and Chair of many of the Project Boards, has also recently been recognised by the 4Ps, with the D.C.E shortlisted for an award for Leadership at their 'awards for excellence' event in June.
- Leeds PPPU has recently been interviewed by the CBI and the Strategic Investment Board (Northern Ireland) with both organisations seeking to learn lessons with regard to improving procurement, planning the use of assets and the development of close working relationships with client departments.

2.3 In relation to areas for development:

- Work has commenced on the Outline Business Case for waste management with submission to DEFRA and Executive Board in August 2007. If successful this project would support the Corporate Plan priority of aiming to make sure that all neighborhoods are safe, clean, green and well maintained.
- An Expression of Interest was submitted by the then Director of Neighbourhoods and Housing for Beeston Hill and Holbeck. This has been accepted by the Department of Communities and Local Government and placed at the top of their reserve list with first call on PFI credits, awaiting the outcome of the Comprehensive Spending Review 2007 (see below).
- Phase 2 and 3 of the BSF Programme entered the 'New Projects Procedure' at the end of January 2007. It is currently anticipated that Outline Business Cases for the four schools in Phase 2 of the programme; (West Leeds, which will be rebuilt through the Private Finance Initiative, and Crawshaw, Priesthorpe, and Farnley Park) and the Phase 3 schools (Intake, Parkland, Mount St. Mary's and Corpus Christi) will be included elsewhere on the agenda for this meeting of Executive Board.
- The Outline Business case for New Leaf has been submitted to DCMS, approval is anticipated early summer when the project will enter the BSF New Project Procedure.

3.0 GOVERNANCE IMPLEMENTATION

3.1 In response to an independent 4Ps Gateway Review of the Council's Building Schools for the Future Programme, a Governance and Management Framework for City Council PPP/PFI projects and programmes was approved by Executive Board in March 2005.

3.2 In order to support this framework and to continue to deliver the programme of work outlined above the PPP Unit has undergone a great deal of change in the 2 years since the approval of the Governance arrangements in March 2005. The initial timetable for the implementation of the Governance framework from April 2005 required both additional and the realignment of existing resources from Neighbourhoods and Housing

which is still ongoing.

3.3 The Programme of work for 2007-2008 presents a number of significant challenges not least with regard to the continuing difficulties in recruiting specialist staff particularly in legal, technical and finance disciplines.

3.4 A further recruitment exercise is currently underway in consultation with Corporate HR to secure staff for the remaining unfilled specialist posts within the unit and new vacancies created by the departure of colleagues to new opportunities. This continues to represent a high risk on the risk register for individual projects and officers are seeking to resolve this.

4.0 **FINANCIAL IMPLICATIONS**

4.1 There are no direct financial implications arising from this report, though this substantial investment through this funding initiative does result in some significant financial implications for the City Council.

4.2 In the Education sector, for example, the four PFI Projects which have achieved financial close and are operational will generate total Unitary Charge payments for 2007/08 of £22.9m. These payments are funded by Central Government PFI Revenue Support Grants totalling £16.3m (71%); third party contributions including school governing bodies of £4.2m (18%); and direct contributions from the City Council and Devolved Capital Schools Grant of £2.4m (11%).

4.3 This investment has so far provided twenty four new schools which will be maintained for a period of 25 years and the Unitary Charge will continue over this period at which point the ownership of the schools will revert to the City Council.

4.4 The City Council also incurs certain capital costs in respect of these projects which are not funded by the government e.g. highway works at South Leeds, etc which are funded from the capital programme.

4.5 As referred to in paragraph 2.3 above, the outcome of the Comprehensive Spending Review 2007, is likely to have some impact on the range of projects, and the level of financial support, that will become available over the next three years. A minimum of £11 billion of PFI credits has been committed by the government to local government, and how this is allocated to the various departments will have significant bearing on projects such as Waste, Social Housing and the Council's Wave 2 bid for BSF investment.

5.0 **RECOMMENDATIONS**

5.1 Executive Board is recommended to note the:

- current status of PPP/PFI projects and programmes

6.0 **Documents and websites used in the preparation of this report**

- Leeds City Council –Building Schools for the Future, 4ps Gateway review September 2004
- www.nao.org.uk/publications/naoreports

Appendix 1

PPP/PFI Programmes/Projects

CURRENT CITY COUNCIL PROJECTS	CURRENT SITUATION	CURRENT STAGE	CAPITAL INVESTMENT £M
CLOSED PROJECTS			
Cardinal Heenan High School PFI Project	<ul style="list-style-type: none"> • Contract signed in 1999 it was a 'pathfinder' project in the Education sector. • The new school was opened in August 2000 and the project was refinanced in 2003. • The project provides a new build school for 900 children and young people. • The provisions within the Project Agreement allow Cardinal Heenan School Services Limited (CHSS) (the SPV), on the fifth anniversary of service commencement, to undertake a benchmarking of certain soft services provided by the sub-contractor – Jarvis Accommodation Services Ltd. 	Operational	£9m
P 2 Leeds 7 Schools PFI Project 9 47	<ul style="list-style-type: none"> • Contract signed in October 2001. • Service commencement was achieved for the five primaries in September 2002 and for the two secondary schools in August 2003. • This project provides seven new build schools for 4,700 children and young people. • A joint review of the commissioning of the facilities has been completed and is being implemented in accordance with a programme agreed by all parties. • Carillion Integrated Solutions acquired Mowlem Project Services in February 2006 and have undertaken to complete their responsibilities. Carillion have confirmed that they have sold their 50% share of the equity in ESCo to Infrastructure Investors Ltd, and completion documents were exchanged on Friday 6th October. Benchmarking of soft services is due to commence shortly. 	Operational	£38m
Leeds Primary Schools PFI Project	<ul style="list-style-type: none"> • Contract signed in April 2004. • Service commencement was achieved in March and September 2005. • This project provides ten new build schools for over 3,800 young children in Leeds. 	Operational	£36m

CURRENT CITY COUNCIL PROJECTS	CURRENT SITUATION	CURRENT STAGE	CAPITAL INVESTMENT £M
<p>Swarcliffe Social Housing PFI Project All communities are thriving and harmonious places where people are happy to live.</p>	<ul style="list-style-type: none"> Contract signed in March 2005. Operation and construction commenced June 2005. The project will provide good quality housing in the Swarcliffe area of Leeds for the tenants of approximately 1,600 Council dwellings and estate regeneration including remodelling the road network, new play areas and over 400 new homes for sale and rent. 	Construction and Operation	£113m
<p>Leeds Combined Secondary Schools PFI Project Our children and young people are healthy, safe and successful.</p>	<ul style="list-style-type: none"> Contract signed in April 2005. Phase One, the first four schools, achieved handover in September 2006, with Phase Two, the final two schools programmed for August 2007. This project will provide five secondary schools and one primary school, including a children's centre, for over 5,700 children and young people in Leeds. 	Construction and Operation	£97m
<p>Street Lighting PFI Project All Neighbourhoods are safe, clean green and well maintained.</p>	<ul style="list-style-type: none"> Contract signed on 31st March 2006 with service commencement as programmed in July 2006. This project is to replace and maintain the street lighting across the whole of the Leeds Metropolitan District. Within the first five years of the contract, 80% of the existing street lighting will be replaced 	Construction and Operation	£106m
<p>Building Schools for the Future PFI Programme (Phase 1) Our children and young people are healthy, safe and successful.</p>	<ul style="list-style-type: none"> Contract signed 03rd April 2007. Wave 1 of the Leeds BSF Programme involved the creation of a Local Education Partnership Company (LEP) which will then take responsibility for the re-building or remodelling of 14 Secondary Schools, to be procured in three phases. Phase 1 of the Project includes six Secondary Schools, and phases 2 and 3 each comprise four schools. The schools in Wave 1 are planned to be operational from September 2008. 	Construction	£133m
IN PROCUREMENT			
<p>Independent Living PFI Project At each stage of life, people are able to live healthy, fulfilling lives.</p>	<ul style="list-style-type: none"> The DCLG and the Department for Health approved the Outline Business Case in November 2005. Procurement started in January 2006 with optimum bids now to be received in June 2007 and Financial Close planned for March 2008. A report will be submitted to Executive Board in August 2007 which will seek approval for the expansion of the scope of the Independent Living Project to take in the Children's Services Project. It is a requirement of the credit allocation that this project be delivered as part of an existing PFI Project. 	Procurement	£47m

CURRENT CITY COUNCIL PROJECTS	CURRENT SITUATION	CURRENT STAGE	CAPITAL INVESTMENT £M
<p>Joint Service Centres PFI Project At each stage of life, people are able to live healthy, fulfilling lives.</p>	<ul style="list-style-type: none"> The Department Communities Local Government (DCLG) has approved the OBC. The project is to be provided by the Leeds LIFT company in partnership with the PCT who will take space in the accommodation to be constructed at Chapletown and Harehills. A further Joint Service Centre will be constructed at Kirkstall as a later project phase. The centres will provide facilities primarily for face-to face services, including services provided by the local authority, primary care trusts, the police and other partners. 	Procurement	£15m
Pre PROCUREMENT			
<p>Little London Social Housing PFI Project All communities are thriving and harmonious places where people are happy to live.</p>	<ul style="list-style-type: none"> The OBC was approved by PRG on 21st November 2006, subject to the Council carrying out a structural survey of the retained tower blocks in the scheme. The survey will be commissioned during March 2007, enabling the OJEU notice to be published during June 2007. The project will provide good quality social housing for approximately 1,047 Council tenants and be complemented by a range of separate development opportunities to promote mixed tenure and the redevelopment of the central shopping and community facilities together with environmental improvements to support the regeneration of the area. 	OBC Approved	£69m
<p>New Leaf Leisure Centres PFI Project At each stage of life, people are able to live healthy, fulfilling lives</p>	<ul style="list-style-type: none"> The Department of Culture, Media and Sport approved the Council's Expression of interest. The OBC for this project was submitted in February 2007 and reviewed by PRG on 19th June. A decision is immanent. The project is to replace two Leisure Centres in Leeds. The DCMS has indicated that there may potentially be additional credits available for a third leisure centre in Leeds. In light of this on 9th February Executive Board recommended that discussions should commence with DCMS regarding the potential creation of a third leisure centre at Holt Park. The output specification and payment mechanism are currently being developed. 	OBC Stage	£30m
<p>Building Schools for the Future PFI Programme (Phase 2 & 3) Our children and young people are healthy, safe</p>	<ul style="list-style-type: none"> The OBC for Phase 2 & 3 of Wave One are to be submitted to Executive Board in August, whilst the council, Education Leeds, and the schools, continue to work with E4L under the New Projects Procedure provided by the Local Education Partnership. 	OBC Stage	£129m

CURRENT CITY COUNCIL PROJECTS	CURRENT SITUATION	CURRENT STAGE	CAPITAL INVESTMENT £M
and successful.	<ul style="list-style-type: none"> The Phase 2 schools are programmed to be operational from September 2009, with the Phase 3 schools in September 2010. 		

POTENTIAL CITY COUNCIL PROJECTS	CURRENT SITUATION	CURRENT STAGE	CAPITAL INVESTMENT £M
FEASIBILITY			
Beeston Hill and Holbeck All communities are thriving harmonious places where people are happy to live.	<ul style="list-style-type: none"> An Expression of Interest was submitted to the Department Communities Local Government (DCLG) by the Council in March 2006 seeking approval to a project to refurbish 579 existing homes and provide 200 new homes for rent. A number of additional development opportunities will also be made available separately to support the regeneration of the area. DCLG announced in December 2006 that the project would be placed on a reserve list for the fifth round of PFI projects and get first call on credits when these became available. The Council is now developing its Outline Business Case with a view to submitting this for approval in Autumn 2007. 	EOI Approved	£65m
Integrated Waste Management All neighbourhoods are safe, clean green and well maintained.	<ul style="list-style-type: none"> Following the approval by Executive Board in December 2005 of the proposed strategy for waste, officers have developed an Expression of Interest for PFI credits. An Expression of Interest was submitted by the Director of City Services to DEFRA in January 2007. Preparation of the OBC will shortly commence and discussions on the level of Credit allocation is ongoing with DEFRA. 	Feasibility	£130m
OUTSTANDING SUBMISSIONS			
Highways Maintenance	<ul style="list-style-type: none"> An Eol for funding from the DfT to deliver a sustainable solution to the city's principal highways network was submitted in September 2006. A decision on the outcome of the bidding round is anticipated soon. 	Eol submitted	£250m
BSF Wave 2	<ul style="list-style-type: none"> The council's bid to the DfES for funding to tackle the remaining 14 high schools in the city has been accepted, however investment is currently programmed for 2017. Officers of Education Leeds and Leeds City Council are lobbying for this to be advanced. 	Bid approved	£300m
	Projects Operational		£533m
	Projects in procurement or under development		£485m
	Projects outstanding		£550m
	Potential total investment		£1568m



Originator: C Coulson

Tel: 74459

Not for Publication:

Appendix 1 is confidential/exempt under Access to Information Procedure Rule 10.4.3, 'Information relating to the financial or business affairs of any particular person (including the authority holding that information). It contains information which if disclosed to the public would, or would be likely to prejudice the commercial interest of the Council.

Report of : The Director of City Development

To : Executive Board

Date: 4 July 2007

Subject: Design & Cost Report

Scheme Title PROPOSED ARENA DEVELOPMENT

Capital Scheme Number 12589 / ARE / 000

Electoral Wards Affected:

CITY WIDE

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:

The report informs Members of the Executive Board of the split procurement process using the Competitive Dialogue procedure that is being pursued to select both a preferred operating and developer partner. Under this arrangement, in the first instance an operator is selected by the Council and the operator inputs into the final arena specification to be provided to interested developers and joins with the Council to select the preferred developer.

Executive Board are advised as to the progress made with the procurement of the proposed operating partner. The report also details the proposed evaluation criteria and weightings to be used in the selection of the developer for the arena and, proposes that the Director of City Development be authorised to approve both the long listing and short listing of potential operators and developers, with Executive Board ultimately approving the selection of the preferred and reserve operator and developer for the arena.

The report seeks Executive Board's approval to procure specialist legal advisors to provide legal advice to the Council across a wide range of issues during the procurement process, through to contract award/financial close for the selection of both the preferred operator and developer.

1.0 PURPOSE OF THIS REPORT

1.1 The purpose of this report is to:-

- i) Note the progress made in the operator procurement process for the proposed arena development.
- ii) Authorise the Director of City Development to approve both the long listing and short listing of potential operators and developers during the Competitive Dialogue procurement process.
- iii) Seek Executive Board's approval to the evaluation criteria to be used by the City Council and its partners for the selection of the preferred developer for the proposed arena.
- iv) Authorise an injection of funds into the capital programme and the incurring of expenditure for the appointment of consultants to provide legal advice to the Council throughout the procurement process to contract award/financial close for the proposed operator and developer, as detailed in the recommendation contained in Appendix 1 which is confidential/exempt under Access to Information Procedure Rule 10.4.3.

2.0 BACKGROUND INFORMATION

2.1 The City Council's Executive Board at its meeting on 13 December 2006 agreed to support the findings and recommendations contained in PMP's report on the proposed funding and procurement of a multi purpose arena and associated facilities and, approved a two stream procurement process to select a preferred operator and developer/site for the proposed new arena. The Executive Board requested that before the procurement process for the developer/site (the developer) for the arena commenced, the proposed evaluation criteria to be used for the selection of the preferred developer should be presented to Executive Board for approval.

2.2 At its December 2006 meeting, Executive Board also acknowledged the requirement for up to circa £20m as the level of public sector investment that may be needed to facilitate the development of the proposed multi purpose arena in the city.

3.0 CURRENT POSITION

(i) The Procurement Approach

3.1 Executive Board has previously endorsed a split procurement approach, based on an overlapping, two streamed competitive process in order to maximise the quality and value of the proposed arena development.

3.2 In the first instance, the Council will endeavour to select an operating partner, to be followed by the selection of a development partner, who will also bring forward a site and associated enabling development. During the operator selection process, interested parties will be expected to develop an indicative (commercially sustainable) programme of events and services proposed for the new facility. Once selected, the preferred operating partner would work alongside the City Council to

finalise the arena specification based on their proposals and, will contribute to the selection of a preferred developer.

3.3 The final arena specification has yet to be determined, but based on research undertaken to date is likely to reflect the following:-

- Circa 12,500 seats.
- An entertainment focused layout to accommodate the national and international concert circuit.
- Flexibility in building construction, facilities, seating arrangements and rigging to accommodate a range of event types that will support the proposed operator's business plan.
- An event programme that will seek to maximise visitors to the city, that will ensure operational profitably, a sustainable and resilient business plan and, will provide a significant socio-economic benefit to the city.
- An architectural approach that will promote a high quality design which will contribute to the life of the city.
- A sustainable transport, design and operating solution.

3.4 As Executive Board was advised at its December 2006 meeting, the Council has not sought to specify the inclusion of conference and exhibition facilities, but rather invites operators/developers to consider the merits of including such facilities with regard to the interests of the overall financial viability of the proposed development.

3.5 The City Council will conduct the procurement process in such a way as to ensure:-

- Value for money and affordable proposals are received from interested parties.
- Probity and accountability in the procurement process is achieved.
- Compliance with the requirements of the Public Services Regulation 2006, which require the process to be carried out with transparency, fairness and without discrimination between bidders.

3.6 It is intended that competitions for the selection of the preferred operator and developer will be managed on the terms of the OJEU Competitive Dialogue procedure, rather than the Negotiated Procedure. Members of the Executive Board should note that whilst the Negotiated Procedure would identify a potential partner and then, thereafter, allow for an extended period of discussion with only one party, the opportunity afforded by the Competitive Dialogue procedure to retain a competitive tension for a longer period throughout the procurement process is considered to outweigh the potential disadvantage of the competitive Dialogue approach whereby, if at any point during the procurement process, the project brief is revised, then previously excluded parties would need to be invited to rejoin the procurement process. In addition, Members should note that since the introduction of the Competitive Dialogue process under the 2006 Regulations, the European Union Commission now expect the use of this procedure in preference to the Negotiated Procedure and, failure to do so is likely to attract a challenge from the Commission.

3.7 Members of Executive Board should note that whilst Executive Board will determine the selection of the preferred and reserve operating partner and developer for the arena, it is proposed that the Director of City Development be authorised under the Council's scheme of delegation to approve both the long listing and short listing of parties during the Competitive Dialogue procurement process.

(ii) Operator Selection

3.8 In order to maximise long-term commercial sustainability, the proposed arena will require an experienced and expert operator, capable of delivering a full and varied events programme.

3.9 The OJEU Notice for the procurement of the preferred operator has been published. Interested parties accessing the Council's Tender website will be able to obtain a marketing brief and, a pre-qualification questionnaire (PQQ) which will need to be completed and returned to the City Council by 4 July 2007. At the pre-qualification stage, the primary purpose is to identify and qualify all organisations that can demonstrate the financial and technical capabilities/track record required to take part in the tender process.

3.10 The primary criteria for the evaluation of the operator PQQ will be financial (60%) and technical (40%) evaluation, with the proposed qualification threshold for financial and technical evaluation of the PQQ being 50%, below which bidders will not continue through the evaluation process. Members of Executive Board should note that the weighting (60%) in favour of financial criteria reflects the importance of the proposed operator having the required financial status to assume responsibility for such a major venue.

3.11 Thereafter, through the Invitation to Participate in Dialogue and Invitation to Continue Dialogue stages of the operator procurement process, bidders will be requested to provide increasingly detailed levels of information to the Council and assessment of their responses will be based on the following (but not limited to) broad areas.

- Financial/Commercial proposals 50%
- Operational 25%
- Deliverability 25%.

(iii) Developer Selection

3.12 A developer will be required to deliver the risk capital, co-ordinate site assembly and lead on the development of the arena. The selected developer will need to understand the aims of the project, be capable of delivering the required level of investment, co-ordinate the delivery of the site and any required enabling development and, in particular, have sufficient capacity to manage the financial risk of a development that is likely to cost in excess of £40m.

3.13 The City Council has published a 'Prior Information Notice' advising potential interested parties that it is the Council's intention to publish an OJEU Notice in mid July 2007. Interested parties will be required to complete a PQQ (similar in nature to that prepared for the preferred operator) and, the assessment procedure at this stage will be to pre-qualify a shortlist of potential developers with the capability to bring forward major mixed use schemes and, who can demonstrate that they are able to deliver such a scheme of this scale, nature and complexity.

3.14 It is proposed that the PQQ evaluation criteria (not exhaustive) for developers should include:-

- **Status of the Potential Supplier** Status in law.
- **Financial Capability** Company balance sheet information, details of financial capability to support the development of a major scheme etc.
- **Compliance with EU/UK procurement legislation**
- **Resources:** Key personnel, number of personnel, design capability, construction capability and key resources etc.
- **Business Capability:** Need to demonstrate capability and experience of working on large scale developments, partnerships with the public sector, working with third party stakeholders etc.
- **Track Record:** Details of previous relevant experience particularly of working in partnership with public bodies, scheme values, references etc.
- **Corporate Policies** Reference to H & S, environmental, equal opportunities and training policies etc.

3.15 In terms of assessing the development submissions through the Invitation to Participate in Dialogue and Invitation to Continue Dialogue stages of the procurement process, it is proposed that the following (not exhaustive) criteria, with appropriate weightings are used for selection:-

1. Financial and Economic Impact – 60%.

- Level of public sector contribution required.
- Compliance with the public sector 'grant' requirements.
- Robustness of financial proposal and ability to manage and control the financial risk of a development of the scale, nature and complexity proposed.
- Level of direct investment (includes extent of construction and related works).
- Level of ancillary development i.e. investment 'unlocked' as a result of the arena development.
- Direct operational impact i.e. number of new jobs created, training places offered etc.
- Indirect operational impact i.e. additional visitors to Leeds, secondary spending etc.

- Contribution towards vitality/city experience.
- Interface with and contribution to the public domain.
- Contribution to unlocking further development

2. Technical Capability – 20%

- Compliance with operator's requirements.
- Location and environment i.e. accessibility to public transport, city centre, car parking etc.
- Design and quality i.e. compliance with specification, design quality, functionality, whole life cycle costs etc.
- Environmental sustainability of arena solution

3. Deliverability –20%

- Land ownership i.e. site assembly, acquisition and availability.
- Town planning.
- Site development capacity i.e. ability of the site to accommodate the arena and any required enabling development.
- Buildability i.e. complexity of the site from a construction perspective.
- Dependence on enabling development.
- Transport and access.
- Timing and programme i.e. overall timescale for delivery, when site would be available to allow development to commence etc.
- Response to contractual documentation ie comments on proposed contract with the proposed operator and the Council and its partners with regard to the proposed public sector investment etc.

(iii) Legal Advice

- 3.16 Executive Board at its meeting in December 2006 authorised budget provision for the retention of PMP Consultants to project manage the implementation of the detailed delivery plan and, to participate in and advise the Council throughout the procurement process to the point at which both a preferred operator and developer has been identified.
- 3.17 The service commissioned from PMP Consultants does not include the provision of specialist legal advice across a range of issues both during the procurement process (using the Competitive Dialogue procedure), through to contract award/financial close, with the potential for further legal advice being required post financial close.
- 3.18 The nature of the legal advice required is highly specialised. Projects of this nature are intensive in terms of resources and time and, whilst the Council's Legal and

Democratic Services would wish to contribute to the project, they are not in a position to lead on the provision of legal advice during the process. To do so would create the risk of delay to completion of the project. In addition, there will be an expectation from the market that external legal advisors will be appointed, and to do so would reinforce the credibility of the project and, the Council's commitment to it. A combination of in-house and external services could lead to inconsistencies and delays creating additional risks for the project, and the prospect of future unforeseen liabilities. Consequently, the Chief legal Services Officer is of the view that a combination of in-house and external resources would not be appropriate for this particular project and, that there is a need to appoint external lawyers to provide a comprehensive service.

- 3.19 The legal advice to be provided to the Council may be summarised as advice relating to commercial development, the Competitive Dialogue procedure, public procurement process, state aid issues, property, title checks, construction related matters, local government and tax issues generally associated with the project and to prepare all project agreements and ancillary documentation required to achieve legal and financial closure.

4.0 PROGRAMME

- 4.1 An indicative procurement programme has been prepared which endeavours to keep the stages of the procurement process to a minimum. The programme assumes that the preferred operator will be selected prior to the receipt of final tenders from the proposed developer.

Key stage	Operator	Developer
PIN notice published	N/A	30/05/2007
OJEU notice published	30/05/2007	16/07/2007
Issue Marketing Brief	01/06/2007	01/06/2007
Issue pre-qualification questionnaire	01/06/2007	16/07/2007
Market awareness open day	11/06/2007	11/06/2007
Return of pre-qualification questionnaire	04/07/2007	21/08/2007
'Longlisting' of bidders and issue of descriptive documents	20/07/2007	01/10/2007
ITPD phase ends	20/09/2007	04/02/2008
Selection of shortlisted parties for ITCD phase	12/10/2007	03/03/2008
Receipt of ITCD responses from shortlisted parties	23/11/2007	14/04/2008
Shortlist parties from ITCD phase	28/12/2007	18/06/2008
Formally conclude Dialogue and Issue Final tender documents	04/01/2008	18/06/2008
Submission of final tenders	11/02/2008	01/07/2008
Selection of preferred partners	25/04/2008	11/09/2008

5.0 COMPLIANCE WITH COUNCIL POLICIES

- 5.1 The Vision for Leeds 2004 to 2020 identifies a major project to improve the cultural life of the city, including developing a new, large scale international cultural facility such as an arena.

6.0 LEGAL AND RESOURCE IMPLICATIONS

- 6.1 Existing budget provision in Capital Scheme No. 12589/ARE will meet the cost of the City Council employing PMP Consultants to project manage the implementation of the delivery plan for the proposed arena.
- 6.2 At this time it has only been possible to estimate the cost to the Council procuring the legal advice detailed in paragraphs 3.16 to 3.19 inclusive above, details of which are contained in Appendix 1, which is confidential/exempt under Access to Information

Procedure Rule 10.4.3, as it contains information which it disclosed to the public would, or would be likely to prejudice the commercial interests of the Council. Appendix 1 contains the Council's estimate of the fee that the proposed legal advisors will seek for providing the legal advice required by the Council and, if disclosed, would prejudice the Council's position during the competitive procurement process for such legal advisors. By keeping the information confidential at this time, it increases the Council's chance of securing a competitive and, hence value for money tender for the commission.

7.0 RISK ASSESSMENT

- 7.1 There is a risk that the budget provision proposed for the appointment of specialist consultants to provide legal advice during the procurement process may be insufficient. The risk cannot be completely mitigated and, whilst it is the intention to appoint such consultants on the basis of a fixed fee, if ultimately it proves to be the case, then a review of the proposed scope of works for the consultants would need to be undertaken to bring the costs back within budget.
- 7.2 There is a risk that there are only a limited number of operators with the required experience to run a venue of the size proposed. If these operators fail to express an interest in the proposed Leeds Arena, then the Council would need to consider establishing a Special Purpose Vehicle to operate the new facility.
- 7.3 There is a risk that the City Council will incur consultancy fees in the employment of PMP Consultants and associated legal advisors without successfully procuring the appointment of a preferred operator and developer for the arena. Whilst the risk cannot be completely mitigated, the Council will endeavour to structure the appointment of such consultants with appropriate break points in their commissions should the project fail to proceed, so that payments would only be made for work undertaken to the point any commission is terminated.
- 7.4 There is a risk that some elements of the advice work that will be procured from the appointed legal advisors may not ultimately be eligible for treatment as capital expenditure within the Council's accounts. The specific risk relates in the main to work associated with the procuring and appointment of an operator, these costs may not be really attributable to the development costs of the arena. Dependent upon the eventual split of legal advisor costs between the developer and operator procurement elements, the Director of Resources will determine which, if any, of these costs need to be charged to and funded from revenue.

8.0 RECOMMENDATIONS

- 8.1 Executive Board is requested to:-
 - (i) Note the progress made to date in the operator procurement process.
 - (ii) Authorise the Director of City Development under the Council's scheme of delegation to approve both the long list and shortlist of potential operators and developers during the Competitive Dialogue procurement process.
 - (iii) Approve the tender evaluation criteria to be used in the procurement process for the appointment of the preferred developer for the proposed arena.
 - (iv) Authorise an injection of funds as detailed in Appendix 1 which is confidential/exempt under Access to Information Procedure Rule 10.4.3 into existing Capital Scheme No. 12589/ARE/000 and the incurring of expenditure for the appointment of consultants to provide specialist legal advice to the Council on

the operator and developer procurement processes through to contract award/financial close.

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Originator: Craig Taylor
Tel: 75408

Report of The Director Of City Development

To Executive Board

Date: 04 July 2007

Subject: Design & Cost Report

Scheme Title: Neville Street Environmental Improvements
Capital Scheme Number: 13951

Electoral Wards Affected:

City & Hunslet
Beeston & Holbeck

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

The report informs members of the Executive Board of progress to date on Neville Street Environmental Improvements and describes how this project is the most strategic in its impact on Holbeck Urban Village and also the City Centre. The design proposal is unique and innovative, combining light and sound art with technical solutions to enhance the current harsh environment, for example by reducing traffic noise. It responds to the ambition expressed by the Holbeck Urban Village Partnership Board to provide a high quality solution. The report seeks authority to rescind all previous approvals (Capital Scheme No. 01195), for an injection of £4,604,400 in to Capital Scheme No. 13951 for the development of Neville Street Environmental Improvements and authority to incur expenditure of £4,604,400, of which £2,604,400 is funded from third party sources.

If funding provision is approved this would allow the project to be tendered and construction works to begin on site in January 2008.

1.0 Purpose of this Report

1.1 The purpose of this report is to seek:

- a) Approval to the scheme design proposals and 'freeze' the brief.
- b) Approval to the scheme estimates and cash flows.
- c) Authority to rescind all previous approvals (Scheme No. 01195).
- d) Authority for an injection of £4,604,400 into Capital Scheme No. 13951.
- e) Authority to incur expenditure of £4,604,400.

2.0 Background Information

- 2.1 The Holbeck Urban Village (HUV) vision is to create a mixed use sustainable living and working community with improved connections to the city centre and surrounding communities of Beeston Hill, Holbeck, and West Leeds; the establishment of a new Digital/Creative Quarter and the preservation of the area's unique character whilst creating a sense of place on the edge of the city centre. This area, therefore, represents a strategic opportunity for Leeds to not only create a new and unique quarter of the city but to strengthen investment in, and links to the adjacent communities in Holbeck and West Leeds.
- 2.2 Re-establishing strong positive linkages and improving perceptions of the area are vital if the private sector is to be persuaded to invest in the area. Consequently, there is a key role for the public sector to intervene by the reconnection of the city centre, HUV and local communities through public realm and infrastructure improvements. In order to achieve this, a number of improvement scheme 'priorities' have been identified by the HUV Planning Framework (which has undergone significant public consultation).
- 2.3 The projects listed below are the 'priorities' for implementation as set out within the HUV Planning Framework and endorsed by the Renaissance strategy. The schemes have all undergone feasibility work and were fully funded by Yorkshire Forward in the 05/06/07 Sub Regional Investment Plan (£3,000,000), up to the point of detailed design and planning permission / approvals. It is estimated that the total cost of the priority public realm works outlined below will be in the region of £31,500,000:
- Neville Street Environmental Improvements – to improve the pedestrian route to South Leeds and HUV and strengthen the investment 'offer' of these locations.
 - Dark Neville Street Environmental Improvements - to improve the pedestrian route into HUV and similarly to attract further private sector investment and jobs.
 - Re-open Sweet Street Bridge – as part of a traffic diversion strategy
 - Street Works highway improvements – to strengthen HUV as a 'place' for further Investment.
 - Hol Beck Watercourse – a green walkway which increases connectivity.
 - Viaduct walkway - reuse of the arches for business accommodation and the viaduct as a potential connector and greenspace.
 - Canal bridge crossing – to connect the south with western communities.
 - Multi-storey car park feasibility – to assess the potential site accommodation for a car park.
- 2.4 Neville Street Environmental Improvements is the most advanced of the prioritized schemes. Neville Street forms one of the key pedestrian and vehicle gateways into and out of Leeds and is the main gateway into the city from the M62 and M1. As development to the south of the river continues the pedestrian footfall through Neville Street will also increase. However, the current condition of the space is unattractive and creates a negative perception of the area and entrance to the city.
- 2.5 Key investors in Leeds have flagged up the need for environmental improvements as being essential to sustaining and promoting the rate of investment to the south of the city centre. There is consequently a need for environmental improvements to this area, which reflect its importance as a major gateway into Leeds and also as a means of increasing investor confidence in the area.
- 2.6 Neville Street acts as a key connector for the city centre, Holbeck Urban Village and the Beeston Hill and Holbeck renewal area and therefore strengthens links between these areas. Consequently, improvements to this area are required as a matter of priority in order to both support the economic growth of the city and also support the regeneration initiatives of HUV and Beeston Hill and Holbeck.

- 2.7 As a result of identifying the need for improvements to this area, detailed proposals, up to and including RIBA Stage D, have now been prepared, resulting in the following approvals being achieved to date:
- Highways Board approval in principle on 06 March 2006.
 - Partnership Board on 09 March 2006, in recognition of the strategic importance of this project, authorised the scheme be progressed to RIBA Stages E, F and G (detail design and production drawings).
 - Planning approval on 15 November 2006.
- 2.8 The first stage of an economic appraisal has just been completed in which 20 interviews were conducted with commercial occupiers and local residents. The next stage will include local developers. The purpose of the exercise was to gauge the importance of the public realm proposals to businesses and residents. This included ranking the projects in order of importance and also a 'willingness to pay' principle. In summary, the main disadvantages of being based in HUV included a fear / perception of crime, the area feeling run down, lack of lighting and the poor state of the roads. Both the commercial occupiers and residents rated the quality of the pedestrian route into the city centre and a high level of public realm maintenance to be the most important public realm features. Consequently, the top two schemes identified are those of Neville Street and Dark Neville Street. The business occupiers in particular also indicated a higher level of treatment to be applied to the area, suggesting that the enhancement of this route was important to improving both the Village's appeal, and indeed, the whole area to the south of the station as a business location.
- 2.9 On 25 February 2004 the Project Justification Form, Scheme No. 01195 for Neville Street / Dark Arches was approved and £2,750,000 included within the Capital Plan. The project has changed significantly since this time. Importantly, the scheme now only includes Neville Street. Dark Neville Street (Dark Arches) has been put on hold due to budgetary pressures.
- 2.10 Subsequently, an Outline Business Case for Neville Street Environmental Improvements has been prepared and approved in principle by the Director of Resources and a new Scheme No. has now been set up for Neville Street Environmental Improvements (13951) for all costs beyond detailed proposals (RIBA Stage D). Scheme No. 01195 retains all existing costs in association with detailed proposals, up to and including RIBA Stage D.
- 2.11 An application to Yorkshire Forward for SRIP monies for the scheme to be progressed to the next RIBA Stages E, F and G (detail design and production drawings) has been approved (£336,000).
- 2.12 £646,000 has also been secured from the Northern Way Growth Fund (Arts Council England and Yorkshire Forward) for the art elements of the scheme (design and implementation).

3.0 Main Issues

Design Proposals / Scheme Description

3.1 The project aims and objectives are:

- To implement environmental improvements to Neville Street with the aim of enhancing the pedestrian experience and footfall of this route into Holbeck, from the city centre and the railway station.
- To improve the environmental attractiveness of this gateway into the Holbeck area and to therefore help sustain the existing businesses, both within the Granary Wharf and ultimately the Holbeck Urban Village.
- To capitalise on and improve the assets which contribute towards Holbeck's unique character and ultimately its potential as an urban village.
- To provide security for the existing business and future businesses and their customers and to increase the safety for all those using this pedestrian route.
- To improve the appearance of Neville Street and the railway bridge in the context of creating a gateway into the City Centre.
- To create a safe and secure environment.

3.2 The design proposals comprise improvements to the appearance, lighting and acoustics of the space. They have been developed in close consultation with Highways, City Services and Network Rail to ensure that the technical constraints are fully met. The improvements comprise:

- New linings and canopy to both walls in the form of perforated anodised aluminium panels (bronze finished) attached to a steel frame, incorporating sound insulation and light art installations. The panels will be fully hinged to allow maintenance access. The west wall will create a moiré effect. Acrylic rods will be placed at regular intervals into the perforation holes of the east wall to create a simple dotted pattern. Ten percent of these acrylic rods will be equipped with white LEDs that are programmable to allow varying patterns of horizontal and vertical lines of LED light. Every early morning, at a time of least traffic, the pattern will change – chosen by a random generator – and one will never see the same pattern twice
- Sonic Art installation. In addition to the reduction of the sound level being proposed by the design team, the sonic art installation will add sounds to the ambient environment in a way that reduces the aggressiveness of the existing traffic and train noise. A specific composition of sounds will be written for Neville Street where the sound will move along the street creating a smoother acoustic experience for the pedestrian.
- Increasing the width of the west footpath and narrowing of 3 traffic lanes. New kerbing and paving to the footpaths.
- New highway lighting.

3.3 The design proposal is unique and combines artistic merits with technical solutions .It responds to the ambition expressed by the Holbeck Urban Village Partnership Board to provide a high quality solution.

3.4 Drawings and images of the proposed scheme will be displayed at the Executive Board meeting.

Consultations

- 3.5 Numerous consultations have taken place to date, which include the Holbeck Urban Village Partnership Board, Yorkshire Forward, the development sector, key stakeholders, the local communities, the general public and Leeds' Civic Trust. All are supportive of the proposals. In particular, the local communities and general public were consulted as part of the 'What Kind of Place' event in April 2006. The event included an exhibition of the project for two weeks in the Round Foundry and in Dark Neville Street.
- 3.6 Highways Board approval for the detailed design is required prior to tender.

Programme

- 3.7 Subject to funding provision being confirmed, the strategic programme of works is currently as follows:

Final Proposals (RIBA Work Stage E)	To 20 May 2007
Production Information (RIBA Work Stage F)	To 26 August 2007
Tender Documentation (RIBA Work Stage G)	To 23 September 2007
Tenders Out (RIBA Work Stage H):	24 September 2007
Tenders In (RIBA Work Stage H):	07 November 2007
Start on Site (RIBA Work Stage K) :	07 January 2008
Practical Completion (RIBA Work Stage L):	03 August 2008

- 3.8 The Northern Way funding must be spent by 31 March 2008. This can only be achieved if the project starts on site in January 2008.

4.0 Implications for Council Policy and Governance

Compliance with Council Policies

- 4.1 The project forms the first phase of public realm work that is essential to the delivery of HUV. Yorkshire Forward and Leeds City Council share a vision for a new urban village within the area to form a central part of the continuing renaissance of Leeds as a city region. The Vision comprises:
- Improved connectivity with the city centre and surrounding communities of Beeston Hill and Holbeck, creating new opportunities for employment, for living and for leisure.
 - A new creative quarter focussed on new media and digital technologies that will significantly add to and strengthen the city's offer as the major regional business centre.
 - A development which will preserve the area's unique character, combining the rich architectural legacy of the industrial age with high quality contemporary design.
 - A mixed use, sustainable community with a distinctive sense of place.
- 4.2 The Renaissance Leeds framework provides the city-wide strategic context for the Neville Street Gateway as a key project for Holbeck Urban Village. The Renaissance Strategy specifically identifies that Holbeck Urban Village needs to ensure that; 'Every opportunity should be taken to establish new connections and strengthen existing connections (especially pedestrian connections) to all adjacent conditions.'
- 4.3 This strategic direction is further supported by the strategy set out within the Supplementary Planning Guidance for Holbeck Urban Village which identifies the need 'to promote high quality infrastructure and public realm facilities which encourage inward investment, improve both physical and non-car based access to job opportunities and promote the renewal objectives for the adjoining Beeston Hill and Holbeck area.'

- 4.4 The Neville Street scheme contributes to all three aims of The Vision for Leeds (Going up a league as a city; Narrow the gap between the most disadvantaged people and communities and the rest of the city; Develop Leeds' role as the regional capital).
- 4.5 This will be achieved by contribution to the following strategic objectives in the Corporate Plan:
- all neighbourhoods are safe, clean, green and well maintained;
 - all communities are thriving and harmonious places where people are happy to live;
 - Leeds is a highly competitive, international city.

Council Constitution

- 4.6 This report is not exempt from the Call-In of Key and / or Major Decisions.

Community Safety

- 4.7 The proposals contained in the report do have implications under Section 17 of the Crime and Disorder Act 1998 and these are as follows:
- By enhancing the environment, community safety will be improved through better lighting and wider footpaths.
 - By improving the environment pedestrian movement will be encouraged and activity increased in the area and therefore will be less likely to attract anti-social behavior.
- 4.8 A Stage 1 / 2 Safety Audit will be undertaken once designs are fully detailed. Any issues raised in the Safety Audit will be addressed.

5.0 Legal and Resource Implications

Scheme Design Estimate

- 5.1 Estimated costs are as follows:

Construction Costs	3,800,000
Professional Fees (RIBA Stage E to G)	310,600
Professional Fees (RIBA Stage H to L)	164,700
Legal and Building Control Fees	15,000
Artists Fees	105,000
Artist Liaison Consultant Fees	34,800
Project Reserve	110,300
Associated Programme - Internships, Schools, Workshop (Ways of Hearing), Public Events, Publications)	38,000
PR and Marketing	26,000
TOTAL	4,604,400

- 5.2 Exclusions and qualifications are as follows:
- VAT
 - Costs are estimated using approximate quantities and are based upon a start on site of January 2008. Increased costs incurred by any delay have not been included for.
 - Feasibility fees, professional fees up to and including RIBA Stage D and planning fees have been separately funded.
 - Building control and listed building approvals are not required.
 - Land acquisition and site development costs are not required.

- The project will be tendered using the OJEU process; OJEU notice, Pre Qualification Questionnaire (PQQ) evaluated to create a shortlist of 6 contractors, tender, tenders evaluated using price and quality criteria, Contract award.
- An HUV management and maintenance strategy is currently being prepared. However, it is unlikely that the strategy will be implemented within the next 2 or 3 years and furthermore, Neville Street is not within the Holbeck Urban Village boundary. Therefore, it is proposed that a commuted sum is invested for the maintenance of the Neville Street Environmental Improvements. The commuted sum is not included within the estimated capital costs above, but will be injected into Revenue.

Capital Funding and Cash Flow

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2007 £000's	FORECAST				
			2007/08 £000's	2008/09 £000's	2009/10 £000's	2010/11 £000's	2011 on £000's
LAND (1)	0.0	0.0					
CONSTRUCTION (3)	0.0	0.0					
FURN & EQPT (5)	0.0	0.0					
DESIGN FEES (6)	0.0	0.0					
OTHER COSTS (7)	0.0	0.0					
TOTALS	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2007 £000's	FORECAST				
			2007/08 £000's	2008/09 £000's	2009/10 £000's	2010/11 £000's	2011 on £000's
LAND (1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CONSTRUCTION (3)	3910.3	0.0	1759.6	2092.0	58.7	0.0	0.0
FURN & EQPT (5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DESIGN FEES (6)	630.1	116.9	314.7	188.6	9.9	0.0	0.0
OTHER COSTS (7)	64.0	0.0	40.0	24.0	0.0	0.0	0.0
TOTALS	4604.4	116.9	2114.3	2304.6	68.6	0.0	0.0

Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2007 £000's	FORECAST				
			2007/08 £000's	2008/09 £000's	2009/10 £000's	2010/11 £000's	2011 on £000's
LCC Funding	2000.0	0.0	0.0	1931.4	68.6	0.0	0.0
Yorkshire Forward SRIP	336.0	0.0	336.0	0.0	0.0	0.0	0.0
Northern Way Growth Fund	646.0	116.9	529.1	0.0	0.0	0.0	0.0
Yorkshire Forward	1622.4	0.0	1249.2	373.2	0.0	0.0	0.0
Total Funding	4604.4	116.9	2114.3	2304.6	68.6	0.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Parent Scheme Number: 01195

Title: Neville Street Environmental Improvements

5.3 It is proposed to rescind all previous approvals included in Existing Scheme No. 01195 (£2,750,000). Funding approved in Existing Scheme No. 01195 was:

- £2,600,000 of Yorkshire Forward funding.
- £150,000 of Network Rail / Spacia funding.

5.4 The proposed funding for the project is:

- Yorkshire Forward has now approved SRIP funding for the continuation of the design work (£336,000).
- £646,000 has been secured from the Northern Way Growth Fund (Arts Council England and Yorkshire Forward) for the art elements of the scheme. The funding must be spent by 31 March 2008.
- £2,000,000 Leeds City Council funding, from savings in the Capital Plan on 2 major highways schemes.

- £1,622,400 of Yorkshire Forward funding. Yorkshire Forward is currently preparing their Full Business Plan Pro-forma for Yorkshire Forward Single Pot & European Structural Funds. The Yorkshire Forward approval process is a 3 stage process. The expected timescales are estimated as Stage 2 – late June 07, Stage 3 – late July 07, Stage 4 – early August 07.

5.5 Other funding that is being explored is:

- Integrated transport capital programme (Local Transport Plan) - maximum £100,000.
- Funding in kind for the associated programme. For example, match funding from Arup with regards the proposed 2sonic art event (maximum £18,000)

Revenue Effects

5.6 City Development is currently responsible for maintaining the highway and highway lighting in Neville Street. Network Rail is responsible for maintaining the bridge structure. Therefore, there are no additional revenue costs with regards these elements.

5.7 However, the new linings and canopy to both walls, incorporating the sound insulation, light art installations and the sonic art installation will require a Revenue budget for maintenance. A commuted sum is to be received to fund the future maintenance of these elements.

Risk Assessments

5.8 The key risks that have been identified for the scheme are as follows:

- Failure to deliver a high quality and innovative scheme. As the project is complex there have been many design issues. However, a project manager, a full design team, an artist and an artist liaison consultant have been carefully selected and commissioned. This project team has fully considered all design issues and presented realistic solutions.
- Failure to maintain a high quality and innovative scheme. A commuted sum has been included in the capital costs for the project to ensure that maintenance is undertaken.
- Northern Way spend not met due to delay to the project. Start on site has been programmed for January 2008, which allows sufficient time for design, tendering and contractor lead in times.
- Cost of works exceed expectations. The design is being scrutinized throughout the design process. A cost plan has been prepared. This will be fully updated once detailed designs are finalised (July 2007). If tenders exceed the budget a value engineering exercise will be undertaken.
- Failure to secure further funding. An Outline Business Case for Neville Street Environmental Improvements has been prepared and approved in principle by the Director of Resources. In parallel with the submission of the Design & Cost Report and Outline Business Case to Executive Board, Yorkshire Forward are preparing their Full Business Plan Pro-forma for Yorkshire Forward Single Pot & European Structural Funds.
- Failure to secure Network Rail permission. Regular liaison is taking place with Network Rail at a technical and strategic level. Support has been expressed from the strategic level. Technical approvals are ongoing.

6.0 Conclusions

- 6.1 The Neville Street Environmental Improvements project has been identified as a key scheme for Holbeck Urban Village and also as of strategic importance to the city. Key investors in Leeds have flagged up the need for environmental improvements as being key to sustaining and promoting the rate of investment to the south of the city centre. The area is also serving to strengthen links between the Beeston Hill and Holbeck renewal area. Consequently, improvements to this area are required as a matter of priority in order to both support the economic growth of the city and to also support the regeneration initiatives of HUV and Beeston Hill and Holbeck.
- 6.2 The project is fully supported by the HUV Partnership Board, Yorkshire Forward, Northern Way, local businesses and the local communities.

7.0 Recommendations

- 7.1 The Executive Board is requested to:
- a) Approve the scheme design proposals and brief as presented.
 - b) Authorise the rescinding of all previous approvals (Scheme No. 01195).
 - c) Approve the funding plan as presented, and authorise an injection of £4,604,400 into Capital Scheme No. 13951.
 - d) Authorise scheme expenditure of £4,604,400.

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Originator: Bridget
 Emery/Dennis
 Holmes
Tel: 50149 /74959

Report of the Director of Environment and Neighbourhoods and the Director of Adult Social Services

Executive Board

Date: 4th July 2007

Subject: Supporting People Programme – Audit Commission Inspection

Electoral Wards Affected:

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)

1. EXECUTIVE SUMMARY

Supporting People is the national programme for funding and commissioning supported housing services for vulnerable people. The programme aims to assist vulnerable people to ultimately live independently in the wider community through the provision of high quality, strategically planned, complementary housing support services. The programme also aims to ensure that such services deliver value for money.

The Council administers the programme on behalf of a partnership which comprises of the Council, Health and Probation. The partnership manages the programme through a Commissioning Body. All decisions relating to the management of the programme need to be considered and ratified by the Commissioning Body.

The Audit Commission Inspection took place between the 8th of January and the 12th of January 2007. The scope of the inspection related to the capacity of the Council to administer the Supporting People programme rather than the effectiveness of the wider Supporting People Partnership.

The Audit Commission has concluded that Leeds City Council administers a 'fair' one star Supporting People programme which has 'promising prospects' for improvement. A full copy of the report has been circulated separately to the Executive Board and is available on the Council Intranet at Neighbourhoods and Housing, Reference Documents.

1.0 Purpose Of This Report

- 1.1 To inform Members on the key findings of and the improvement recommendations made by the Audit Commission and to highlight the action it is proposed to take to implement the recommendations.

2.0 Background Information

- 2.1 Supporting People is the national programme for funding and commissioning supported housing services for vulnerable people. The programme aims to assist vulnerable people to live independently in the wider community through the provision of high quality, strategically planned, complementary housing support services. The programme also aims to ensure that such services deliver value for money.
- 2.2 The programme covers a wide range of supported housing services ranging from the provision of warden services in sheltered housing schemes to the provision of permanently staffed direct access hostel accommodation for homeless households. The Supporting People programme only funds housing support services; activity that is defined as being social care or housing management is ineligible for funding.
- 2.3 The Council administers the programme on behalf of a partnership which comprises of the Council, Health and Probation. The Supporting People team, which administers the programme on a day to day basis, sits within the Housing Services Division of the Environment and Neighbourhoods Directorate.
- 2.4 The partnership manages the programme through a Commissioning Body. All decisions relating to the management of the programme need to be considered and ratified by the Commissioning Body. All decisions made by the Commissioning Body need to be unanimous and each partner body have equal voting rights.
- 2.5 The Audit Commission Inspection took place between the 8th of January and the 12th of January 2007. The scope of the inspection related to the capacity of the Council to administer the Supporting People programme rather than the effectiveness of the wider Supporting People Partnership.
- 2.6 The Audit Commission has concluded that Leeds City Council administers a 'fair' one star Supporting People programme which has 'promising prospects' for improvement.

3.0 Main Issues

3.1 Strengths of the programme

- 3.2 Across the programme, the quality of services has increased. At the start of the programme, 355 of the 480 services were operating below the minimum standards expected. At the point of inspection, the Audit Commission identified that there were only 4 services continuing to operate at this level and acknowledged the success the programme has had in improving the quality of services. Work continues to further increase the quality of services provided to vulnerable people.
- 3.3 The Audit Commission concluded that Leeds City Council was achieving increased value for money in relation to the use of Supporting People funding. The Council was able to demonstrate that better quality services were being delivered, from the position at the outset of the programme, and at a reduced cost. This is a significant finding of the inspection as it is at the heart of the programme and what the

partnership is striving to achieve. In the view of the Commissioning Body this fact merited greater weight in the scoring attached to the inspection.

- 3.4 The Audit Commission commended the Council for delivering efficiency savings in excess of £6 million since the commencement of the programme. It was also noted that approximately £4 million of these savings related to services provided by the Council. The savings have been achieved in the context of a reducing budget. The programme grant in 2003/04 was £36.9m and there has been an incremental reduction to £32.9m in 2007/08. Given this reduction in grant, the ability of the Commissioning Body to deliver value for money has been essential.
- 3.5 The Leeds Supporting People Partnership has developed a tier based model of organising service provision which was cited as being an example of good practice by the inspection team. The updated Supporting People Strategy was considered by the Audit Commission to be rooted in a firm evidence base and to have clear aims and actions for programme development.
- 3.6 The recent integration of the Supporting People team into the Strategic Commissioning Group (now Housing Strategy and Commissioning Group) was identified as strength by the Audit Commission as it has facilitated more effective strategic planning, has linked the Supporting People programme with wider housing priorities and has delivered more efficient use of resources.

3.7 Areas for improvement

- 3.8 The Audit Commission identified a number of areas for improvement in relation to the administration of the programme such as the involvement of service users, improvement planning and the need to address gaps in service provision within the city. These are set out in detail in the recommendations below.
- 3.9 However the issue which featured most highly in the inspection and in the Audit Commission's published summary is criticism made of relating to the plans put in place by the Council to withdraw, on an incremental basis, funding for services that were considered to be ineligible or only part eligible for Supporting People grant aid.
- 3.10 The Audit Commission identified that an inconsistent approach had been adopted in relation to the phased withdrawal of ineligible funding to assist people with a learning disability and other services. The Audit Commission concluded that the Council does not have firm information relating to the value of Supporting People grant that is being used to fund ineligible services.
- 3.11 A timetable was agreed with the DCLG to transfer money over a period of time from services ineligible under the Supporting People programme which recognised the vital role the current funding from Supporting People plays in supporting vulnerable people. This is referred to as the retraction plan. The retraction arrangements in place to deal with ineligible spend are due to be completed by the end of 2010/11. The Audit Commission criticised this timetable stating that this would mean that ineligible services were being funded eight years after the commencement of the programme. The Council argued that these arrangements were necessary due to the overall Council budget position and to protect the interests of vulnerable people who used services provided by the Council. However, the Audit Commission cited examples of other authorities where retraction arrangements had been completed over a shorter period and within a context of corporate budgetary deficit.

3.12 The Audit Commission made other criticisms of the programme administration that were linked to the issue of funding ineligible services. A significant number of service providers expressed to the inspection team that they believed a different approach to eligibility and value for money assessments had been applied to external services to that used to assess in-house services. The Audit Commission also concluded that the partnership's capacity to commission new services to address unmet need was affected by the failure to release grant that was funding ineligible services.

4. Audit Commission Recommendations

Recommendation 1: Address gaps in services

Include in plans details of how services will be expanded for:

- Refugees
- Gypsies and Travellers
- People living with life affecting illnesses such as HIV/Aids and Hepatitis C
- People with substance-related problems
- Disabled people with physical and sensory impairments

Implementation by August 2007

4.1. Actions against recommendation

4.1.1 The Supporting People programme has around £1m capacity to commission services to meet these gaps during 2007/08 and beyond. Work has started to identify how these gaps will be addressed through new commissioning from the Supporting People programme. This work is being overseen by the Commissioning Body.

Recommendation 2: Continue to improve service user involvement in the programme by:

- Ensuring all client groups have clear channels of communication and influence
- Developing the capacity of individuals to make a significant contribution
- Involving service users in meaningful ways
- Setting measurable targets and reviewing the effectiveness of service user involvement annually

Implementation by August 2007

4.2. Actions against recommendation

4.2.1 Training has been undertaken with the Service User Reference Group which will build on their capacity to make a contribution to the administration for the programme. For example, a group member will be attending the Core Strategy Group from July 2007 and service users will be involved in future contract validation and competitive tender exercises. An annual review of service user involvement is being developed to run in conjunction with the annual provider survey.

Recommendation 3: Improve the availability of information on the Supporting People programme by:

- **Ensuring information leaflets are available, widely distributed across the city and on display**
- **Widening the circulation of newsletters to include councillors, frontline staff, service users and their carers and advocates**
- **Improving the directory of services to present information on services that potential service users will find useful**
- **Improving the council website to provide more information and make it easier for service users to find details of available services**

Implementation by August 2007

4.3. Actions against recommendation

- 4.3.1 Work is ongoing to improve the existing service directory and examples of best practice on this and other aspects of provision of information have been sought from programmers assessed to be excellent.
- 4.3.2 Work with the web manager has commenced to ensure that improvements are made to the information available on the internet, including the on-line access to the directory.
- 4.3.3 During the inspection, the mystery shopping exercise demonstrated that while leaflets and posters had been circulated to customer-facing offices across the city, these were not consistently on display. It is intended that the Service User Reference Group will commence an on-going programme of mystery-shopping to improve the availability and publicity of information

Recommendation 4: Improve improvement planning by:

- **Establishing a rolling programme of risk-based, strategic sector wide reviews to consider the needs and supply of services across all client groups**
- **Broaden the remit of reviews to include and look beyond housing-related support**
- **Include and join up reviews with relevant partners and other stakeholders**
- **Identify the amount and source of resources needed to deliver planned activity and align closely with plans and strategies**

Implementation by November 2007 and continue on a rolling programme

4.4. Actions against recommendation

- 4.4.1 The Core Strategy Group has been commissioned to undertake the strategic sector wide reviews on a rolling programme and to report on progress to the Commissioning Body. These reviews will be risk based and will look beyond housing related support. The reviews will inform the development of other key strategies including the LAA.

Recommendation 5: Ensure current services are equally subjected to rigorous eligibility and value for money assessments and ineligible funding is released more rapidly by

- **Jointly review services where eligibility assessments have been estimated**
Identify and quantify the extend of ineligibility
- **Subject these services to value for money assessment**
- **Negotiate changes to the contract and retraction plan**

Implementation by November 2007 and continue on a rolling programme

4.5. Actions against recommendation

- 4.5.1 The existing retraction arrangements in place are based on the estimate that in April 2006 there was £5.2m ineligible spend funding learning disability and mental health services and that this ineligible spend would be addressed over a five year period. In order to achieve a precise calculation of the degree of eligibility, individual reviews are required in the services affected. It is clearly important that the correct figure is assessed quickly and clarity on the amount of ineligible spend and proposed timetable for retraction will be available by the end of September 2007.
- 4.5.2 In order to achieve this, a joint team has been established to undertake the necessary review of services. Dedicated resources have been identified from both Adult Social Care and Environments and Neighbourhoods to undertake the work.
- 4.5.3 Additional consideration has to be given to the review of those services which are included within the Independent Living Project. Phase one of the review will concentrate on reviewing these services and reporting to Commissioning Body by August 2007. This review will inform the revenue aspects of the business case currently being prepared by the ILP team.
- 4.5.4 In total 55 services will be reviewed. This includes 29 in-house services provided by Adult Social Care. A total of 12 providers will be affected by this exercise. Whilst the work will be completed as swiftly and efficiently as possible, it should be noted that it remains the concern of both Adult Social Care and the Supporting People partnership that vulnerable people are not put at risk. Additionally, Commissioning Body will be writing to each provider affected in order to not only explain the work being undertaken and the driver for it, but also to reassure providers that there will be no immediate impact on the service as a result of this work.
- 4.5.5 The outcomes for both Supporting People grant and Adult Social Care budgets and accompanying recommendations for retraction arrangements will be reported to both Commissioning Body and Executive Board in October 2007. Corporate Finance will assist in this exercise.
- 4.5.6 It should also be noted that the actions taken to resolve the recommendations around eligibility and retraction of ineligible spend will have implications not only for Adult Social Care but also to the Joint Commissioning Service for people with learning difficulties and therefore the Leeds Primary Care Trust. The PCT are represented on the Supporting People Commissioning Body and are therefore aware of the Audit Commission recommendations.

Recommendation 6: Improve governance and delivery arrangements by:

- **Ensuring wider representation by relevant stakeholders at governance partnerships**
- **Carrying out appropriate training of staff in adult and child protection issues, policies and practice**
- **Taking action to build up the confidence of partners in governance arrangements**
- **Establishing and documenting a protocol to be followed to resolve dispute between partners**
- **Clarifying how councillors can become more engaged with the programme**

Implementation by November 2007 and continue on a rolling programme

4.6. Actions

- 4.6.1 Governance arrangements have been strengthened following the completion of the inspection. Existing membership of the Commissioning Body has been augmented by the inclusion of a service provider representative albeit in a non-voting capacity. The Core Strategy Group has been strengthened and has representation from all key stakeholders. The governance arrangements are being further strengthened by means of a series of planning and visioning days with both Commissioning Body and Core Strategy Group attendance.
- 4.6.2 Training in child and adult protection is ongoing and all officers within the Supporting People team have undergone CRB checks.
- 4.6.3 Joint work between the partners is ongoing to address the need for a more comprehensive dispute protocol.
- 4.6.4 The council has provided party briefings, cabinet briefings and reports to scrutiny in relation to the Supporting People programme. We will however look at any further measures needed in order to strengthen councillors' engagement with the programme.

5. Implications For Council Policy And Governance

- 5.1 The Improvement Action Plan will be monitored by Audit Commission Relationship Manager and achievements against this recommendation will influence further inspections of the Council. Failure to carry out the recommendations made by the Audit Commission increases the likelihood that the Council will be subject to a further inspection of the Supporting People Programme.
- 5.2 For 2007/08, the council will be required to submit a statement of grant usage at year end. This statement must be ratified by Council Internal Audit and the Commissioning Body and will need to detail the retraction arrangements in place, and to identify all ineligible spend against the timetable of retraction.

6 Legal And Resource Implications

- 6.1 In relations to the recommendations around retraction arrangements there are significant financial implications for the council. The process of jointly reviewing the affected services will have a resource implication for both Adult Social Care and Environment and Neighbourhoods in relation to staff time. The Commissioning Body

will need to consider and ratify the recommendations resulting from the review work in terms of both eligibility, value for money and retraction arrangements. The council will need to agree the appropriate measures to respond to the resulting retraction arrangements in terms of potentially identifying alternative funding to off-set Supporting People grant withdrawal.

- 6.2 The Audit Commission has made explicit service improvement recommendations that they will expect the Council to implement. The Council will also need to consider the views of the external partners within the Supporting People partnership who will be committed to implementing the recommendations.

7 Recommendations

- 7.1 To note the contents of this report and support the actions being undertaken to implement the Audit Commission's recommendations.



Originator: Laura Kripp

Tel:24 76237

Report of the Director of Neighbourhoods & Housing

Executive Board

Date: 4th July 2007

Subject: Lease at Less Than Best Consideration – Agreement to lease 12 miscellaneous properties to LATCH on a 25 year lease agreement

Electoral Wards Affected:
Hyde Park and Woodhouse
Chapel Allerton
Gipton and Harehills

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

1. The purpose of the report is to seek approval to grant a long lease at less than best consideration for 12 Leeds City Council owned miscellaneous properties, to LATCH (Leeds Action To Create Homes Ltd) who are a supported housing organisation. The proposed scheme will ensure the capital investment in the miscellaneous properties, to bring the properties up to the decency standard and contribute to regeneration of the area. On completion of the scheme the flats will be let as affordable housing to vulnerable tenants in line with the Council's Housing Strategy. LATCH will be responsible for full maintenance and repair of the properties over the term of the lease.
2. The Council's policy for disposals of land at less than best consideration requires that Executive Board approval is necessary where the proposed value to be foregone on disposal exceeds £100,000. 'Best consideration' means the highest price which could reasonably be obtainable, which is usually that which could have been achieved if the land or property had been advertised on the open market without restrictions as to use etc, which may be imposed by the Council as vendor.
3. If the properties were to be marketed without restrictions, but allowing for the cost of necessary improvements, the Development Department has estimated that the open market rent forgone would be in the region of £790,000 over 25 years. However, this market use would not be sought as these properties have always been utilised as

affordable housing. Should the properties be returned to the Council to be rented, then they would be used as social rented properties.

4. The length of lease and social housing rent levels proposed by the Council as owner will obviously restrict the value of the property. The standard of refurbishment by LATCH could also be higher, and therefore more expensive, than that carried out by a private landlord. As indicated by the Development Department, the market rent to be forgone over the period of the proposed lease on a market leasehold basis is up to £790,000 over 25 years. Therefore Executive Board is requested to approve the principle of disposal at less than best consideration, subject to approval by the Director of Development having regard to the costs of refurbishment, subsequent maintenance, management and other outgoings.
5. It is proposed that the properties are set up on a long term lease for 25 years. This is primarily because a lease over 25 years means that the Council is not liable to pay housing subsidy to Central Government for the properties. The housing subsidy equates to approx £1000 per annum per property. In this instance the Council could save approximately £12,000 per annum or £300,000 for the 12 properties over 25 years.
6. These properties have never been part of the ALMO management portfolio, and therefore have not been taken into account in the Decency costings. By continuing to lease the properties to LATCH, the Council will be ensuring that the properties are retained as social housing, for vulnerable people with Supporting People revenue funding. If the properties were to be returned to the Council, then the only alternative, with no funding available for refurbishment and Decency works, would be to dispose of the properties via the open market at auction. It is more than probable that the properties would be bought by private landlords, which would increase the instability in the area. By continuing to lease the properties to LATCH the properties remain social rented and retain the stability in the area.
- 7.. The proposed disposal is covered by Consent F of The General Consent under Section 25 of the Local Government Act 1988 for Small Amounts of Assistance 2005.

1.0 Purpose Of This Report

- 1.1 The purpose of this report is to seek the support from the Executive Board to grant a long lease at less than best consideration for the 12 Leeds City Council owned miscellaneous properties to LATCH, for the purpose of refurbishing and improving the buildings for accommodation for vulnerable tenants with support needs. On completion, the properties will be managed by LATCH.
- 1.2 The length and terms of this lease will be subject to approval by the Director of Development, who will establish a reasonable rental level to be payable during the term of the lease. This will take into consideration the level of social rents receivable to LATCH, and the costs of refurbishment, subsequent maintenance, management and other outgoings. This has been estimated to be a rent free period until 2014/2015 in order to fully cover LATCH's anticipated spend on Decency works. An open book approach will be adopted between the Council and LATCH after 2014/2015, when a reasonable rent will be applied.

2.0 Background Information

- 2.1 Leeds Action To Create Homes Ltd (LATCH) was established in 1989 as a small voluntary supported housing project responsible for managing 38 units (including the 12 LCC miscellaneous properties). From its inception the staff team have worked with volunteers and homeless people bringing disused and derelict properties back into use, predominantly in the Burley and Chapeltown area of Leeds, which are tenanted by single people and families. LATCH offers both long and short term support for people who are either homeless or in housing need.
- 2.2 LATCH is funded through a combination of rental income, grants and support charges. LATCH has been successful in securing funding through the National Lotteries Charities Board, The Single Regeneration Budget and various trusts such as The Sainsbury's Family Trust and the Garfield Weston Trust.
- 2.3 One of the distinct features of LATCH's work is service user involvement in refurbishment work. For example, applicants who apply for housing also assist in the refurbishment of the properties that will eventually become their homes.
- 2.4 LATCH's work in the areas of property management and housing support has been commended by the LCC Supporting People Team for helping to deliver the strategic objectives of Supporting People. They have also complimented LATCH for contributing to the aims of the Homelessness Strategy and Crime Reduction Strategy.
- 2.5 The 12 miscellaneous properties have been subject to a peppercorn lease agreement with Leeds Federated Housing Association (LFHA) for the last 10 years. LATCH via a sub leasing arrangement with LFHA, have managed and maintained the properties. These properties are:
- 2 Lascelles View
 - 4 Cowper Street
 - 138a Spencer Place
 - 138b Spencer Place
 - 88a Grange Avenue
 - 88b Grange Avenue
 - 1 Royal Park Avenue
 - 12 Kelsall Place

- 13 Kelsall Avenue
- 16 Autumn Place
- 17 Autumn Place
- 21 Autumn Place

2.6 In total there are 12 units, which are a mixture of 2/3 bedroomed back to back and terraced accommodation. The reasons for leasing these properties to LFHA and LATCH, was that in the mid 1990s housing management found they were a blight on the area and hard to manage/ let. They were unpopular, due to their poor state of repair with no capital available to improve and refurbish the units. The properties were therefore let to LFHA who were able to attract Housing Corporation grant funding to invest in the properties. LFHA leased the properties to supported housing agencies (i.e. LATCH) who were in receipt of funding streams (i.e. Supporting People) to support vulnerable tenants in housing need. This scheme has proved to have been extremely successful, and has enabled LATCH to expand as an organisation.

2.7 All of the lease periods have ended, but Legal Services have confirmed that the lease agreement continues or 'holds over' by default. LATCH pay LFHA a management fee, allowing them to sub lease and manage the properties (LFHA currently pay a peppercorn lease of £1 per annum per property to the Council for the main lease agreement). The occupiers of the 12 miscellaneous properties are therefore tenants of LATCH. LFHA no longer want to be involved in the miscellaneous property arrangement, and it is proposed that the Council leases the properties directly to LATCH.

3.0 Main Issues

3.1 LATCH have the funding available to bring these properties up to the Decency Standard, which they have calculated to be £134,309. LATCH are able to keep their capital costs far lower than the ALMO, as much of the work is carried out through volunteer time, rather than through contracted work.

3.2 LATCH have drawn up a specification to upgrade the properties so that they are suitable for use over the period of the lease, to bring them up to the Decency Standard. Decency works include:

- improving energy efficiency by replacing older windows
- refurbishing kitchens and bathrooms
- upgrading electrical wiring and plumbing

3.3 LATCH have confirmed that they will adopt an "open book" approach to these works, and the Council will be able to audit all works to ensure that they are being undertaken, as specified.

3.4 In order for LATCH to utilise the capital available, the property leases must be renewed. LFHA have confirmed they no longer want to be involved with the miscellaneous property portfolio, and LATCH are happy to enter into a direct lease agreement with the Council.

3.5 It is proposed that the properties are set up on a long term lease for 25 years. This is primarily because a lease over 25 years means that the Council is not liable to pay housing subsidy to Central Government for the properties. The housing subsidy

equates to approx £1000 per annum per property. In this instance the Council could save approximately £300,000 (for the 12 properties over 25 years).

3.6 On this basis a 25 year lease, between the Council and LATCH, is sought. The lease should include a break clause/rent review at regular periods. This will allow either the Council or Connect Housing to break the lease, or for the Council to instigate a rent review.

3.7 Rents

3.8 With the level of investment proposed, LATCH have confirmed that it will be possible to continue letting the properties at slightly below target rents – an important factor given the low incomes of the client group and the increasing affordability gap in terms of equivalent private rented accommodation. The rents per week will be approximately £67 per week, which are in line with council rents..

3.9 The business plan drawn up by LATCH provides for the rental stream covering management and repair costs, and the non-grant aided investment over the proposed life of the scheme. LATCH is not seeking to generate surpluses from this project, and have confirmed that the refurbishment works will be undertaken on a rolling programme using Planned Maintenance contractors, utilising “open-book” principles.

3.10 If the properties were to be marketed without restrictions, but allowing for the cost of necessary improvements, the Development Department has estimated that the open market leased value would be in the region of £790,000 over 25 years. However, the Environment and Neighbourhoods Department would never seek to rent these properties at market rents.

3.11 On the basis of the market valuation, Executive Board is requested to approve the principle of disposal at less than best consideration, subject to approval by the Director of Development of a reasonable rental level. It is proposed that the lease agreement includes a rent free period, whilst LATCH are undertaking the improvement works, utilising their available capital funds. After this period, an open book approach will then be adopted between the Council and LATCH to indicate the reasonable level of rental which should be paid by LATCH. The Director of Development will establish the rental level which will be payable during the term of the lease, which will have regard to the level of social rents receivable and costs of refurbishment, subsequent maintenance, management and other outgoings.

3.12 It has been estimated to be a rent free period until 2014/ 2015 will be in order to fully cover LATCH's anticipated spend on Decency works. An open book approach will be adopted between the Council and LATCH after 2014/2015, when a reasonable rent will be applied.

3.12 Alternatives for the Properties should the scheme not proceed

3.13 All the properties must be brought up to the Decent Homes standards. These properties were not included in any of the Council's or ALMO's 'Decency' costings, and the West North West Leeds Homes Business Plan does not include future refurbishment liabilities associated with these properties. Should these properties return to the Council, capital funds would not be available to undertake the works.

3.14 If the properties were to be returned to the Council, then the only alternative, with no funding available for refurbishment and Decency works, would be to dispose of the properties via the open market at auction. It is more than probable that the

properties would be bought by private landlords, which would increase the instability in the area. By continuing to lease the properties to LATCH the properties remain social rented and retain the stability in the area. The ALMO strongly support the proposal for LATCH to continue to lease and manage the properties, who provide a valuable service to vulnerable tenants.

3.15 Further Action

3.16 The renegotiation of the leases has now commenced. A draft lease is being prepared which will run for 25 years, with a regular break clauses and rent reviews as standard. The purpose of this long lease agreement is twofold, firstly in relation to LATCH having the security to invest their own capital monies into the properties and secondly due to housing subsidy issues.

4.0 **Implications For Council Policy And Governance**

4.1 The Affordable Housing Plan was agreed by the Executive Board in November 2006. The current proposal is in line with its objectives, but specific approvals are required at an early date to secure the grant funding. The Plan will rely upon use of the Council's powers to dispose of sufficient assets at less than best consideration to maximise the level of investment in affordable housing in Leeds.

4.2 The Council's policy for disposals of assets at less than best consideration requires that Executive Board approval is necessary where the proposed value to be foregone on disposal exceeds £100,000. 'Best consideration' means the highest price which could reasonably be obtainable, which is usually that which could have been achieved if the land or property had been advertised on the open market without restrictions as to use etc, which may be imposed by the Council as vendor. Executive Board approval is requested to the principle of disposal at less than best consideration and the amount of the rental subsidy through a rent free period, will be determined by the Director of Development under delegated powers when the necessary projected outgoing information is agreed.

5.0 **Legal And Resource Implications**

5.1 The proposed disposal is covered by Consent F of The General Consent under Section 25 of the Local Government Act 1988 for Small Amounts of Assistance 2005.

5.2 The market leasehold of the properties was valued at £790,000 by the Development Department in April 2007 on an open market basis as required by the relevant statutory regulations. Such figures would only be achievable if the Council is prepared to see the properties sold or leased respectively to a private landlord for letting on the open market, however that path is not recommended due to its potential adverse impact on the Council's regeneration proposals and community cohesion in the area. The rents charged by LATCH are in line with the social rents Leeds City Council would charge.

5.3 By leasing the properties out for over 25 years, the Environment and Neighbourhoods will save approximately £300,000 in housing subsidy.

5.4 LATCH have funding available within their capital programme to refurbish the properties and bring them up to the Decency Standard. The costs are in excess of £134,309. No capital funds would be required to refurbish the properties from the ALMO helping to achieve 'Best Value'. As the properties are to be leased to

LATCH, they will revert back to the Council on expiry of the lease, in an improved state. LATCH have provided financial figures to demonstrate their continued investment in the properties for the term of the lease. On top of the £134,309 capital investment, LATCH propose to commit approx £250,000 for planned maintenance over the period of the lease. LATCH will adopt an open book approach to enable the Council to establish a reasonable rental level after allowance for the outgoings.

6.0 Conclusions

6.1 If the properties were to be leased without restrictions, but allowing for the cost of necessary improvements, the Development Department has estimated that the open market leasehold value would be in the region of £790,000 over 25 years.

6.2 However, in consideration of the benefits to be brought by the scheme proposed by LATCH, it is recommended that the Council's policy for disposals of land at less than best consideration be utilised, and a 25 year lease be drawn up between Leeds City Council and LATCH, with regular break clauses and rent reviews as standard. There will be a rent free period whilst the capital investment is being spent. After this period an 'open book' approach will be adopted between LATCH and the Development Department to establish a reasonable rental level to be payable during the term of the lease. This rental level will take into account the social rents receivable and costs of refurbishment, subsequent maintenance, management and other outgoings.

6.3 The benefits of the scheme are:

- The properties would be brought up to the Decent Homes Standard and remain as social rented properties for vulnerable tenants
- LATCH would continue to build on the good property maintenance/ improvement work
- These difficult to let properties would remain occupied
- LATCH would remain viable as an organisation and would continue to contribute to the LCC Housing Strategy, Supporting People Strategy, Homelessness Strategy and Crime Reduction Strategy

7.0 Recommendations

7.1 Executive Board is requested to approve the principle of a 25 year lease to LATCH at less than best consideration, subject to approval by the Director of Development of the terms of the lease and a reasonable rental level to be payable during the term of the lease, having regard to the level of social rents receivable and costs of refurbishment, subsequent maintenance, management and other outgoings.

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Originator: Laura Kripp

Tel:24 76237

Report of the Director of Neighbourhoods & Housing

Executive Board

Date: 4th July 2007

Subject: Disposal at Less Than Best Consideration – Waterloo Estate, Pudsey – for the provision of affordable housing

Electoral Wards Affected:
Pudsey

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In
(Details contained in the re

EXECUTIVE SUMMARY

1. The purpose of the report is to seek approval to dispose of the Waterloo Site, Pudsey, at less than best consideration for the development of 30 new build affordable homes, highlighted on the attached plan, to Yorkshire Housing Association. This scheme will lever in £985,950 of grant assistance from the Housing Corporation’s Approved Development Programme.
2. The Council’s policy for disposals of land at less than best consideration requires that Executive Board approval is necessary where the proposed value to be foregone on disposal exceeds £100,000. ‘Best consideration’ means the highest price which could reasonably be obtainable, which is usually that which could have been achieved if the land or property had been advertised on the open market without restrictions as to use etc, which may be imposed by the Council as vendor.
3. If the land was to be marketed without restrictions, because of its proximity to the high value Pudsey area the Development Department has estimated that the open market value of the land would be in the region of £931, 250.
4. The proposed disposal is covered by Consent F of The General Consent under Section 25 of the Local Government Act 1988 for Small Amounts of Assistance 2005.
5. Ward Members views have been sought and included within this report.

1.0 Purpose Of This Report

- 1.1 The purpose of this report is to seek the support from the Executive Board to dispose of the Waterloo site (highlighted on the attached plan) to Yorkshire Housing Association, for the purpose of developing 30 new build affordable homes through the Housing Corporation's Approved Development Programme.

2.0 Background Information

- 2.1 The Waterloo development site is 2.58 hectares (6.4 acres) in size and was created following an option appraisal undertaken by Leeds West Homes (LWH) and Neighbourhoods and Housing in 2003, which recommended demolition and clearance of the unsustainable housing stock, due to high turnover resulting from poor housing design and layout.

- 2.2 Work has been ongoing between West North West Homes Leeds (formerly Leeds West Homes), Development Department and Neighbourhoods and Housing to look at alternative options for the site. These include:

1. Disposal of sites A and C (as shown on the map) at less than best consideration to Yorkshire Housing for 30 affordable housing units (0.6 hectares)
2. Retention of land for two bungalows for supported housing under the city wide Independent Living Project (ILP) (0.13 hectares)
3. Marketing of the remainder of the land within the pilot exercise for low cost home ownership, with the potential for a land swap to provide bungalows on the former Waterloo School site (1.85 hectares)

2.3 Yorkshire Housing Association Housing Corporation Bid

Yorkshire Housing Association has been allocated £985,950 of Housing Corporation funding to deliver new affordable homes on the site. The allocation was announced in March 2006, and is for the construction of 30 affordable housing units. In addition to the 30 affordable units, a further 4 units will be built for outright sale. The scheme includes 22 houses and 12 apartments.

- 2.4 In terms of tenure mix for the 34 properties:

- 2 apartments and 2 houses are for outright sale
- 5 of the houses are for social rent
- 15 houses are for shared ownership
- 10 apartments are for shared ownership

- 2.5 The Housing Corporation rules have recently changed and a condition of the grant is that the Council makes the land available at Less Than Best Consideration, and that the development is on site by summer 2007 for completion by October 2008. Therefore, the disposal of land for this scheme will need to progress in advance of the rest of the site (it was originally envisaged that the grant funded units would be dispersed throughout the entire site redevelopment).

- 2.6 The site has been valued at £931,250 by the Development Department and the grant allocated for the scheme to Yorkshire Housing is £985,950. As part of the Housing Corporation grant regulations, the maximum Housing Associations are allowed to pay Local Authorities for land is £5,000 per plot. Therefore, the capital receipt that the Council would receive in disposing this land to Yorkshire Housing is

only £150,000. However, the benefits in doing so provide the area with much need additional affordable housing, thus delivering the priorities set out in the Affordable Housing Plan and assisting with the regeneration of the Waterloo Estate.

2.7 Supported housing scheme (ILP project)

A request from the Independent Living Project (ILP) has been made for a small area of land within this site to be made available for supported housing of people with disabilities. Further work has been done to identify a site for a pair of bungalows which will not interfere with proposals for the overall site. Under the current PFI programme an outline planning application has already had to be submitted to comply with ODPM deadlines, although the construction will not take place until between February 2008 and November 2010. Therefore it is proposed that this site will be excluded from the disposal plans and retained until required.

2.8 Low Cost Ownership pilot scheme

In line with the Affordable Housing Strategy, it is proposed that work should be undertaken to bring land forward for marketing as Low Cost Ownership schemes. The remainder of this site, 1.85 hectares (4.58 acres), is part of the 77 acres of Housing Revenue Account land transferred to the Strategic Affordable Housing Partnership to deliver affordable housing, which was agreed by Executive Board in March 2007. It is envisaged that the site be included within the pilot marketing scheme to extend low cost housing opportunities in west Leeds.

2.9 The Strategic Affordable Housing Partnership will oversee the disposal of this site for low cost housing. The site will be offered on the open market to invite schemes for low cost ownership schemes and because of its size, the site could have potential for a range of needs including first time buyers and families.

2.10 Work is also being undertaken on the potential of a partial land swap, between the Waterloo site and the former Waterloo Primary School, which was closed and reprovided on an alternative site as part of the PFI schools project. It is envisaged that this land swap will enable much needed elderly persons bungalows to built on the flatter school site (the Waterloo site is deemed too steep).

2.11 Development Department are compiling a Planning Statement and Development Brief, and will agree to a form of words, through the Strategic Partnership, to be set out in the document which provides guidance as to the type of affordable scheme the Council would seek to deliver on the site (but being mindful that by being too prescriptive, the redevelopment options would be limited). Development Department will then invite interested parties to put forward their proposals/offers.

2.12 This scheme could greatly benefit Leeds City Council by delivering more affordable housing, and working towards the 2010 target to increase the accessibility of home ownership to first time buyers or those on moderate incomes in the area. The use of this site for such a scheme will create a flagship development for the rest of the city, which could be replicated in other areas.

3.0 **Main Issues**

3.1 Concerns were raised in March 2007 by the three local ward members about the piecemeal disposal of the Waterloo site, which might have compromised the redevelopment potential of the site. Additionally queries were been raised within Neighbourhoods and Housing and Leeds West Homes regarding Yorkshire

Housing's scheme designs and building concepts (i.e. they are of a unique modern design). However, a series of meetings and briefings were held between the Leader of the Council, Local Ward Members, Strategic Landlord, Development Department, West North West Homes Leeds and Yorkshire Housing, to reach a consensus on the scheme design and the redevelopment of the remainder of the site. Yorkshire Housing, through scheme layout plans, were able to demonstrate how these new 30 affordable units will relate to the existing or future housing. Yorkshire Housing have now submitted the scheme for planning permission.

4.0 Implications For Council Policy And Governance

4.1 The Affordable Housing Plan was agreed by the Executive Board in November 2006. The current proposal for the Waterloo site is in line with its objectives, but specific approvals are required to secure the grant funding. The Plan relies upon use of the Council's powers to dispose of sufficient land at less than best consideration to maximise the level of investment in Leeds of social housing grant from the Housing Corporation for provision of a range of affordable housing.

4.2 The Council's policy for disposals of land at less than best consideration requires that Executive Board approval is necessary where the proposed value to be foregone on disposal exceeds £100,000. 'Best consideration' means the highest price which could reasonably be obtainable, which is usually that which could have been achieved if the land or property had been advertised on the open market without restrictions as to use etc, which may be imposed by the Council as vendor. Executive Board approval is requested to the principle of disposal at less than best consideration.

5.0 Legal And Resource Implications

5.1 The proposed disposal is covered by Consent F of The General Consent under Section 25 of the Local Government Act 1988 for Small Amounts of Assistance 2005.

5.2 The freehold of the land was valued at £931, 250 by the Development Department on an open market basis, as required by the relevant statutory regulations.

5.3 Yorkshire Housing have received an allocation of Social Housing Grant from the Housing Corporation, as part of the 2006/08 Approved Development Programme, of £985,950 to develop 30 new affordable units. The balance of funding is being financed by Yorkshire Housing through borrowing.

6.0 Conclusions

6.1 If the site was to be marketed without restrictions, because of its proximity to the high value Pudsey area, the Development Department has estimated that the open market value would be in the region of £931, 250.

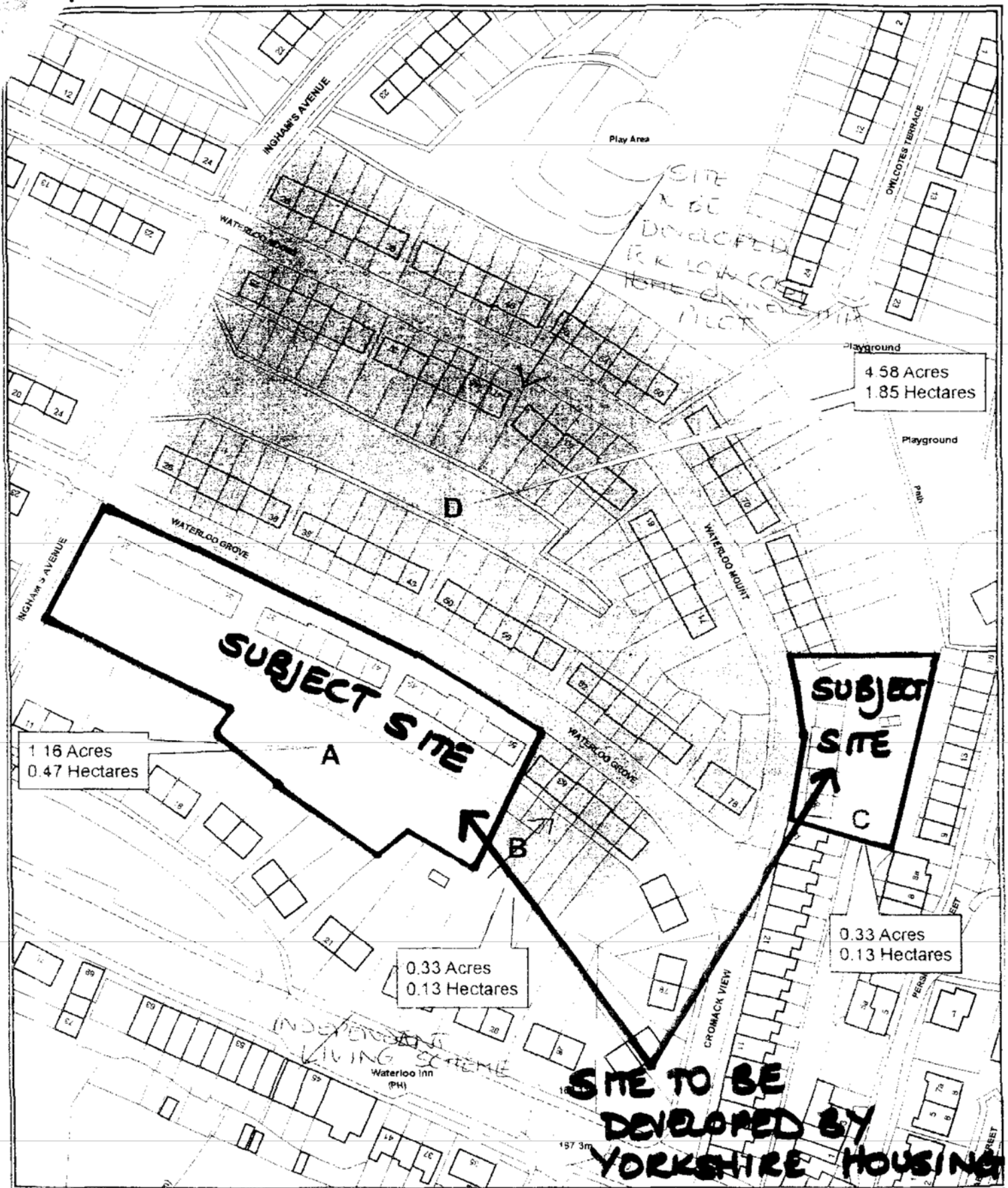
6.2 However, in consideration of the benefits to be brought by the schemes proposed by Yorkshire Housing in delivering much needed affordable housing to the area, and delivering on the objective contained within the Affordable Housing plan, it is recommended that the Council's policy for disposals of land at less than best consideration be utilised, and the site be disposed of to Yorkshire Housing at £5,000

per plot (£150,000) as stipulated by the grant requirements through the Housing Corporation.

7.0 Recommendations

Executive Board is requested to approve the principle of disposing of the subject site on the Waterloo Estate, highlighted on the attached plan, to Yorkshire Housing at £5,000 per plot (less than best consideration), subject to approval by the Director of Development, in order to deliver 30 new affordable homes, through Housing Corporation Grant.

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**LAND AT WATERLOO ESTATE
PUDSEY
LEEDS LS28**



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