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**Report of the Deputy Chief Executive**

**Executive Board**

**Date: 9<sup>th</sup> December 2009**

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

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**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)

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**Executive Summary**

This is the ninth update report on Leeds City Council's PPP/PFI projects and programmes. It provides a progress report on the current portfolio of projects and highlights the planned key activities of the projects and the challenges this will pose for the Council.

The report also outlines the employment opportunities that have and will be created as a consequence of this investment programme, including those relating to the projects which were in construction during 2009 and also identifies how the Unit proposes to respond to the challenging budget pressures arising in 2010/2011.

An update is included on the recent review of Governance Arrangements for PPP / PFI projects.

## **1.0 Background**

- 1.1 Executive Board requested at its meeting on 9<sup>th</sup> March 2005 six-monthly updates on the progress of PPP/PFI projects and programmes. This is the ninth progress report and provides an update on the portfolio of PPP / PFI projects since April 2009.

## **2.0 Leeds City Council PPP/PFI Projects and Programmes**

- 2.1 Since April 2009 the delivery of Leeds City Council PPP/PFI schemes has continued to progress with a number of successes and challenges. The progress, scope and status of these schemes are outlined in Appendix 1.
- 2.2 Since the last progress update, the Unit has undergone a partial restructure designed to improve efficiency and reduce costs, which has now been fully implemented. In progressing further opportunities to work with other local authorities, and public sector bodies, the Unit aims to reduce costs and at the same time increase income (see section 5 below).

## **3.0 Project Highlights**

### **3.1 Building Schools for the Future (BSF) Programme Phase 1 and 2 – Allerton Grange, Swallow Hill and Farnley Park**

- 3.1.1 On 22<sup>nd</sup> August 2007 Members of Executive Board approved the Outline Business Case for Phases 2 and 3 of the Council's Wave 1 Building Schools for the Future (BSF) Programme.
- 3.1.2 Allerton Grange School, a Wave 1, Phase 1 school and Swallow Hill Community College, a PFI school within Wave 1, Phase 2, opened their doors to students in September 2009. Officers consider these to be of the highest quality standards achieved with our partners to date. Demolition of the original school buildings at Allerton Grange School continues to programme, with demolition at the other three Phase 1 schools delivered to programme in September 2009.
- 3.1.3 The contract for the remaining Phase 2 school, Farnley Park High School, is now due to be signed in early 2010 with the school due to open in September 2011.
- 3.1.4 This project supports the Leeds Strategic Plan 2008 to 2011 strategic outcomes of:  
Learning - An enhanced workforce that will meet future challenges through fulfilling individual and economic potential and investing in learning facilities.

### **3.2 BSF Wave 1, Phase 1 – Cockburn and Temple Moor**

- 3.2.1 Two schools, Cockburn and Temple Moor, are being substantially refurbished under a Design and Build contract and are currently partially complete, though there have been some problems. Several latent defect claims in respect of both projects were submitted which amounted to approximately 4% of the total programme of capital works. The Council and the Contractor obtained independent Third Party Evaluation of the claims by our experienced QC, to help establish the apportionment for the liability of the claims. Negotiations took place

in October 2009 which established the quantum and value for the claims for which the Council was liable. Settlement of the claims for approximately 2% of the total programme of capital works was agreed by both parties in November 2009.

3.2.2 Cockburn school is expected to be completed and handed back to the Council in December 2009, followed by Temple Moor in July 2010.

### 3.3 **BSF Wave 1, Phase 4 - Leeds West Academy**

3.3.1 A report on the Leeds West Academy OBC was presented at the April Executive Board meeting. The OBC was approved by PFS in September 2009. The New Projects Procedure commenced in July 2009, and close is programmed for April 2010. The project is on target to open the new build academy in September 2011.

### 3.4 **BSF Wave 13**

3.4.1 Partnerships for Schools have confirmed that there will be no funding of this programme during the 2009/10 financial year. Officers of Education Leeds and Leeds City Council continue to lobby for this funding in order to tackle the remaining 14 high schools in the city.

### 3.5 **Joint Service Centres Phase 1**

3.5.1 The first phase of the Joint Service Centres PFI project will provide centres at Chapeltown and Harehills offering facilities provided by the City Council, Primary Care Trust (PCT) and other partners.

3.5.2 The Final Business Case was approved by Communities and Local Government and contract signature was achieved on 12<sup>th</sup> June 2009. Construction of both centres has now commenced, with opening scheduled for June 2010 (Harehills) and October 2010 (Chapeltown). The second phase of the project, to provide a Joint Service Centre in Kirkstall, is currently on hold pending the completion of a PCT review of services to be delivered from the proposed centre.

3.5.3 This project supports the Leeds Strategic Plan 2008 to 2011 strategic outcomes of:

- Health and Wellbeing - Reduced health inequalities through the promotion of healthy life choices and improved access to services.
- Thriving Places - Improved quality of life through mixed neighbourhoods offering good housing options and better access to services and activities.
- Harmonious Communities - More inclusive, varied and vibrant communities through empowering people to contribute to decision making and delivering local services.

### 3.6 **Independent Living PFI Project**

3.6.1 This project commenced procurement in 2006. The Final Business Case was approved by Executive Board in January 2008 and the contract was signed on 9th June 2008. The first phase of new homes were handed over on 23 March

2009 with the new homes being first occupied week commencing 30 March 2009.

3.6.2 Since March, a further three phases of the programme have commenced service delivery in line with the project programme, meaning 22 of the 39 sites to be delivered are now operational. The remaining buildings and homes will be delivered over the rest of the three year period ending in June 2011. Several members of PPPU staff were able to undertake Employee Volunteering as service commencement began, assisting the City Council in achieving its Corporate Social Responsibility (CSR) objectives.

3.6.3 This project supports the Leeds Strategic Plan 2008 to 2011 strategic outcomes of:

- Health and Wellbeing – Improved quality of life through maximizing the potential of vulnerable people by promoting independence, dignity and respect.
- Thriving Places – Improved quality of life through mixed neighbourhoods offering good housing options and better access to services and activities.
- Harmonious Communities – Improved community cohesion and integration through meaningful involvement and valuing equality and diversity.

### 3.7 **New Leaf Leisure Centres Project**

3.7.1 The Department of Culture, Media and Sport approved the Council's Expression of Interest (EOI) in August 2005. Morley and Armley leisure centres have progressed as PFI projects under the Strategic Partnership Agreement (SPA) between the Council and Leeds LEP Ltd. The contract was signed in August 2008, only 14 months after the Outline Business Case was approved, representing the most efficient procurement undertaken by the Unit to date. The centres remain on programme and are due to be operational in early 2010.

3.7.2 This project supports the Leeds Strategic Plan 2008 to 2011 strategic outcomes of:

- Culture - Enhanced cultural opportunities through encouraging investment and development of high quality facilities of national and international significance.
- Health and Wellbeing - Reduced health inequalities through the promotion of healthy life choices and improved access to services.

### 3.8 **Well Being Centre Holt Park**

3.8.1 In May 2008 the EOI was submitted by the Council and Primary Care Trust to the Department of Health proposing the construction of a Well Being Centre combining Adult Social Care, leisure facilities, community space and health facilities to replace the Holt Park Leisure and Health Centres. Funding has been allocated by the Department for Health confirming £32m in credits. An OBC has been submitted to the DoH, with endorsement by PRG expected in December 2009. Procurement has commenced with the LEP.

### 3.9 **Lifetime Homes - Round 6**

3.9.1 In August 2009, the Homes and Communities Agency (HCA) confirmed that an initial allocation of £183m of PFI credits had been awarded to Leeds for this project, subject to the submission and approval of an OBC, which is currently being developed with Environment and Neighbourhoods.

### 3.10 **West Yorkshire Police PFI Divisional Headquarters and Training Centre**

3.10.1 In July 2008, the Home Office allocated £177m of credits to West Yorkshire Police (WYP) to develop three new Divisional Headquarters, including one in Leeds, and a regional training centre with expertise in public order, driver and firearms training. The City Council are currently working with WYP to secure a site in Leeds and develop an OBC to be submitted later this year.

## 4.0 **Council's Successes Since April 2009**

The City Council's successes since April 2009 are evidenced through:

### 4.1 *Awards*

4.1.1 The Independent Living Project received a Public Private Finance Award for 'Best Customer Involvement in a project' in May 2009. This is the second award the project has won, in addition to that for "Innovative approach to providing services for vulnerable adults" in May 2008.

4.1.2 Ralph Thoresby School received a Commendation from the Leeds Architecture Awards in April 2009.

4.1.3 The Council was shortlisted for the following Partnerships for Schools 'Excellence in BSF' Awards in November 2009:

- Most versatile learning environment (Pudsey Grangefield)
- Local Education Partnership of the Year (Leeds LEP)

The partnership between Education Leeds and Research Machines (RM) was highly commended in the category of 'Most effective ICT partnering' as part of the same awards.

4.1.4 The Leeds Local Education Partnership (LEP) has also been shortlisted for the Local Government Yorkshire and Humber 'Making a Difference' Awards in the category of Transforming through Efficiency.

### 4.2 *Gateway Reviews*

4.2.1 Subject to competing priorities, the Council invites independent Gateway reviews led by Local Partnerships, formerly 4Ps, on all of its PFI projects. Local Partnerships review reports provide the Council with a confidential position statement on the status of each project at each stage using the RAG (red, amber, green) 'traffic light' approach and the Council continues to seek to support this initiative by releasing trained staff, to assist Local Partnerships in progressing their National Gateway Review programme.

4.2.2 The following reviews have taken place since the last update report:

- Holt Park Wellbeing Centre - Gate 1 'Business Justification' - early October 2009 (Amber / Green)
- BSF Phase 4 Leeds West Project - Gate 2 'Procurement Strategy' - late October 2009 (Amber / Green)
- Independent Living Project - Gate 4 'Readiness for Service' – early November 2009 (Green)
- Lifetime Neighbourhoods Project – Gate 1 'Business Justification' – mid-November 2009 (Amber / Green)

#### 4.3 *Gateway Review Training and Networking Events*

4.3.1 In September 2009, the Unit hosted two one-day sessions run by Local Partnerships to train new gateway reviewers and provide a networking day for existing reviewers.

4.3.2 As a result of this training session and a similar one held in March 2009, 19 members of City Council staff (15 from PPPU) underwent training and are now qualified Gateway Reviewers, enabling the City Council to continue to support the Local Partnerships in progressing their national Gateway Review programme by releasing those qualified to participate in reviews for other Local Authorities.

4.3.3 To date, Council staff have supported Blackpool, Tower Hamlets, Blackburn and Rochdale in this process.

#### 4.4 *Treasury Review of Operational PFI Projects*

4.4.1 At the start of the year, the Treasury commissioned Partnerships UK to carry out a review of operational PFI projects across the Country, and colleagues from PUK visited Leeds on 12<sup>th</sup> and 13<sup>th</sup> March 2009 to interview key stakeholders from a range of projects.

4.4.2 The findings of the review fed into a report back to the Treasury on best practice in the managing of these projects on a wide scale. The outcome of this was shared with service departments who have procured/ are procuring PFI schemes.

#### 4.5 *National Audit Office (NAO)*

4.5.1 We have contributed to the work of the National Audit Office as part of their study on 'Commercial skills for complex government projects', and a report has been published on the NAO website. The publication of an opinion piece is planned by the end of the year.

#### 4.6 *Job Creation*

4.6.1 The Council estimates that approximately 4,500 jobs have been created or maintained within the construction industry (and associated supply chain

industries) during the construction period of PPP projects which have been in construction during 2009.

4.6.2 Furthermore, it is anticipated that close to 5,500 jobs will be created or maintained within the construction industry (and associated supply chain industries) as a result of PPP projects which are currently in procurement or at business case development stage.

4.6.3 We are working with colleagues in the Environment and Neighbourhoods Directorate, and in particular with Jobs and Skills, with the objective of developing and applying their process in all current and future procurement. This process is being developed to provide benchmark figures for training and job creation, including apprenticeships and many other opportunities for the local economy and mirrors the successful 'Academy' process, which has been developed by the Sector Skills Councils and other regeneration projects.

## **5.0 Provision of services to neighbouring authorities and other public bodies**

5.1 Since the April 2009 report, further work has been undertaken on best positioning PPPU to provide services to neighbouring authorities and other public bodies. This work has focused on a number of areas as outlined below.

5.2 A bid for preferred supplier status on two Lots within the OGC Consultancy Services Framework Agreement was submitted in May 2009. Whilst the bid was, as anticipated, not successful it did provide very useful feedback for future, similar submissions. In addition PPPU are championing the development, through the Yorkshire and Humberside Regional Improvement and Efficiency Partnership (RIEP), of a regional framework that would offer additional opportunities to provide services to Local Authorities and other public bodies within the region. This work is currently in the early stages of its development.

5.3 Work has also been progressed on determining the most appropriate structure for provision of services to neighbouring authorities and other public bodies, to provide sufficient flexibility to contract and trade with relevant bodies whilst maintaining the advantages of the current in-house structure. An options paper has been discussed with a CLT focus group and further work is now being undertaken to investigate the preferred option of setting up a company alongside the current PPPU team. CLT approval of the proposals will be sought prior to the development of a full business case.

5.4 The Unit has been working with the West Yorkshire Police for over 12 months on the development of the Outline Business Case (OBC) (see paragraph 3.10 above). To secure necessary resources to undertake the procurement of the project, and deliver three new Divisional Headquarters (one of which will be in Leeds) and a regional training unit, the Unit has been invited to consider seconding a small team of Officers, led by the Chief Officer (who would be required as a part-time Project Director).

5.5 It is proposed that this arrangement is developed with the support of the Assistant Chief Executive, Corporate Governance, and the Director of Resources, to ensure the interests of the Council are protected before any decision on longer term support is made. The financial implications of this proposal would be to

receive a contribution to the costs of the Unit, whilst ultimately seeking to improve the delivery of public services within the City, and the region.

5.6 Preliminary discussions have also commenced with Partnerships for Schools to explore potential opportunities to trade through Education Leeds to deliver services to other local authorities. This is closely linked to the work on structures for provision of services above and these workstreams are being closely coordinated.

## **6.0 Governance Implications**

6.1 Further to the previous progress update, the Unit has continued to undertake work with colleagues to promote greater alignment of its governance arrangements with the Council's constitution and the arrangements currently in place for other major projects.

6.2 The existing governance framework, as approved by Executive Board in March 2005, has provided robust arrangements to support a fast moving programme. However, the introduction of the Strategic Investment Board (SIB) and Asset Management Board (AMB) will replace the need for the PPP / PFI Projects Coordination Board and has prompted a review of the arrangements as a whole.

6.3 This report seeks to update Executive Board Members on the main objectives and considerations of the review and the outcomes, and to seek approval as necessary for the proposed way forward.

6.4 The main objectives of the review of Governance arrangements for PPP / PFI projects were:

- to advance the alignment of the governance of PPP / PFI projects with the governance arrangements for other projects under the Constitution;
- to bring about the winding up the PPP / PFI Projects Coordination Board.

6.5 A number of reports have been submitted on the outcome of the review to the Corporate Governance and Strategic Investment Boards.

6.6 The principal recommendations of the review were that:

- a) Coordination Board be wound up by Executive Board and the delegated powers of Coordination Board and Asset Management Group ended;
- b) The Officer Scheme of Delegation in relation to Executive Functions be added to in certain respects and the separate routine officer delegations in respect of PPP/PFI projects ended;
- c) Strategic Investment Board:
  - issue guidance regarding the chairing and membership of Project Boards for all major projects;
  - consider further its programme and Terms of Reference;
- d) PPPU revise the Governance Manual to reflect the new proposals and to apply to all major projects.

6.7 The following were also established, to support the change from decision making on projects by the Chair of the Project Board to decision making by the



responsible Director:

- a) the Chairs of Project Boards for major projects should be either:
  - independent from the Project Sponsor / responsible director's directorate (i) where this would add effective check and challenge and (ii) provided that a suitable, appropriately able and experienced candidate is available;or:
  - the relevant Director;and that proposed Chairs for these projects should be subject to challenge through review at SIB before being approved by Executive Board;
- b) a referral back mechanism be put in place where a Director proposed to take sensitive procurement decisions on major projects without, or otherwise than in accordance with, the recommendation of the Project Board;
- c) core membership of Project Boards for major projects should be to a standard model, but noting that particular funding / sponsoring bodies may have additional requirements;
- d) the revised governance arrangements be applied to all Major Projects, as defined by the Delivering Successful Change Scorecard, which are related to property or infrastructure.

6.8 In light of these conclusions, this report seeks approval from Executive Board for:

- a.) the winding up of PPP/PFI Coordination Board and the ending of the powers previously delegated to the Chair of that Board and of Asset Management Group, with effect from the date of approval by the Leader of amendments to Director delegations. This is anticipated 1<sup>st</sup> January 2010;
- b.) the ending of the powers delegated to the Chairs of Project Boards under the previously approved Governance and Management Arrangements for PPP/PFI Projects from the date when amended delegation to Directors in relation to projects takes effect.

6.9 The next steps will include:

- Completion of the review of Project Board (and Project Board member) roles and responsibilities;
- The development by the Chief Officer, PPPU of a revised PPP / PFI Projects Governance Manual, with the objective that it apply to all Major Projects, as defined by the Delivering Successful Change scorecard which are related to property or infrastructure.

## **7.0 Further Governance Issues**

### *7.1 Chairing, structure and composition of Project Boards*

7.1.1 The approach to Chairing Project Boards for major projects referred to at 6.7(a)

above is likely to necessitate some changes to the structure, composition and Chairs of a number of Project Boards. To facilitate this, it is proposed that Executive Board authorise the Deputy Chief Executive and subsequently the Director of Resources and Deputy Chief Executive to implement any necessary Project Board changes, in terms of structure, Chair and composition. For all new Project Boards created after this transitional period, the structure, Chair and composition would follow the process set out above.

## 7.2 *Delegated powers in relation to Final Business Cases*

7.2.1 The Competitive Dialogue procurement process requires Government Departments to review FBCs at two stages, firstly a Pre-Preferred Bidder FBC (PPBFBC) (as it suggests in advance of announcement of a Preferred Bidder), and secondly before financial close as on previous projects. Our current Governance arrangements reserve authority to submit FBCs to Executive Board, with delegated powers in urgent circumstances to the Coordination Board Chair. If this continued in future, this could mean the need for two Executive Board reports within 3 or 4 months of each other on the same Project, which may be inappropriate where the scope of the Project remains the same, although this may be necessary in some cases.

7.2.2 To avoid this, it is recommended that appropriate delegated powers be included in the revised powers currently in the process of being finalised (and as envisaged by the Governance review) to enable Directors to approve a PPBFBC in circumstances where the scope and affordability of a Project remains as previously approved by Executive Board. This would be subject to prior consultation with the Director of Resources and Deputy Chief Executive.

7.2.3 If a report to Executive Board was required at this stage, Executive Board could authorise the relevant director to approve the last FBC where a PPBFBC has been approved by Executive Board and the scope and affordability remains the same.

7.2.4 In any instance the matter can still be referred to Executive Board if considered appropriate (in the latter case this is likely to be necessary).

## 8.0 **Financial Implications**

8.1 Key features of the PPPU 2009/2010 Revenue Budget are detailed below:

- The Unit remains on track to deliver a forecasted surplus of £0.36m
- Proposed charges to clients in 2009/2010 are based upon the existing 2008/09 charge out rates

## 9.0 **Recommendations**

9.1 Executive Board is recommended to:

- note the current status of PPP/PFI projects and programme;
- approve the winding up of Coordination Board and transfer of

responsibilities to Directors with effect from the date of approval by the Leader of amendments to Director delegations, as outlined at section 6 of this report and note the proposed revised Terms of Reference for SIB.

- authorise the Deputy Chief Executive and subsequently the Director of Resources and Deputy Chief Executive to implement any necessary Project Board changes, in terms of structure, Chair and composition as detailed in 7.1.1 of this report.
- note the proposal at 7.2 in relation to Final Business Case approvals.

## **10.0 Background Information**

- PPP / PFI Six-Monthly Update Report (Executive Board – April 2009)

## Leeds City Councils PPP/PFI Projects/Programmes December 2009

PROJECTS	INFORMATION	CURRENT STAGE	CAPITAL INVESTMENT £M
<b>OPERATIONAL PROJECTS</b>			
<b>Cardinal Heenan High School PFI Project</b>	<ul style="list-style-type: none"> <li>• Contract signed in 1999.</li> <li>• The project was a 'pathfinder' project in the Education sector.</li> <li>• The new school was opened in August 2000 and the project was refinanced in 2003.</li> <li>• The project provides a new build school for 900 children and young people.</li> <li>• The benchmarking and market testing process was completed in March 2009 and the Unitary Charge has been adjusted accordingly. Utility usage is subject to final approval by both parties.</li> </ul>	Operational	£9m
<b>Leeds 7 Schools PFI Project</b>	<ul style="list-style-type: none"> <li>• Contract signed in October 2001.</li> <li>• Service commencement was achieved for the five primaries in September 2002 and for the two secondary schools in August 2003.</li> <li>• This project provides seven new build schools for 4,700 children and young people.</li> <li>• A joint review of the commissioning of the facilities has been completed and implemented.</li> <li>• The benchmarking process is now complete and has been approved.</li> </ul>	Operational	£38m
<b>Leeds Primary Schools PFI Project</b>	<ul style="list-style-type: none"> <li>• Contract signed in April 2004.</li> <li>• Service commencement was achieved in March and September 2005.</li> <li>• This project provides ten new build schools for over 3,800 young children in Leeds.</li> <li>• The first annual update report has been presented to the PPP / PFI projects Coordination Board.</li> <li>• The benchmarking and market testing scope has been agreed and the process is progressing to programme.</li> </ul>	Operational	£36m

PROJECTS	INFORMATION	CURRENT STAGE	CAPITAL INVESTMENT £M
<b>Leeds Combined Secondary Schools PFI Project</b>	<ul style="list-style-type: none"> <li>• Contract signed in April 2005.</li> <li>• Phase One, the first four schools, achieved handover in September 2006, and Phase Two, the final two schools achieved handover in September 2007.</li> <li>• This project has provided five secondary schools and one primary school, including a children's centre, for over 5,700 children and young people in Leeds.</li> <li>• The project was shortlisted and was runner up under the category 'Best Operational Schools Project' at the international 2008 PPF Awards in April 2008.</li> <li>• Two schools from the project, Carr Manor and John Smeaton have gained High Commended status in the Leeds Architecture Awards (Excellence in Places and Spaces).</li> <li>• All Highways and Authorities works have been completed.</li> <li>• All Phase 1 and 2 sites have now been demolished, cleared and handed back to the Council for disposal.</li> </ul>	Operational	£97m
<b>Independent Living PFI Project</b>	<ul style="list-style-type: none"> <li>• CLG and the Department for Health approved the Outline Business Case in November 2005, and procurement commenced in January 2006.</li> <li>• On the 9th June 2008 the project reached Financial Close. There are few projects where the benefits to 341 vulnerable members of society are so clear and obvious.</li> <li>• The Independent Living Project received a 4Ps Excellence Award for Customer Services (PPPs which have provided services or facilities which have significantly improved customer service and satisfaction levels) in June 2008.</li> <li>• Deed of Variation agreed with Lilac on 24<sup>th</sup> October 2008 to build new accommodation to provide a new Children's Respite Service.</li> <li>• Construction of the Children's Service building called Rainbow House commenced on 8<sup>th</sup> December 2008. Service commencement is due to start in January 2010.</li> <li>• The first phase of the project achieved service commencement on 23 March 2009.</li> <li>• In the past 6 months a further three phases have now reached service commencement in line with the programme.</li> <li>• The Independent Living Project received a Public Private Finance Award for 'Best Customer Involvement in a project' in May 2009.</li> </ul>	Construction	£51m

PROJECTS	INFORMATION	CURRENT STAGE	CAPITAL INVESTMENT £M
<b>New Leaf Leisure Centres PFI Project</b>	<ul style="list-style-type: none"> <li>• The Department of Culture, Media and Sport approved the Council's Expression of Interest (EOI) August 2005.</li> <li>• The OBC for this project was endorsed by DCMS and PRG on 19th June 2007</li> <li>• The Council procured the project through the 2 stage new project procedure process established under the Wave 1 Building Schools for the Future project and delivered in partnership with the Local Education Partnership.</li> <li>• The Final Business Case (FBC) was approved by Executive Board in July 2008.</li> <li>• The project reached Financial Close on 07 August 2008.</li> <li>• The project will provide two new leisure centres at Morley and Armley to replace existing centres remain on programme to be operational in 2010.</li> </ul>	Construction	£22m

PROJECTS	INFORMATION	CURRENT STAGE	CAPITAL INVESTMENT £M
<b>IN CONSTRUCTION</b>			
<b>Swarcliffe Social Housing PFI Project</b>	<ul style="list-style-type: none"> <li>• Contract signed in March 2005.</li> <li>• Operation and construction commenced June 2005 with a 5 year construction programme.</li> <li>• 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.</li> <li>• To date the Contractor reports approximately 1540 out of a contracted total of 1555 have been refurbished with the remainder to be completed by December 2009, with all capital works to be completed by July 2010.</li> </ul>	Year Four Construction & Operational	£113m
<b>Street Lighting PFI Project</b>	<ul style="list-style-type: none"> <li>• Contract signed on 31st March 2006 with service commencement as programmed in July 2006 with a 5 year construction programme.</li> <li>• 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. To date over 40,000 columns have been replaced with a further 40,000 scheduled to be completed by July 2011.</li> <li>• The 5 year column replacement programme is currently 4 weeks behind schedule as a result of industrial action by the electricity Distribution Network Operator in summer 2008 and delays to works in Wetherby. Plans are in place to make up this delay before July 2010.</li> </ul>	Year Four Construction & Operational	£106m

PROJECTS	INFORMATION	CURRENT STAGE	CAPITAL INVESTMENT £M
<p><b>Building Schools for the Future PFI Programme (Wave 1, Phase 1)</b></p> <p><b>(Wave 1, Phase 2)</b></p>	<ul style="list-style-type: none"> <li>• Contract signed 3<sup>rd</sup> April 2007 with an expected partnership of 10 years.</li> <li>• Three of the Phase 1 PFI Schools became operational in September 2008 with the demolition and completion of the grounds being achieved to programme in September 2009.</li> <li>• The remaining PFI school, Allerton Grange, became operational in September 2009, onsite demolition of the original school buildings is progressing to programme.</li> <li>• Two schools, Cockburn and Temple Moor, are being substantially refurbished under a Design and Build contract and are currently partially complete, though there have been some problems. Several latent defect claims in respect of both projects were submitted which amounted to approximately 4% of the total programme of capital works. The Council and the Contractor obtained independent Third Party Evaluation of the claims by our experienced QC, to help establish the apportionment for the liability of the claims. Negotiations took place in October 2009 which established the quantum and value for the claims for which the Council was liable. Settlement of the claims for approximately 2% of the total programme of capital works was agreed by both parties in November 2009.</li> <li>• Cockburn school is expected to be completed and handed back to the Council in December 2009, followed by Temple Moor in July 2010.</li> <li>• The contract for Swallow Hill High School (a Wave 1, Phase 2 PFI school), was signed on 13th March 2008. Construction on Swallow Hill, commenced April 2008 and is now complete, the school was handed over on the 7<sup>th</sup> September 2009. and onsite demolition of the original school buildings is progressing to programme.</li> <li>• The contracts for the refurbishment of Pudsey Crawshaw and Priesthorpe schools (Wave 1, Phase 2 schools) were signed on 20 March 2009, work is proceeding on site and the schools are programmed to be completed in September 2010 and March 2011 respectively.</li> <li>• See Phases 2, 3 and 4 items in projects 'In-procurement' and projects in Pre-procurement for further details.</li> </ul>	<p>Construction and Operational</p>	<p>£145m</p>



PROJECTS	INFORMATION	CURRENT STAGE	CAPITAL INVESTMENT £M
<b>IN PROCUREMENT</b>			
<b>Building Schools for the Future PFI Programme (Wave 1, Phase 2)</b>	<ul style="list-style-type: none"> <li>The OBC for Phase 2 of the BSF Wave One programme was approved at Executive Board in August 2007, whilst the Council, Education Leeds, and the schools, continue to work with the Leeds LEP under the New Projects Procedure.</li> <li>Approval of the OBC by Partnerships for Schools was received in February 2008.</li> <li>Farnley Park remains the only school in Phase 2 still in procurement. The contract for Farnley Park is due to be signed in early 2010 and the school is due to open in September 2011.</li> </ul>	Procurement and Construction	£77m
<b>Joint Service Centres PFI Project (Chapelton and Harehills)</b>	<ul style="list-style-type: none"> <li>The first phase will provide two Joint Service Centres (at Chapelton and Harehills) which will provide facilities, primarily for face-to face services, including services provided by the City Council and Primary Care Trust and other partners.</li> <li>The Joint Service Centres are being procured, constructed and delivered via Community Ventures (formerly Leeds Lift Limited) in which Leeds City Council are a strategic partner with the Leeds Primary Care Trust (PCT).</li> <li>Executive Board at its meeting on 4<sup>th</sup> March approved the arrangements to financial close and the implementation of the project.</li> <li>Approval of the FBC by Communities and Local Government was confirmed on 8<sup>th</sup> June and the project reached financial close on 12<sup>th</sup> June.</li> <li>Construction of both centres has now commenced with Chapelton scheduled to become operational in October 2010 and Harehills in June 2010.</li> </ul>	Construction	£11m
<b>Joint Service Centres PFI Project (Kirkstall)</b>	<ul style="list-style-type: none"> <li>The second phase for the proposed joint Service Centre in Kirkstall received conditional Stage 1 approval by Executive Board on 4<sup>th</sup> March 2009 with a potential opening date of September 2012. The project is currently on hold pending the completion of a PCT review of services to be delivered from the proposed centre.</li> </ul>	Procurement	£4m
<b>Little London And the Beeston Hill &amp; Holbeck Social Housing PFI Project</b>	<ul style="list-style-type: none"> <li>The Little London OBC was approved by PRG in November 2006 and the Beeston Hill and Holbeck OBC in March 2008.</li> <li>The Council received approval to support the Council's joint procurement of both Little London and Beeston Hill &amp; Holbeck projects under the same OJEU notice and procurement commenced in June 2007.</li> <li>The project involves the refurbishment of approximately 1,230 existing Council homes and the provision of 400 new Council homes in total across both areas together with the redevelopment of the central shopping and community facilities in the Little London area.</li> <li>Environmental improvements will also be provided to support the regeneration of each area.</li> </ul>	Procurement	£134m

PROJECTS	INFORMATION	CURRENT STAGE	CAPITAL INVESTMENT £M
	<ul style="list-style-type: none"> <li>The impact of wider economic change on the housing market was considered as part of the evaluation of bids at the detailed solution stage. As a result, the project was re-scoped and a number of the original related development sites were taken out of the scheme.</li> <li>The programme is currently under review due to HCA's revised approach to approval of derogations.</li> <li>Gateway review 3 preparations are also underway and is now anticipated for early January 2010 prior to selection of the preferred bidder.</li> </ul>		
<b>Integrated Waste Management</b>	<ul style="list-style-type: none"> <li>The Residual Waste Project is part of the wider Waste Solution Programme for Leeds, which sets out to reduce the City's reliance on landfill and increase recycling performance to 50%. As an integral part of this programme, the Residual Waste Project is seeking to procure a facility to treat and recover value from the residual waste from households within the Leeds City boundary.</li> <li>The project is undertaking a bespoke Gateway Review in December 2009 (an amalgam of Gateway Review 0 (Strategic Assessment) and 1 (Business Justification)), with the aim of addressing the Waste Solution Programme as a whole. The next scheduled Gateway Review is number 3 (Investment Decision) and will take place at the Preferred Bidder stage (May 2010).</li> <li>Full Service Commencement is programmed for April 2014 following construction of the waste treatment facility, although the plant commissioning process may see limited acceptance of waste before the Full Service commencement date.</li> </ul>	Procurement	£130m
<b>Building Schools for the Future PFI Programme (Phase 4).</b>	<ul style="list-style-type: none"> <li>A report to Executive Board on proposals to establish an academy at Intake (Phase 4) was approved in January 2008. The academy is currently established and operating in the existing building and is programmed to be operational by September 2011.</li> <li>An OBC for the project was submitted in July 2009 PfS approved this in September 2009. The New Projects Procedure has now commenced (22<sup>nd</sup> July 2009). Stage 1 was submitted on 16<sup>th</sup> October 2009 and a Stage 2 submission is planned for March 2010. Contract signature is programmed for April 2010.</li> </ul>	Pre-procurement	£29m

PROJECTS	INFORMATION	CURRENT STAGE	CAPITAL INVESTMENT £M
<b>PRE-PROCUREMENT</b>			
<b>Building Schools for the Future PFI Programme (Wave 1, Phase 3).</b>	<ul style="list-style-type: none"> <li>• The OBC's for Phases 3 &amp; 4 of the Wave One BSF Programme were approved at Executive Board in August 2007, whilst the council, Education Leeds, and the schools, continue to work with the Leeds LEP under the New Projects Procedure.</li> <li>• Approval of the OBC by Partnerships for Schools was received in February 2008.</li> <li>• Negotiations on the Phase 3 schools, Corpus Christi and Mount St Mary's, commenced in October 2009 with contract close programmed for October 2010.</li> <li>• Work on Parklands has been suspended pending approval of the Council's submission for Wave 13.</li> <li>• The three Phase 3 schools are programmed to have construction complete by December 2011.</li> </ul>	Pre-procurement	£26m
<b>BSF Wave 13</b>	<ul style="list-style-type: none"> <li>• A revised Expression of Interest was submitted to Partnerships for Schools in December 2008 for funding to tackle the remaining 14 high schools in the city. The investment is currently programmed for 2017. Officers of Education Leeds and Leeds City Council continue to lobby for this to be advanced. PfS have confirmed there will be no funding of the programme this financial year.</li> </ul>	Bid approved	£300m
<b>Well Being Centre: Holt Park</b>	<ul style="list-style-type: none"> <li>• In May 2008 the EOI was submitted by the Council and Primary Care Trust to the Department of Health.</li> <li>• The proposal involves the construction of a Well Being Centre combining Adult Social Care, leisure facilities and community space to replace the Holt Park Leisure Centre.</li> <li>• Funding has been allocated by the Department of Health of £32m credits. An OBC has been submitted to Department of Health for endorsement by PRG December 2009.</li> <li>• Procurement has commenced with the Local Education Partnership</li> </ul>	Pre-procurement	£20m
<b>West Yorkshire Police (WYP) PFI Divisional Headquarters and Training Centre</b>	<ul style="list-style-type: none"> <li>• In July 2008 Home Office allocated £177m Credits to WYP to develop 3 divisional headquarters and a training centre for public order, driver and firearms training.</li> <li>• LCC are currently working in partnership with WYP to develop the OBC</li> <li>• Financial and Technical advisors have been appointed and Legal advisors are currently being procured supported by LCC.</li> </ul>	Pre-procurement	£118m
<b>Lifetime Homes – Homes and Communities (HCA) Round 6</b>	<ul style="list-style-type: none"> <li>• An Expression of Interest was submitted in October 2008 for £265m to provide up to 1100 new homes including a mixture of extra care housing for older people together with lifetime homes to meet a range of needs.</li> <li>• The City Council was asked to re-evaluate the EOI and as such was invited to proceed on the Round 6 Housing PFI Programme with an allocation of £183m PFI credits from HCA. This is subject to the submission and approval of an OBC which is currently being developed with Environments and Neighbourhoods.</li> </ul>	Project Initiation	£129m (subject to development of OBC)

PROJECTS	INFORMATION	CURRENT STAGE	CAPITAL INVESTMENT £M
	<b>Projects Operational (Closed or in Construction)</b>		<b>£617m</b>
	<b>Projects in Procurement</b>		<b>£385m</b>
	<b>Projects in Pre Procurement</b>		<b>£593m</b>
	<b>Potential total investment</b>		<b>£1595m</b>