

REPORT OF THE DIRECTOR OF DEVELOPMENT

REPORT TO EXECUTIVE BOARD

DATE : 14 DECEMBER 2005

SUBJECT : THE LEEDS CITY COUNCIL STRATEGIC CONTRACTOR PARTNERING FRAMEWORK

Electoral Wards Affected : CITY WIDE	Specific Implications For :
	Ethnic Minorities <input type="checkbox"/>
	Women <input type="checkbox"/>
	Disabled People <input type="checkbox"/>

Executive Board Decision	<input checked="" type="checkbox"/>	Eligible for Call In	<input checked="" type="checkbox"/>	Not eligible for Call In (details contained in the report)	<input type="checkbox"/>
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EXECUTIVE SUMMARY

- The proposal is to establish a Strategic Contractor Partnering Framework for Leeds City Council to be operational in approximately 13 months time i.e. January 2007.
- In October 2004 Executive Board approved the development of a Strategic Design Alliance (SDA) for Professional Design Services. The SDA is currently at the Preferred Bidder Stage and final proposal approval was sought from Executive Board in November 2005.
- The establishment of the Strategic Contractor Partnering Framework will be the next step in securing the benefits of collaborative working for Leeds City Council. The benefits are expected to include:-
 - Improved performance/predictability
 - Greater certainty of out turn costs
 - Removal of speculation from tendering
 - Reduction in costs
 - Improved communications
 - Effective co-operation
 - Higher quality in construction delivery
 - Improved safety
 - Reduced risk to the Council and contractors

- Delivery of the Council's Capital Programme will be greatly improved by a large and flexible dedicated construction resource with a truly integrated supply chain.
- The Strategic Contractor Partnership will provide a vital stimulus and challenge to the existing traditional methods of construction procurement. Valuable

1.00 PURPOSE OF THIS REPORT

1.01 The purpose of this report is to:

- (i) Present the outline business case for the establishment of a Leeds City Council Contractor Partnership.
- (ii) Gain the approval of Executive Board to the Council progressing the procurement of a Strategic Contractor Partnering Framework for the delivery of its traditional building contracts to the outline proposal and time-scale.

2.00 BACKGROUND INFORMATION

2.01 Leeds City Council has a Capital Programme in the region of £200 million per annum (averaged over the next four years) excluding expenditure on Highways and IT.

2.02 Within this figure schemes are delivered for Client Departments (in particular Learning and Leisure, Social Services, City Services together with Education Leeds and the ALMOs) and range in size from approximately £25K to several million pounds.

2.03 Traditionally construction projects have been procured on a sequentially rotated lowest cost tendering basis which often results in the following outcomes:

- The lowest bid wins (suppliers are encouraged to bid low)
- The real cost of the work may not be reflected in the tender
- There could be inadequate rewards for contractors and sub-contractors
- Sequential working (Contractor only appointed after the design is complete and a tender has been sought)
- Difficulties in process control
- Low bid prices can be unsustainable
- The adoption of an adversarial stance by both client and contractors

2.04 This traditional method is cited by Sir Michael Latham (author of the Latham Report 1994) as being inflexible, confrontational and wasteful. It can lead to low morale, variations, claims, poor cost control, inferior products and a failure to deliver the Client's needs.

2.05 Historically the process involved begins with the client's identification of a need. This need is developed into a scheme by the design team, a contractor is procured and the design is then implemented. This method, linked to a lowest cost tender, frequently results in a "winner" who might misunderstand the project and who may have made wrong assumptions. This type of tendering environment can result in the biggest risk takers winning and it can provide an opportunity for the exploitation of change.

- 2.07 Leeds City Council has first hand experience of these difficulties with a number of traditionally procured contracts that have been delivered in recent years, resulting in cost and time overruns and claims for additional construction costs and fees.
- 2.08 In an attempt to reduce some of the problems associated with lowest cost tenders alternative procurement methods have been utilised including the introduction of quality / price evaluations of bids (allowing the selection of contractors on the quality of their bid not just the lowest price). The options available to Leeds City Council are:

(i) Status quo

To continue to procure Capital works largely by the traditional method with quality/price evaluation where appropriate

(ii) Project Partnering

This method has been utilised on several schemes in recent years. An example is the project two-stage tendering procurement which was successfully used on South Leeds Community Health Facility (St George Centre) and is currently being used on the City Museum scheme.

The theory behind two-stage tendering is that the contractor has an early opportunity to understand the project “needs”, the design team and contractors can discuss options and the contractor can provide a “constructability” critique.

In practice, however, this method, although offering improvement over the traditional methods, often falls short of the ideal. When this method is employed on a “one-off” project basis it tends to undermine good practice by demonstrating a lack of commitment. Each project is competitively tendered in the first stage (albeit on a 70/30 quality/price basis) before the preferred bidder begins to work with the design team/client through the second stage culminating in the submission of the second stage bid. Until the second stage bid is accepted the contractor has no guarantee of beginning to recoup the costs expended in the original first stage tender.

In the current climate a successful contractor who has worked well with the design team and Client has no tangible advantage when the next project commences other than being assured of a place on the tender list.

Because this process is undertaken on a project by project basis it is unlikely that the preferred contractor and their preferred sub-contractors will be invited to participate (and thus be able to make a contribution) until the project has reached RIBA stage D (Detailed Proposals) and sometimes stage E (Final Proposals). The further down the process the project has progressed the fewer the benefits that are likely to be achieved.

The reduction in potential benefits is amplified by the loss of early input from the Contractor’s specialist sub contractors and suppliers (the Supply Chain).

(iii) Strategic Partnering

In their report “Rethinking Construction” the Construction Task Force (led by Sir John Egan and established to advise the Deputy Prime Minister on the opportunities to improve the efficiency and quality of delivery of UK construction) recommended “the

replacement of competitive tendering with long term relationships based on clear measurement of performance and sustained improvement in quality and efficiency”.

In recognition of the benefits to be obtained from collaborative working Leeds City Council is already progressing the implementation of the Strategic Design Alliance (a partnership between the in-house multi-disciplinary design team and a similar private sector organisation) and has in place an Engineering partnership with Mouchel Parkman.

Long-term relationships offer the co-operations and continuity needed to enable the “team” to learn and take a stake in improving the “product”. A team that does not stay together has no learning capability and no chance of making the incremental improvement that increases efficiency over the long term.

Long term partnering relationships, selected on the basis of attitude to team-working, ability to innovate and to offer solutions, provides a much more satisfying role for most people engaged in construction. Successful partnering should result in a reduction in Capital cost, an increase in quality, a reduction in time-scales from inception to completion together with a reduction in waste and duplication. It should also lead to greater stakeholder satisfaction and the integration of safer working practices on sites.

3.00 THE BUSINESS CASE

- 3.01 The most immediate savings and efficiencies offered by partnering come from a reduced requirement for tendering. It has been suggested by the Office of Government Commerce that the average cost to Leeds City Council of procuring a contractor, using the European Procurement rules, is in the region of £50K (in officer time).
- 3.02 In addition, on average, each scheme estimated to cost above the European procurement threshold (currently £3.8M approximately) is tendered by six contractors. If each tendering contractor spends only £10K on the preparation of the tender (a most moderate sum representing a resource of two persons for approximately 4 weeks) and given that the contractor has only a 1 in 6 chance of success, each successful tender costs the contractor £60K. That is £60K of additional contractor overhead costs on the construction budget which is eventually borne by the client. In these two areas alone there is the potential for considerable savings on capital and productive use of staff time.
- 3.03 Other authorities, which have already embraced contractor partnering, can demonstrate substantial savings. For example the North Tyneside Partnering Agreement in a study by Northumbria University for the DTI demonstrated dramatic and immediate improvements. The 2003 results showed, in some cases a 100% improvement over the pre partnering figures for client and end user satisfaction and the level of defects. In addition these same results were well ahead of the industry average figures.
- 3.04 The results for predictability of construction cost and time (the number of projects delivered within +/- 5% of the target cost and programme) were also much improved over the pre-partnering and industry average figures, however in common with the construction industry as a whole they fell short of achieving the upper quartile.
- 3.05 The most significant results were in the area of cost savings. The North Tyneside Partnering Agreement-built primary schools achieved target costs of 27% less than

those previously tendered by the authority which also represented an average of 17% savings over nationally published costs. Final accounts for tendered projects were 10% higher than tendered costs and for partnerships projects the final accounts were 6% less than the target costs.

- 3.06 The industry average saving is predicted to be in the region of 10 to 30%
- 3.07 The “buying” power of Leeds City Council would provide an extremely attractive proposition to the Building Contracting industry. This would enable the Council to procure sufficient committed resources to deliver its growing Capital Programme at a time when generally the availability of construction resources is becoming problematic.
- 3.08 A completely open book arrangement could significantly reduce the potential for conflict between client and contractor and add a large degree of certainty to projected final costs.

4.00 THE LEEDS CITY COUNCIL STRATEGIC CONTRACTOR PARTNERSHIP

- 4.01 The establishment of a Contractor Partnership for Leeds City Council will not be simple, however, it can bring sustainable benefits including improved services, and can be more efficient than traditional delivery models. It would be more flexible in dealing with change and provide an innovative response to new demands and challenges.
- 4.02 There is no single model for the establishment of a suitable partnering arrangement. The size and complexity of Leeds City Council and its resultant Capital Programme mean that a partnership with one Contractor is unlikely. The preferred model is likely to be in the form of a “framework” of Contractors capable of delivering to a prescribed area of expertise and value of project but with a clear and accountable method of allocation of work.
- 4.03 Performance on projects will be measured by means of Key Performance Indicators and benchmarked against existing internal, local and national targets.
- 4.04 The implementation of the Contractor Partnering Framework will need to be overseen by a Contractor Partnering Framework Board comprising senior officers from across the council, including.
 - Development Department,
 - Finance Division of the Corporate Services Department
 - Corporate Procurement Unit of the Chief Executive’s Department
 - Client Departments
 - Director level representatives of the contracting organisations.
- 4.05 A procurement plan will be established and European and Leeds City Council procedures will be observed.
- 4.06 Long-term partnerships enable the partners to invest in the service, in training, in research and development and to minimise costly and disruptive tendering resulting in
 - Improved performance/predictability
 - Greater certainty of out turn costs

- Removal of speculation from tendering
- Reduction in costs
- Improved communications
- Effective co-operation
- Higher quality in construction delivery
- Improved safety
- Reduced risk to the Council and contractors
- Increased investment in Skills.

4.07 Subject to Executive Board approval in principle, the procurement timescale for the development of a contractor partnership is outlined below.

1.	Executive Board approval to the principle	December 2005
2.	OJEU Notice	February 2006
3.	PQQ submissions and short-listing	March 2006
4.	Invitation to Tender	May 2006
5.	Evaluation of Tenders	June/July 2006
6.	Framework Award	October 2006
7.	Mobilisation	November 2006
8.	Start	Jan 2007

5.00 CONSULTATIONS

5.01 An important aspect of the implementation is the continuing process of consultation. Within the project programme a considerable period has been allocated to allow detailed briefing of all stakeholders. A Strategic Contractor Partnership Report has been presented to Asset Management Group and to client department representatives and support for the Partnership was confirmed in each case. Within the next months it is intended that further briefings will be held for Departmental Management Teams and items will be included on the Agendas of the next scheduled meetings with the Trade Unions. There will also be consultations to develop the format of a Partnership which will work for the varied clients within Leeds City Council.

6.00 RESOURCE IMPLICATIONS

6.01 It is considered prudent and beneficial to engage the services of an independent and experienced external partnering advisor to assist and provide guidance throughout the implementation stages. The advisor will assist with induction, stakeholder involvement, charter preparation, risks identification, process mapping and communicating aims and objectives by workshops and awareness seminars. It is estimated that the cost will be in the region of £80K.

6.02 The Development Department will liaise with the service departments which will utilise the partnership and seek a pro-rata contribution to meeting this cost.

7.00 LINKS TO CORPORATE PRIORITIES

7.01 The Strategic Contractor Partnership will contribute to Creating Better Neighbourhoods and Confident Communities by delivering a more effective, economic and flexible approach to the management of the Capital Programme. By creating a

large and flexible resource there will be an improved delivery of capital projects and with the emphasis that will be placed on the continuing training and development of the workforce, this Alliance will contribute significantly to Making the Most of People. In line with the Vision for Leeds - Going up a league as a city – the SCP will contribute towards making Leeds an internationally competitive city, the best place in the country to live, work and learn, with a high quality of life for everyone.

8.00 EQUALITY

8.01 The selection of the Strategic Contractor Partner(s) will include references to compliance with the Council's Equality Action Plan.

9.00 CONCLUSIONS

9.01 Establishing the Strategic Contractor Partnership initiative as proposed is a valuable opportunity to make the next step change improvement in the Modernising Construction Agenda.

9.02 Delivery of the Council's Capital Programme will be greatly improved by a large and flexible dedicated construction resource with a truly integrated supply chain.

9.03 The Strategic Contractor Partnership will provide a vital stimulus and challenge to the existing traditional methods of construction procurement. Valuable opportunities are presented for continuous improvement, improved customer focus, integrated teams, improved quality standards and Best Practice procurement. Allowance must be made, however, for the participants to adjust to new methods of service provision and there will be learning curves and potential changes in service delivery for all concerned which officers will need to manage throughout the process.

9.04 To function correctly, the arrangement will require facilitating and dedicated stewardship. This will be provided mainly by the Client Services Section of the Development Department assisted by colleagues from Corporate Procurement Unit and Finance.

10.00 RISK

10.01 The consequences of not proceeding with this initiative are:

- Loss of opportunity to implement Best Practice standards across Leeds City Council
- Loss of opportunity to "cross-fertilise" designs, techniques and processes between designers and constructors
- Time consuming, costly individual procurement exercises
- Loss of opportunity to gain controlled resource availability & flexibility
- Loss of opportunity to drive down costs by familiarity, specialism development and repetition
- Further loss of client confidence
- Loss of opportunity to integrate safer working practices and sustainability into early design decisions

10.02 The risks involved in proceeding with the initiative are largely related to the possible poor performance of the partnership. In order to minimise and manage this potential

problem there will be a comprehensive performance management and measurement system instigated with specific performance targets set by the Partnership Board and monitored by Client Services. The contractual arrangements will provide an exit strategy to further protect the position of Leeds City Council.

11.00 RECOMMENDATIONS

Executive Board is requested to:-

- Give approval to the procurement of a Strategic Contractor Partnering Framework for the delivery of Leeds City Council's traditional building contracts to preferred bidder stage and to instruct that a further report is brought back to the Board seeking approval to appoint.

Supporting Documentation

Development Departmental Management Team Report – August 2005

Asset Management Group Report – July 05, October 05

Asset Management Working Group Report – September 05

REPORT OF THE DIRECTOR OF DEVELOPMENT

REPORT TO EXECUTIVE BOARD

DATE: 14 DECEMBER 2005

SUBJECT: ROUTE 4 SHOWCASE BUS PROJECT (SCHEME NUMBER 12377)

Electoral Wards Affected :

ARMLEY, FARNLEY AND WORTLEY, PUDSEY,
CITY AND HUNSLET, BURMANTOFTS AND
RICHMOND HILL, GIPTON AND HAREHILLS,
KILLINGBECK AND SEACROFT, CROSSGATES
AND WHINMOOR.

Specific Implications For :

Ethnic Minorities
Women
Disabled People

Executive Board Decision ✓ **Eligible for Call In** ✓ **Not eligible for Call In**

EXECUTIVE SUMMARY

This report seeks approval for the design and implementation of bus stop improvements (in line with the introduction of a new fleet of articulated buses by First Leeds and necessary bus shelter improvements by METRO) along the Service Number 4 bus route between Pudsey and Whinmoor, as part of the "Yorkshire Bus Initiative" and seeks authority to incur expenditure of £750,000 (£95,000 previously approved).

The main points of the proposals are:

- i) appropriate measures to accommodate articulated buses;
- ii) raised kerbs to comply with Disability Discrimination Act (DDA) requirements; and
- iii) Bus Stop Clearways to allow space for buses to dock correctly.

1.0 PURPOSE OF REPORT

- 1.1 To seek approval to the design and implementation of bus stop improvements along the Service Number 4 bus route between Pudsey and Whinmoor, as part of the "Yorkshire Bus Initiative".
- 1.2 To seek authority to incur expenditure of £750,000 comprising £600,000 works and £150,000 staff costs (£95,000 staff costs previously approved by Highways Board).

2.0 BACKGROUND

- 2.1 Bus Operator "First" is planning to introduce a fleet of brand new state-of-the-art articulated buses in Leeds, running every 10 minutes along Route 4, between Pudsey – Leeds City Centre – Whinmoor. Previously approved bus priority measures on Tong Road and Wellington Road (£641,000) will form part of this showcase route.

- 2.2 The new vehicles have a striking futuristic look both inside and out and portray a high quality image, similar to that of a tram (see photo below). These new vehicles have been named 'ftr' (an abbreviation for future).



- 2.3 Following the introduction of the Disability Discrimination Act (DDA) in 1995, Highway Authorities, Public Transport Executives and Operators have an obligation to improve public transport services to ensure all aspects are DDA compliant. Bus stops improvements are part of a range of measures being introduced under the 'Yorkshire Bus Initiative' to improve bus travel throughout West Yorkshire.

- 2.4 The Yorkshire Bus initiative is supported by all five West Yorkshire District Councils, as well as Metro, and is seen as a key means of improving the quality of local bus services in order to attract motorists and reduce congestion. Other elements of the Yorkshire Bus initiative include operator investment in new vehicles, modern 'real time' information and ticketing initiatives as well as attention to improving accessibility by public transport for all residents, including those living away from the busiest core routes.

3.0 PROPOSALS

- 3.1 To accommodate the new 'ftr' vehicle all the bus stops on the route will need to be upgraded to make sure that passengers can safely get on and off the vehicle in accordance with DDA (typical measures are shown below).



These upgrades to the Route 4 bus stops will include:

- i) raised kerbs to assist boarding at both front and rear doors of the bus;
- ii) Bus Stop Clearways to prohibit stopping, including waiting and loading/unloading all day, in the vicinity of the bus stop, to allow the bus to pull up directly adjacent to the bus stop;
- iii) improvements to bus shelters where needed (funded by METRO); and
- iv) any other associated footway or carriageway works.

3.2 Due to the nature of the new vehicle, it is important that the bus stops are accessible to allow the 'ftr' to pull up to the stops correctly. Because of this, bus stop clearway markings are proposed at each bus stop. To accommodate the 'ftr' vehicle longer 51m clearways will be required. Implementation of the clearways will be in accordance with the guidelines previously approved by the Director of City Services and Director of Development which includes the consultation requirements for the clearways.

4.0 CONSULTATIONS

4.1 Ward Members: Ward Members have been consulted on the 4 July 2005 over the general concept of the scheme and again on 20 September 2005 over the defined route and bus stop locations. No adverse comments or objections have been received. Ward Members for Pudsey, Farnley & Wortley and Armley have also been informed of Clearway Consultation letters that have been sent to affected frontagers at bus stop locations in these wards.

4.2 Emergency Services: The Emergency Services were informed by letter about the proposals on 20 September 2005 and no objections have been received.

4.3 Each bus stop will require a bus stop clearway, to protect the area immediate vicinity from parked cars, allowing the 'ftr' proper access to the bus stop locations. This requires consultation with adjacent properties informing them of the proposed clearway and giving them the opportunity to comment/object. At present, clearway consultation letters/notices have been posted in connection with 45 bus stops. Approximately 170 addresses spread over three separate wards have been written to.

5.0 COMMUNITY SAFETY

5.1 The proposals contained in this report do not have implications under Section 17 of the Crime and Disorder Act 1998.

6.0 PROGRAMME

6.1 The design and implementation of the works will be carried out within the 2005/2006 and 2006/2007 financial years.

6.2 Practical completion of the highway works is anticipated in July 2006. This date coincides with the expected delivery and introduction of the 'ftr' fleet of buses.

7.0 RESOURCE IMPLICATIONS

7.1 Funding: The cost of implementing the proposals recommended in this report is £750,000 comprising £600,000 works and £150,000 staff costs.

(£95,000 staff costs previously approved). The cost is to be funded from the Integrated Transport scheme 99609 within the approved Capital programme and is eligible for 100% Government funding.

****INFORMATION IN TABLE BELOW STILL TO BE RATIFIED BY FINANCE SECTION****

Previous total Authority to Spend on this scheme	TOTAL	TO MARCH	FORECAST				
		2005	200506	200607	200708	200809	2009ON
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
LAND (1)	0.0						
CONSTRUCTION (3)	0.0						
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	95.0		70.0	25.0			
OTHER COSTS (7)	0.0						
TOTALS	95.0	95.0	0.0	0.0	0.0	0.0	0.0
Authority to Spend required for this Approval	TOTAL	TO MARCH	FORECAST				
		2005	200506	200607	200708	200809	2009ON
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
LAND (1)	0.0						
CONSTRUCTION (3)	600.0			580.0	20.0		
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	55.0			53.0	2.0		
OTHER COSTS (7)	0.0						
TOTALS	655.0	0.0	655.0	0.0	0.0	0.0	0.0
Total overall Funding (As per latest Capital Programme)	TOTAL	TO MARCH	FORECAST				
		2005	200506	200607	200708	200809	2009ON
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Supported Capital Expenditure ®	750.0		70.0	658.0	22.0		
Total Funding	750.0		70.0	658.0	22.0	0.0	0.0
Balance/Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0	0.0

7.2 Staffing: The design and supervision of the scheme can be carried out within existing staff resources.

8.0 COMPLIANCE WITH COUNCIL POLICIES

8.1 In accordance with the Environmental Policy Overall Aim 6 the proposals will “reduce the environmental impact of traffic in the City by changes to the road system by providing an efficient public transport system as an alternative to the private car”.

8.2.1 Ethnic minorities, women and disabled people: There are no specific implications for ethnic minorities or women. The bus stops will be designed primarily to accommodate the requirement of mobility impaired people, with consideration to other forms of disability.

8.3 The bus stop clearways will improve access to buses for all users.

8.4 The proposals are in line with the Departmental policies to improve access to transport.

9.0 RISK ASSESSMENT

- 9.1 The 'ftr' concept vehicles are being rolled out across the country and Leeds is high on the priority list. If the scheme is delayed, there is a danger that the 'ftr' vehicles will be prioritised elsewhere.
- 9.2 Consultation with residents over bus stop clearways may result in objections to the proposals, which may incur additional costs to resolve and delay the programme.

10.0 RECOMMENDATIONS

- 10.1 Members of the Executive Board are requested to:
- i) approve the design and implementation of bus stop improvements along the Service Number 4 bus route between Pudsey and Whinmoor, as part of the "Yorkshire Bus Initiative", as set out in this report at a total cost of £750,000; and
 - ii) give authority to incur expenditure of £600,000 works and £55,000 staff costs (£95,000 previously approved) which can be met from the Integrated Transport scheme 99609 within the approved Capital programme.

11.0 BACKGROUND PAPERS

- Report to Director of Development and Director of City Services 15 August 2005 Route 4 Showcase Bus Project (Staff Costs).
- Report to Director of Development and Director of City Services 6 June 2005 Bus Stop Clearways Report.

REPORT OF THE DIRECTOR OF DEVELOPMENT

MEETING: EXECUTIVE BOARD

DATE : 14 December 2005

SUBJECT : Local Development Framework – Annual Monitoring Report

Electoral Wards Affected :
ALL

Specific Implications For :

- Ethnic Minorities
- Women
- Disabled People

Executive Function

Eligible for Call In

Not eligible for Call In (details contained in the report)

EXECUTIVE SUMMARY:

1. Following reforms to the planning system, the City Council is required to prepare a Local Development Framework - Annual Monitoring Report (AMR) for submission to the Secretary of State/ODPM by December 2005.
2. The purpose of the AMR is two fold. The first is to monitor the performance of specific planning policy areas and the second is to report on progress against the City Council's Local Development Scheme (LDS, - final version approved by Executive Board in April 2005 and formally operational from 1 June 2005).
3. Consistent with the LDF Regulations and Government Guidance, the reporting period for the AMR is 1 April 2004 – 31 March 2005. The progress update on the LDS relates to the position at December 2005.
4. It should be noted that this first AMR, has been prepared during the transitional period between the 'old' Development Plan system and the introduction of fundamental reforms and related guidance, as part of the Planning & Compulsory Purchase Act (2004). Consequently, whilst good progress has been made in capturing and reporting on specific data sets (such as housing completions), there is further work to be done in establishing robust and longer term monitoring arrangements within the context of available resources. Where information is currently available, the AMR reports on a number of key policy areas and also considers the approach to future monitoring work (Section 5). This will require corporate support and close interdepartmental working, to ensure that best use is made of existing information and to cover any gaps in data.
5. Within the context of Corporate Plan and Vision for Leeds priorities, the LDS sets out an ambitious programme of work. Whilst significant progress has been made across all areas, there will be a need to adjust the timetable for Local Development Document production in a number of areas to integrate different work streams and to undertake additional consultation work. Following clarification from the Government Office of Yorkshire & the Humber (GOYH), an updated Local Development Scheme to cover these changes will need to be approved by the City Council and submitted to the Secretary of State for consideration by 31 March 2006. Work is therefore underway to update the LDS for consideration by Development Plan Panel and Executive Board early in the new year.

1. PURPOSE OF THIS REPORT

- 1.1 The purpose of this report, following consideration by Development Plan Panel, is to seek Executive Board approval for the City Council's first Local Development Framework – Annual Monitoring Report (AMR), attached as Appendix 1. The report recommends Executive Board approval of the AMR and for this to be submitted to the Secretary of State by 31 December, consistent with the Local Development Framework (LDF) regulations and Government Guidance.

2. BACKGROUND

- 2.1 Following reforms to the planning system, enacted through the introduction of the Planning & Compulsory Purchase Act 2004, all local authorities are required to prepare AMRs. In turn, the purpose of AMRs is to report on both the performance of specific planning policies and a summary of progress against milestones set out for the preparation of Local Development Documents identified as part of the Local Development Scheme. Following this, Government advice promotes the need for local authorities to review planning policies through the LDF process where appropriate. Within this context and with regard to the LDS, where adjustments need to be made to update, delete or inject Local Development Documents as part of the overall programme, these need to be incorporated into an updated LDS for submission to the Secretary of State by 31 March 2006.
- 2.2 Within the context of the LDF Regulations and Government Guidance, the reporting period for this first AMR covers the period 1 April 2004 – 31 March 2005 for planning policy issues and the progress update on the Local Development Scheme is the position at December 2005.

3. ANNUAL MONITORING REPORT – POLICY MONITORING

- 3.1 This is the first LDF AMR for Leeds and as a consequence, emphasis has been placed upon capturing and reporting upon existing data where available, as well as establishing monitoring arrangements for future years. With regard to planning policy issues in the current reporting period, the AMR provides a commentary upon housing completions and future forecasts (Housing Trajectory –Section 4.1), information on the Supply of Employment Land (Section 4.2), issues associated with Retail, Office and Leisure Developments (Section 4.3), together with overall comments on Transport and Environmental issues. Appendix 1 of the AMR also provides a summary reporting on a series of Key Indicators.
- 3.2 This information provides some useful insights into a number of policy areas such as the use of Previously Developed Land (PDL) and the recent boom in housing completions. It should be noted however, that specific outcomes may not always be attributed to the scope and intent of specific planning policies given the nature of market forces, the reliance in some cases upon external funding to deliver planning policy and the influence of wider economic, environmental and social drivers operating beyond Leeds. Nevertheless, in future years as the LDF system is gradually rolled out, monitoring arrangements will be developed concurrently with specific policies in order to link planning policy intent and outcome more closely as a basis to monitor the effectiveness of planning policy interventions.
- 3.3 In recognising the need to establish more robust and longer term AMR monitoring arrangements, Section 5.1 of the AMR sets out an overall approach to develop the monitoring system in future years. This will require continued corporate support and

close interdepartmental working to ensure that best use is made of existing resources and any gaps in data addressed.

4. ANNUAL MONITORING REPORT – LOCAL DEVELOPMENT SCHEME UPDATE

- 4.1 Members will recall that the final version of the City Council's Local Development Scheme (LDS) was approved by Executive Board, for submission to the Secretary of State in April 2005 (and formally operational from 1 June 2005). As members will recall also, the LDS is a three year rolling project plan for the preparation of the Local Development Framework, setting out a programme of work for the preparation of a series of Local Development Documents. Within the context of Corporate Plan and Vision for Leeds priorities (and in consultation with the Government Office for Yorkshire & the Humber), the LDS sets out an ambitious programme of work. This work focuses upon the preparation of a Statement of Community Involvement, Area Action Plans for the City Centre, Aire Valley Leeds, the West Leeds Gateway and East and South East Leeds (EASEL), together with a Core Strategy and Waste Development Plan Documents. The LDS also contains a wide ranging programme for the preparation of Supplementary Planning Documents, which include various Design Guides.
- 4.2 In taking the LDS programme forward, key stages of the programme have been delivered or are well underway. These can be summarised as follows:
- a draft Statement of Community Involvement has been prepared following early engagement work over the summer and is currently subject to the first formal 6 week period of public consultation (due to close on 16 December),
 - extensive pre-production work, early issue reports for consultation and engagement work undertaken for the City Centre, Aire Valley Leeds and EASEL Area Action Plans – work is currently underway to develop initial policy options and proposals for further consultation,
 - in the development of the evidence base for the LDF, a major technical study has been commissioned and is being prepared for completion early in the new year, to advise on Employment Land issues as a basis to inform future policy options,
 - work has continued to influence the scope and content of the emerging Regional Spatial Strategy (RSS) as a basis to manage and anticipate the policy implications for Leeds,
 - the Eastgate and Harewood Quarter SPD has been completed and adopted by the City Council following approval by Executive Board In October,
 - the Public Realm SPD has been subject to consultation on early issues and following consideration by Development Plan Panel on 6 December, a draft Public Realm SPD is to be issued for formal consultation early in the new year,
 - pre-production work is well underway for a range of other SPD including the Waterfront Biodiversity Guide, Tall Buildings and Advertising Design Guide, with a view to formal consultation being undertaken in the new year.
 - associated with the preparation of Local Development Documents has been the development of and application of a Sustainability Appraisal methodology required of the new system and consultation with stakeholders, to support the preparation of the various planning documents through the different production stages.
- 4.3 Whilst overall the LDS programme is moving forward positively, following confirmation from the Government Office for Yorkshire & the Humber (GOYH), it will be necessary to update the LDS for submission to the Secretary of State by 31 March 2005. This is necessary to adjust the production timetables for a number of the Local Development Documents to make them more deliverable to reflect the need to complete further work and consultation on initial Area Action Plan options (following further clarification

from GOYH), to more fully integrate work streams in relation to regeneration and the LDF (to comply with the LDF regulations) and to take into account the implications of the RSS for the preparation of the LDF Core Strategy. Adjustments will also be needed to the production timetable for SPDs to address resourcing and capacity issues. Work is therefore underway to update the LDS for consideration by Development Plan Panel and Executive Board early in the new year.

- 4.4 A key challenge of the new planning system, is the need to co-ordinate a wide range of work areas within a broader partnership context and to facilitate early consultation and engagement. Within this context also it is necessary, to combine processes for statutory spatial and land use planning with regeneration activity, in ensuring compliance with the LDF regulations and in maintaining overall project momentum. For example, in progressing the EASEL initiative, the City Council has taken forward a major procurement exercise with a view to identifying a preferred partner. Consequently, whilst it has been possible to undertake early engagement activity as part of the LDF, the development of options and Preferred Options will need to be informed by further debate with stakeholders and the preferred partner once agreed. In another instance (the West Leeds Gateway AAP), programme slippage is a consequence of the need to consult on work on a 'regeneration framework' (consistent with LDF Regulation 25), prior to taking emerging issues forward to the Preferred Options stage.
- 4.5 An important aspect of an updated LDS programme, is the need to consider pressures for additional work injections. Such pressures need to be assessed both on their planning merits and resource capacity issues. Within this context, pressures are emerging for additional Area Action Plans (e.g. Inner North West Leeds) and for a range of Supplementary Planning Documents. The scope and breadth of these pressures will need to be reported in due course to Development Plan Panel and to Executive Board following the preparation of an updated LDS. At this stage it should be noted however, that whilst the new system does allow for some flexibility, initial priorities have been identified as part of the LDS programme, good progress is being made in seeking to deliver these priorities but in practice given the current production stages and the resourcing levels it will be difficult to absorb major programme injections at this stage. It should be emphasised also, that in parallel to the preparation of the LDF, the City Council (and the same core group of officers) are also taking forward the UDP Review process following the recent receipt of the Inspectors Report.
- 4.6 A consequence also of the adjustment to the production timetable is the need to amend the end dates for the schedule of saved UDP policies (LDS - Appendix 5). Members may recall from previous LDF reports to Executive Board that under the LDF transitional arrangements, following commencement of the Planning & Compulsory Purchase Act adopted policies are automatically saved for three years. However, given the production time necessary for the preparation of Development Documents (and until new LDF policies are introduced), it is necessary to save existing policies beyond the initial three year period (subject to agreement with GOYH).

5. CONCLUSION

- 5.1 This report has outlined the scope and content of the first Local Development Framework Annual Monitoring Report. This has highlighted the performance of a number of planning policy areas where information is available and sets out an approach to monitoring in future years, which will require continued corporate support and interdepartmental working to be successful.

5.2 As summarised above, a key component of the AMR, is a report on progress in relation to the Local Development Scheme. Whilst good progress is being made, programme adjustments will be necessary to reflect production issues and timescales, which will need to be considered further by Development Plan Panel and Executive Board in the new year prior to submission to the Secretary of State by 31 March 2005.

5. RECOMMENDATIONS

5.1 The Executive Board is recommended to approve the Local Development Framework Annual Monitoring Report for submission to the Secretary of State pursuant to Regulation 48 of the Town and Country Planning (Local Development) (England) Regulations 2004.

APPENDIX 1

Leeds Local Development Framework Annual Monitoring Report

JOINT REPORT OF The Director Of Development & Director of Neighbourhoods & Housing

MEETING: EXECUTIVE BOARD

DATE : 14th December 2005

SUBJECT : Evening Economy Action Plan Update

<p>Electoral Wards Affected :</p> <p>City and Hunslet</p>	<p>Specific Implications For :</p> <p>Ethnic Minorities <input type="checkbox"/></p> <p>Women <input type="checkbox"/></p> <p>Disabled People <input type="checkbox"/></p>
<p>Executive Board Decision</p>	<p>Eligible for Call In Yes <input type="checkbox"/></p> <p>Not eligible for Call In (details contained in the report) <input type="checkbox"/></p>

1.0 Purpose Of Report

1.1 This report highlights progress and provides an up-to-date position on implementation of the Leeds Evening Economy and Night Time Study Action Plan.

2.0 Introduction

2.1 The Leeds Evening and Night-time Economy Study was reported to Executive Board on 11 Feb 2005. Members endorsed the document to assist the better management of the City Centre evening and night-time economy. Officers were asked to progress work in the action plan, with partners, and it was agreed that the City Centre Divisional Community Safety Partnership (CCDCSP) should co-ordinate the work. This is the first progress report to Executive Board.

2.2 The Action Plan identified six specific areas of activity: Community Safety, Licensing, Planning, Enforcement, Transport and Partnership and is designed to deliver the following key outcomes:

- an effective balance between evening economy businesses and residential uses in Leeds city centre;

- effective planning for future evening economy capacity in Leeds city centre, to ensure that the evening economy does not 'overheat' and its impacts begin to outweigh its benefits;
- a clear framework for the consideration of planning and licensing applications in the city centre;
- a policy to ensure that a major role of the evening economy within the wider Leeds economy is sustained;
- a safe and effective evening economy transport system for Leeds;
- effective partnerships to engage the public and private sectors in managing the evening economy;
- a socially balanced city centre residential community, with access to a range of essential shops and services;
- successful cleansing and maintenance regimes to ensure that the environmental quality of the city centre is protected and enhanced.

3.0 Implementation

- 3.1 Progress on the Action Plan is being achieved through partnership working and the co-operation of all the parties identified in the Plan. Theme Champions and Working Groups of the City Centre Divisional Community Safety Partnership (CCDCSP) have been established to progress the actions. These report to the CCDCSP, to the Safer Leeds Executive and to the Leeds City Centre Initiative Board.
- 3.2 A number of key areas recommended in the original Consultants' study are already being addressed. These include:
- Development of a Licensing Strategy.
 - The establishment of 'Cumulative Impact Areas'. This is a measure that controls the growth of licensed premises in specified areas of city centre. It enables the authority to refuse licence applications for large night clubs and pubs with little or no seating that are used primarily for the consumption of alcohol.
 - The findings of the Consultants' study are being reflected in the Local Development City Centre Action Plan.
 - Establishment of Licensing/Planning/Environmental Health/Police/City Centre management meetings to consider planning applications.
 - Targeting by Police of the worst 10 premises.
 - Early evening Police intervention on possible trouble causers.
 - Leeds City Licensing Association and the Police are encouraging minimum pricing.
 - Late night bus survey and Metro Kickstart funding bid for extra services
 - Taxi rank review
 - Leeds Alive After Five twilight shopping campaign.
- More details are provided below.

4.0 Community Safety

4.1 Community Safety is addressed in the Action Plan as it complements the Government's action plan in relation to tackling alcohol related crime and addresses the three objectives of:

- reducing underage drinking
- reducing public drunkenness and
- preventing alcohol related violence.

4.2 The Action Plan also complements the work of the City Centre Divisional Community Safety Partnership which works to address identified priority themes through appropriate actions outlined below.

4.3 Alcohol Related Violent Crime

- There has been a strong focus by the Police on the night time economy and alcohol related violence. The Police's 'Operation Capitol' includes early intervention, issuing of fixed penalty notices and Check 21 'proof of age' scheme to address underage drinking. Operation Capitol is recognised by West Yorkshire Police as best practice, and is being used by other divisions. Early intervention tactics have seen a fall in the number of assaults and robbery is down 22% on previous year period –there is now a strong downward trend in city centre alcohol related crime figures.
- The 'Walk Safe' campaign launched – this is aimed at students to encourage them to get home safely after a night out.
- The 'Walk Away' campaign launched – this aims to make young people think twice about drinking to excess, which should help to reduce the chances of them either committing, or becoming victims of, violent crime.
- Police continue to work on moderating behaviour through visible police presence and early intervention to prevent disorder escalating into more serious assaults. In addition to Nitenet radio system between venues and its links to Police and LeedsWatch, on Friday and Saturday nights 'Operation Capital' involves:
 - 7pm briefing for police staff;
 - dedicated officers working to early intervention principle, over and above regular City Centre patrol resources;
 - Police Liaison Officer sited at LeedsWatch ;
 - joint licensed premises visits with LCC enforcement staff;
 - additional Police resources deployed in city centre after 10.30pm to marshal and operate under same early intervention principle.
- Leeds City Licensing Association is supportive of these measures and is taking forward work on reducing minimum pricing whereby bars promote irresponsible offers such as all 'you can drink for £10.'
- The Designated Public Places Order continues to be effective by preventing people from drinking in the streets and seizures of alcohol continue.

4.4 Anti-social Behaviour

A dispersal order for the city centre expired in August 2005, but an application for third one is ongoing. The Youth Service has now recruited a Youth Worker with a specific city centre remit.

a) Begging:

- A count for numbers begging in the city centre will have been made by the time of the Board and will be reported verbally.

- Home Office 'Trailblazer' funds are available to undertake specific pilot projects to address begging.
- Discussions are taking Place with Weetwood Police Division to address displacement to Headingley.
- The Steering Group to promote the 'Change for the Better' scheme has met twice; so far more than £2000 has been collected and then distributed to the Big Issue breakfast club, St Georges Crypt, St Anne's and the Street Outreach Team. Assistance has been received from Leeds Cares to site more boxes.

b) Rough Sleepers:

- Increased liaison between Outreach Team; CCM and Wardens;
- Anecdotal evidence that number remains about 7;
- Established rapid response to clear empty buildings.

c) Prostitution:

- 2 workers were appointed to the Drug Intervention Project to specifically work with sex workers, this is proving very effective with over 50 women engaged with DIP.
- A City Wide Strategy Group has been established which is developing a costed plan within 3 months. Areas to be developed include: prevention and support for young people; support services for people engaged in prostitution; enforcement; information sharing; impact on neighbourhoods and environment.
- Through 'Operation Crucial' the Police are actively targeting kerb crawlers as well as using Anti Social Behaviour Contracts - 220 made to date, plus one injunction issued. Evidence is also being gathered to issue ASBO's.

4.5 Vehicle Crime:

The DCSP Vehicle Crime sub group is progressing the following actions:

- publicity and awareness raising through a 'Meet and Greet' service whereby PCSOs and parking attendants warn drivers to remove valuables from their cars when they park;
- the Police in partnership with Ford garages are inviting Ford owners to have their audio equipment 'tagged' as Ford models are targeted more by criminals than any other make;
- three Talking Boxes have been sited in the city centre relaying crime awareness messages including vehicle crime;
- Learning and Leisure agreed to have vehicle crime awareness messages on Leisure Centre till receipts.

4.6 Waterfront:

The Waterfront Strategy Community Safety Group meet to progress joint work with Probation and British Waterways. BW and the Police have agreed to work together on waterfront crime and community safety issues.

4.7 Retail and Business Crime:

The Police have been working with civil servants from the Home Office's 'Action Against Business Crime' initiative to establish an effective Business Crime Partnership for Leeds City Centre. A steering group has been established to develop the partnership called 'Business Against Crime in Leeds' (BACIL); the Council is being represented by the City Centre Manager.

4.8 Leeds Citywide Domestic Violence Strategy:

A City Centre Partnership has recently been established to take forward actions in the city centre.

4.9 Big Issue Vendors:

A range of measures are being taken to support legitimate Big Issue vendors and ensure that they operate in an appropriate manner. These include:

- an ongoing review of location of sites;
- regular checks being made on vendor behaviour by outreach team;
- establishing forms and e-mail contacts for complaints about vendors;
- review of badge-ing up vendors ongoing and establishing service level agreements with organisations;
- Regular monthly meetings take place with Police/Big Issue/CCM/ CS Street User Coordinator/Street Wardens.

5.0 Planning

5.1 The Action Plan proposed a number of planning policy changes, including changes to the use classes order. These are being considered as part of the Local Development Framework's City Centre Action Plan (CCAP). This work is on-going and is anticipated to be completed in 2007.

5.2 Environmental health, licensing and the Police Architectural Liaison Officer are now consulted on all relevant planning applications.

6.0 Enforcement and Licensing

6.1 Closer working of the Council's enforcement services has been achieved through the Environmental Enforcement Working Group. Police and LCC Licensing enforcement officers carry out joint visits to problematic premises. The new Licensing legislation requires more responsible management of licensed premises. The legislation had not come into force at the time of writing so a verbal update will be given at Executive Board.

6.2 Due to the increased demands the new legislation will place on the Council, the Licensing section has increased the number of staff from 11 to 21.

6.3 From 24 November 2005 new powers of enforcement and review under the Licensing Act 2003 took effect. Penalties for licensing offences have increased. The penalty for acting without a licence or in breach of the conditions of a licence is a fine of up to £20,000 and/or 6 months imprisonment. The power to review the licence is triggered by a request from 'responsible authorities' (police, fire, environmental health, trading standards etc) or interested parties (residents or businesses in the vicinity of the premises). On a review the Licensing Committee can revoke the licence, suspend the licence, restrict the hours of trading or impose other conditions or remove the premises supervisor (thus preventing the sale of alcohol), An enforcement protocol is being drawn up between the agencies to ensure there is effective sharing of information and that enforcement is targeted at problem premises.

7.0 Transport

7.1 A new coach drop-off/pick-up point has been created on Neville Street to facilitate visits by tourists.

7.2 An additional site for a 2 hour taxi rank has been identified and proposals for its creation are being developed.

8.0 Partnership Initiatives

8.1 City Centre Management are revitalising their Leeds Alive After Five campaign to support the night time economy and provide alternative activities to drinking after work such as shopping, eating and visiting the theatre or art gallery.

9.0 Council Policies

9.1 Actions are consistent with the Council Plan Priorities for:

- Community Safety – particularly, ‘increasing public sense of security’
- Competing in a Global Economy – particularly, ‘creating a city centre of European distinction, developing the city’s international image and profile and developing a cultural infrastructure of national and international reputation’
- Looking after the Environment – particularly, ‘extending the Streetscene project’ and ‘improved enforcement arrangements’

10.0 Resources Implications

10.1 Individual projects arising from the Action Plan do entail resource implications, however these are currently being met from existing budgets.

11.0 Recommendation

11.1 Members are requested to note the contents of this report and request a further update in six months time.

12.0 Background Papers

12.1 Report to Executive Board, Leeds Evening and Night-time Economy Study 11 February 2005. Chesterton and Urban Practitioners Report “Leeds Evening and Night-time Economy Study”, October 2003.

**REPORT OF THE DIRECTOR OF DEVELOPMENT,
REPORT TO EXECUTIVE BOARD**

DATE: 14 DECEMBER 2005

**SUBJECT: SHARP LANE/SHARP HOUSE ROAD, MIDDLETON JUNCTION
IMPROVEMENT - Capital Scheme Number: 12156/000/000**

EXECUTIVE SUMMARY

This report seeks approval for the design and implementation of an access junction, off Sharp Lane, to a proposed major housing development in Middleton.

It also seeks approval to inject into the capital programme, and authority to incur expenditure of £475,000.

1.0 PURPOSE OF THE REPORT

1.1 The purpose of this report is to:

- i) approve the injection of £475,000 into the capital programme, funded £50,000 from a Section 106 agreement and £425,000 from Leeds Capital resources;
- ii) request authority to implement off-site highway works associated with a housing development adjacent to Sharp House Road, Middleton as shown on attached drawing HDC/298796/MIS/03; and
- iii) obtain approval to incur expenditure of £475,000 (£260,000 works, £155,000 statutory undertakers costs and £60,000 fees).

2.0 BACKGROUND

- 2.1 Leeds City Council owns a parcel of land off Sharp Lane in Middleton (shown on the attached plan number 3127/NW/2/PLAN-1 in red) which is currently being disposed for development as a major housing scheme. The development includes for the provision of approximately 30 hectares for housing with 10 hectares of woodland planting.
- 2.2 Outline planning consent was obtained on 10 January 2002 with a number of conditions being imposed on the development. One of these was that a Masterplan and Urban Design Guide (M & UDG) be produced. The M & UDG was approved by Plans Panel East in October 2004.
- 2.3 The M & UDG included for an east-west bus route through the development, which connected, at its eastern end, into Sharp House Lane approximately half way along. Panel Members and local residents expressed concerns over this location and although the M & UDG had been approved, Officers were asked to investigate alternative access arrangements to the eastern end.
- 2.4 This further investigation resulted in a separate full application being submitted for an alternative access junction towards the northern end of Sharp House Road near its junction with Sharp Lane. This application was further revised as a minor modification which now forms the subject of this report.

3.0 DESIGN PROPOSALS/SCHEME DESCRIPTION

- 3.1 The scheme proposals can be seen on the attached drawing HDC/298796/MIS/03. This will provide a direct link, from Sharp Lane, into the development site that is capable of accommodating public transport. Sharp House Lane will be realigned at its northern end to form a T-junction with the new access link.
- 3.2 The works will include:
 - i) introducing a T-junction with raised plateaux on Sharp House Road to form an access point into the development site;
 - ii) realignment of the existing junction of Sharp Lane and Sharp House Road with marginal widening to introduce a dedicated turning lane off Sharp Lane; and
 - iii) all associated infrastructure works for the above.

4.0 CONSULTATION

- 4.1 Ward Members: Ward Members of Ardsley & Robin Hood and Middleton were consulted over the initial Sharp House Road proposals on 20 January 2005. A subsequent public meeting was held 08 March 2005 which contributed towards the final scheme layout for the Sharp Lane/Sharp House Road access being developed.
- 4.2 Emergency Services and Metro (WYPTE): Emergency Services and Metro were consulted by letter on 20 January 2005. No adverse comments have been received.

8.1 The developer's offer to purchase the site was made on a basis inclusive of any costs arising from Section 106 obligations. The full cost of this scheme could have been included in the Section 106 agreement, and without completion of the scheme, the capital receipt would be at risk. In order to maintain flexibility in the use of the receipt from this site, and to provide better value for money, the values of the Highways works required have been kept as low as possible in the Section 106 agreement. This has meant that the balance of the scheme which would otherwise be secured through the Section 106 agreement is to be provided from general Leeds Capital resources. The detailed costs of the other Highways works will be reported as the schemes are developed.

9.0 RISK ASSESSMENTS

9.1 As previously mentioned, the City Council has indemnified the Developer through the S106 Agreement to complete the junction within a specific time frame. The latest date for land transfer is 12 February 2006 and the highway works are required to be complete within two months of the land transfer. Failure to approve these works could result in delay to the current programme and possible subsequent penalties.

9.2 Two telecommunications companies currently have apparatus running through the site and have been identified for diversion. The costs are estimated at £150,000 and have been included in the Scheme Design Estimate. Trial holes have been dug in the existing verge to establish their exact location. It is possible that they could be slewed and lowered gaining a significant saving to the scheme, but this will only become apparent when the bulk earthworks are undertaken.

10.0 RECOMMENDATIONS

The members of the Executive Board are requested to:

- i) approve the injection of £475,000 into the Development Departments capital programme, funded £50,000 from a Section 106 agreement and the balance of £425,000 from Leeds General resources; and
- ii) give authority to incur expenditure of £260,000 works, £155,000 statutory undertakers' costs and £60,000 fees.

REPORT OF THE DIRECTOR OF CITY SERVICES

MEETING: EXECUTIVE BOARD

DATE: 14TH DECEMBER 2005

SUBJECT: Integrated Waste Management Strategy

<p>Electoral Wards Affected:</p> <p>All Wards</p>	<p>Specific Implications For:</p> <p>Ethnic Minorities <input type="checkbox"/></p> <p>Women <input type="checkbox"/></p> <p>Disabled People <input type="checkbox"/></p>
<p> Executive Board Decision <input type="checkbox"/> Eligible for Call In <input type="checkbox"/> Not eligible for Call In (details contained in the report) <input type="checkbox"/> </p>	

Executive Summary

This report outlines the draft Integrated Waste Strategy for Leeds and seeks Executive Board approval to proposals for public consultation on the Strategy over the next five months, and to receiving an additional report on the outcomes of the consultation in July 2006.

The Strategy sets out Leeds City Council's vision of a *zero waste* city, where we reduce, re-use, recycle and recover value from all waste, and where waste becomes a resource. We aim to achieve this by exploiting every practicable opportunity to drive waste management up the Waste Hierarchy, with the reduction of growth in waste providing a primary focus.

The report also highlights the work undertaken to identify a Waste Treatment Solution for the City, and recommends the development of a Sustainable Energy Park which would include a Materials Recycling Facility, in-vessel composting facilities, an Energy from Waste facility and Business Incubation Units for the development of marketable products from recycled materials.

Given the cost and the critical timetable, Executive Board is requested to support the submission of an Expression of Interest to DEFRA for PFI credits of £110m to fund the development of the Sustainable Energy Park.

Executive Board approval is sought for consultation on service improvements which would enable the Council to manage the financial impact of the Landfill Allowance Trading Scheme (LATS) between 2008/9 and 2012/13 whilst the Sustainable Energy Park is being developed, and to enable the Authority to move towards its future, statutory recycling targets.

1 PURPOSE OF THE REPORT

1.1 This report provides:

- an outline of the content of the draft Integrated Waste Management Strategy for the City and requests approval to undertake public consultation between January and May 2006
- details of the proposed Sustainable Energy Park for the City and requests support for the submission of an Expression of Interest to DEFRA for PFI credits
- an analysis of the implications for the in-house service as a result of the potential proposals for an integrated waste management contract.

2 BACKGROUND

2.1 On the 14th May 2003 Executive Board approved the first Integrated Waste Management Strategy for the City which outlined the vision for waste management in Leeds and actions to deliver the vision. The first Integrated Waste Management Strategy focused on the Authority's need to improve its recycling performance, and made it clear that the Council would need to revisit the issue of waste treatment when more was known about Government targets and industry led solutions in this area. On the 19th January 2005 Executive Board received a further report identifying recent changes within the waste sector that have informed this review of the Integrated Waste Management Strategy.

2.2 The key issue is the recent introduction of the EU Landfill Directive targets which mean that, by 2020, the UK will have to reduce the proportion of biodegradable municipal waste (BMW) that it landfills to 35% of the tonnage of BMW landfilled in 1995. Failure to meet this, and interim, targets will result in the UK incurring fines of around £0.5m a day. It is likely that any such fines would be passed on by the Government to the local authorities responsible.

2.2 In order to facilitate meeting targets at national level, the Government has introduced the Landfill Allowance Trading Scheme (LATS), whereby each Council or Waste Disposal Authority (WDA) is allocated a rapidly decreasing number of allowances for each year of the scheme between 2005 and 2020, which corresponds to the tonnes of BMW that it is permitted to landfill. Under the scheme any authority landfilling more tonnes of BMW than they have allowances for will face penalties of £150 per tonne.

2.3 Landfill allowances can be traded between WDAs, with authorities diverting significant quantities of waste from landfill being allowed to sell excess allowances on the open market to those that continue to use landfill as their main disposal option. It is estimated that Leeds City Council will have to divert almost 1.5 million tonnes of BMW between 2005 and 2020, and that, if action is not taken to address this situation, the Authority will face LATS penalties of over £217m by 2020. Whilst the Authority is developing interim service action plans to mitigate these financial consequences, this is only likely to reduce the financial threat on a short term basis. It is clear that a long-term, sustainable solution is required.

2.4 In addition to landfill diversion targets, the Council is also working towards the achievement of statutory targets for recycling and composting. The Authority is

expecting to exceed this year's statutory target of 21%, but will have to achieve a national target of 30% by 2010.

- 2.5 In response to these key issues, and in consultation with stakeholders, officers within City Services Department have been reviewing the city's Integrated Waste Management Strategy and developing proposals for a long-term solution for the management of municipal waste in Leeds.

3 WASTE STRATEGY

- 3.1 The Integrated Waste Strategy for Leeds sets out Leeds City Council's strategic vision and key objectives for waste management over the next thirty years. This version of the Strategy constitutes a scheduled review of the Strategy adopted by the Council in 2003, and builds on the principles established in this original document. It also outlines the need for change and the current waste management position for the City and for the Council, and provides the framework for the delivery of the Waste Solution.

- 3.2 Municipal waste (i.e. waste collected by the Council) only accounts for part of the overall waste generated in the City. Some of the activities detailed in the Strategy relate to areas within the direct control of the Council. Other activities are dependent on businesses and local communities accepting their responsibilities, and the Council acting in its role as community leader.

3.3 Our Vision and Mission

- 3.3.1 Our vision is of a *zero waste* city, where we reduce, re-use, recycle and recover value from all waste, and where waste becomes a resource.
- 3.3.2 We aim to achieve this by exploiting every practicable opportunity to drive waste up the Waste Hierarchy, with the reduction of growth in waste providing a primary focus.
- 3.3.3 We will exercise our influence over the management of waste from other sectors through lobbying for change and through partnerships to develop integrated and sustainable waste management solutions.

3.4 Key Pressures and Targets

- 3.4.1 As clearly stated above, reducing the historically high growth in waste provides a primary focus for the Integrated Waste Strategy for Leeds, and a range of policies and initiatives to achieve this aim are set out in the Strategy. Our specific aim is to **reduce annual growth in municipal waste in Leeds to 0.5% per household by 2016**.
- 3.4.2 Recycling remains a key priority for Leeds City Council, and the Authority and the people of Leeds received national recognition for the household waste recycling rate of 19.6% achieved in 2004/5. However, we will need to deliver further improvements if the statutory recycling targets of 30% by 2010 and 33% by 2015 are to be met. Our aim is to achieve a **recycling rate of 40% by 2020*** (see footnote on Page 4).
- 3.4.3 In addition, European Parliament and UK Government legislation and targets now mean that local authorities will have to develop plans for the diversion of significant proportions of municipal waste from landfill. Landfill is a major contributor to harmful greenhouse gases, and failure to meet these targets may result in massive financial penalties.

3.4.4 Leeds City Council landfilled over 80% of the 375,000 tonnes of waste that it collected in 2004/5, and has therefore been evaluating major new alternatives for moving away from this form of disposal towards treatment methods that recover value from our waste. Our aim is to achieve the **recovery of value from 90% of our waste by 2020*** (see footnote).

3.5 There are three key principles that are applied across the Strategy. They are sustainability, partnerships and a realistic and responsive approach.

3.5.1 Sustainability - to develop and promote sustainable waste management

Consideration has been given to the broader social, economic and environmental impacts of waste management to make sure that the strategy provides for a sustainable future. The Waste Strategy has an important role in breaking the link between economic growth and growth in waste. This will be achieved by:

- using the Waste Hierarchy as the framework for waste management (see 3.6);
- a thorough evaluation of environmental, social and economic factors by undertaking a sustainability appraisal (see 3.8);
- Manage waste in ways that protect human health and the environment, in particular in relation to reducing greenhouse gases;
- Adhering to the Proximity Principle and Regional Self-Sufficiency principle;
- Observing the Precautionary Principle to ensure that key decisions are not postponed due to a lack of full scientific certainty.

3.5.2 Partnership - to work in partnership with communities, businesses and other stakeholders to deliver sustainable waste management

The Council will assume a key leadership role in addressing waste problems. However, we cannot act alone in delivering effective solutions for dealing with waste. Householders and businesses must take their share of the responsibility for their waste. The Council will need to work with a range of different key partners across all of the areas included in the action plan.

3.5.3 Realistic and Responsive - to ensure that the strategy is realistic and responsive to future changes

There are many uncertainties in projecting thirty years ahead, in particular in relation to the volumes and characteristics of waste, changes in legislation and the markets for materials. The Strategy has been written to:

- a) ensure that waste management solutions are affordable and deliver best value;
- b) respond to changes in Government policy and targets, as well as the ongoing development of national and European legislation;
- c) build sufficient flexibility into waste management options chosen to take account of changes to waste trends, technologies and markets.

Footnote

** Targets figures have been rounded, and are based on anticipated performance levels indicated as a result of detailed waste flow modelling. These performance targets are subject to the agreement of the technical assumptions and a range of service developments on which the Council will be consulting with the public.*

- 3.6 The Council is committed to using the Waste Hierarchy as the framework for waste management, with a primary focus on minimisation of waste through a reduction in the rate of growth per household. Using the Waste Hierarchy will allow the Council to make sure that waste management operations are integrated, so that decisions about different waste streams are not taken in isolation. An integrated system considers all elements together, seeking an overall solution that minimises the impacts of the quantity and nature of wastes, looks for economies of scale and efficiencies, and maximises the value extracted from waste.
- 3.7 The Waste Strategy sets out the key principles for delivering integrated solutions for waste management and describes the nine key themes for taking these principles forward and the policy framework for delivering sustainable waste management. The aims and policies to support the key themes within the Strategy are attached at Appendix 1. These themes are:
- Education and awareness
 - Waste Prevention (which includes minimisation and reuse)
 - Market Development and Procurement
 - Recycling and Composting
 - Recovery (which includes the waste solution for the City)
 - Limiting Landfill
 - Commercial and Industrial Waste
 - Enforcement
 - Planning
- 3.8 There is now a statutory requirement to carry out environmental assessments for a range of plans and programmes likely to have significant effects on the environment. The objective of the Strategic Environmental Assessment (SEA) is to provide for a high level of protection of the environment and to contribute to the integration of environmental considerations into the preparation and adoption of plans and programmes with a view to promoting sustainable development. It is also good practice to carry out a thorough evaluation of social and economic factors, and therefore a wider Sustainability Appraisal (SA) of the Waste Strategy has been carried out that satisfies the requirements of the SEA Directive and 2004 regulations.
- 3.9 The draft Integrated Waste Strategy will be circulated to Executive Board Members with this report, and will be available from the clerk named on the Executive Board agenda. With approval from Executive Board the draft strategy will be made available for consultation through publication on the Internet, copies to key stakeholders and for general public comment through various media sources. The consultation period is scheduled to conclude in May 2006.

4 WASTE TREATMENT SOLUTION – OPTIONS APPRAISAL

4.1 Issues determining the reasons for a waste treatment solution

- 4.1.1 The Integrated Waste Management Strategy sets out the Council's approach to managing waste in line with the 'waste hierarchy': reduce, reuse, recycle, recover and dispose. In conjunction with Jacobs Babbie, the Authority's technical advisors, the Waste Solution Project Board has undertaken a detailed analysis of the current and projected profile of municipal waste growth in Leeds.
- 4.1.2 A wide range of waste growth scenarios was considered, based on historical Leeds data, national projections, best practice information and local population and housing growth projections. The scenario selected for the purposes of modelling assumes the

higher end of the range of current housing growth projections for Leeds, based on figures provided by Development Department. It also assumes a reduction in waste growth to a level of 0.5% per household per annum by 2016. This scenario constitutes a reduction of total municipal waste of over 2.5 million tonnes by 2035 compared to the projection based on recent historical growth.

4.1.3 Jacobs Babbie and the Project Team then considered a range of potential, optimised recycling collection and education initiatives to increase recycling levels in Leeds, together with realistic capture rates for each material type. A waste flow model was then developed to show the projected long-term profile of municipal waste management in Leeds. The optimised recycling initiatives incorporated into the model were as follows:

- Garden waste collection
- Glass collection
- Separate collection arrangements for general waste and recyclables
- Textiles collections
- Increased range of plastics collected in SORT bins
- Increased range of paper and card collected in SORT bins
- Increased roll-out of SORT collections
- Increased roll-out of recycling litter bins
- Enhanced participation in recycling through increased education

4.1.4 The introduction of the optimised initiatives set out above would yield a BVPI recycling rate of 38.7%. The model showed that Leeds City Council would need an overall recycling rate of over 70% in order to meet LATS targets through recycling alone. A range of further scenarios was therefore analysed to examine the effect of introducing a kerbside collection of kitchen/food waste, and the impact of achieving higher capture rates for all recyclables, over and above the improvements already targeted in the waste flow model, and beyond what is deemed realistic given current public participation. The most ambitious scenario still showed a shortfall of nearly 64,000 tonnes of waste against the Authority's LATS targets in 2020. It should also be noted that these enhanced scenarios take no account of issues such as cost and deliverability.

4.1.5 It was therefore acknowledged that, without a sea change in public attitudes, major changes in legislation and/or significant financial inputs, education and awareness and recycling alone will not enable the Council to achieve its LATS targets and avoid the massive subsequent financial penalties.

4.1.6 With this in mind, work was undertaken to identify a Waste Treatment Solution that will enable the Council to manage the proportion of municipal waste that is not reused or recycled. This work has also been aimed at ensuring that any solution does not undermine the prevention or minimisation of waste, or other waste management options. In addition, a sustainability appraisal of the technology options has been carried out to assess their social, economic and environmental performance, and a sustainability appraisal (including a statutory Strategic Environmental Assessment or SEA) is currently being carried out on the overall Waste Strategy.

4.2 Technology Options

4.2.1 Together with Jacobs Babbie, the Project Board has analysed a broad representative range of the available technology options for the long-term management of residual municipal waste in order to establish their relative performance levels in terms of recycling, landfill diversion and cost over a twenty-eight year contractual period. The possible mixes of technologies evaluated are set out in Table 1 below.

Table 1

Technology Options	
DN	Do Nothing
DM	Do Minimum
Option 1	Autoclave + Advanced Thermal Treatment
Option 2	Autoclave + Landfill
Option 3	Energy from Waste (EfW)
Option 4	Mechanical Biological Treatment (MBT) + Advanced Thermal Treatment + In-Vessel Composting
Option 5	Mechanical Biological Treatment (MBT) + Landfill + In-Vessel Composting
Option 6	Mechanical Treatment + Anaerobic Digestion + Landfill

4.2.2 The options set out in *Table 1*, with the exception of ‘do nothing’, assume the introduction of the range of service improvements and enhancements to existing kerbside recycling services detailed at 4.1.3. Each of the technical options modelled, again with the exception of the ‘do nothing’ scenario, also assumes the development of a Materials Recycling Facility and In-Vessel Composting facility as part of the solution. Additionally, assumptions have been made that there will be some economic development to create markets for the increased level of recycling materials.

4.3 Options Appraisal of ‘Benefit’ Criteria

4.3.1 Following the completion of this initial technical analysis, an options appraisal methodology was designed to provide a robust and transparent means of evaluating the various technical options against an agreed range of weighted ‘benefit’ criteria. The criteria (and weightings) are summarised below:

- Achieves sustainability in relation to social, economic and environmental impacts (25%)
- Provides long-term and certain markets for outputs (10%)
- Provides flexibility (i.e. to adapt to changes in waste volumes, composition, etc.) (15%)
- Achieves landfill diversion (LATS) targets (25%)
- Achieves long term statutory and local recycling and composting targets (15%)
- Minimises impacts associated with land use and allows self-sufficiency (10%)

4.3.2 It was agreed that the issues of cost and affordability, risk and market interest would be assessed separately (although the issue of risk is implicit in all of the above criteria). These three issues were considered to be of such significance that they needed to be assessed independently but alongside the ‘benefit’ criteria listed at 4.3.1.

4.3.3 A key part of the options appraisal process was a full stakeholder workshop held on the 3rd November 2005. This involved Elected Members, senior Council officers, regional government officers, external advisors and representatives from community and environmental organisations in evaluating the technical options available to Leeds against the ‘benefit’ criteria. A summary of the results of the options appraisal against the agreed, weighted criteria is set out below in *Table 2*.

Table 2

Summary of scores for technology options against weighted 'benefit' criteria

'Benefit' criteria	Do Nothing	Do Min	AC + ATT	AC + LF	EfW	MBT + ATT + IVC	MBT + LF + IVC	MT + AD + LF
	DN	DM	1	2	3	4	5	6
Sustainability (social, economic and environmental impacts)	0	2	18	9	16	15	10	10
Long-term, certain markets for outputs	5	5	9	6	10	6	1	4
Flexibility to adapt to change	4	5	3	6	10	3	5	6
Landfill diversion (LATS) targets	0	0	20	0	20	20	10	10
Long-term statutory and local recycling targets	0	5	10	8	10	10	9	13
Land use impacts and self-sufficiency within Leeds	1	1	5	5	7	4	3	3
Total	10	19	64	33	72	57	39	45
Ranking	8	7	2	6	1	3	5	4

4.3.4 Stakeholder perceptions were not included as a separate criterion for assessment, as these views were incorporated into the options appraisal through the stakeholder workshop. The workshop included information on the feedback from key stakeholder consultation exercises, brief summaries of which can be found at 4.6 and 4.7.

4.3.5 The outcome of the stakeholder workshop was the ranking of Option 3 (Energy from Waste) as the best performing option against the 'benefit' criteria. The options involving Advanced Thermal Treatment rather than Energy from Waste were the next best performers, with the other technology options some way behind. The 'do minimum' and 'do nothing' options scored very poorly against the benefit criteria.

4.4 Financial Options Appraisal

4.4.1 The approach to the financial appraisal was to model the costs of the technology options to provide Net Present Values (NPVs) over a theoretical 28 year contract period, which allow the costs to be compared on an equal basis. The assessment is intended to compare options, but not to calculate a revenue impact on Council budgets. This financial appraisal was carried out on behalf of Leeds City Council by Price Waterhouse Coopers.

4.4.2 Costs are largely driven by the performance targets that are set. To try to exceed the LATS target, for example, will incur more operating costs but this may be offset by savings from LATS costs. Conversely, in certain technologies, the costs may outweigh any savings. Jacobs Babbie calculated input costs for two targeting scenarios for each technology option: meet LATS targets and exceed LATS targets. Since there is no benefit in exceeding LATS except for a cost benefit, the options which cost more from trying to exceed LATS targets have not been taken forward into the detailed financial appraisal. The financial model incorporates the following costs:

- Capital outlay
- Operating expenditure
- Disposal costs
- Third party income (i.e. sale of energy, spare capacity)
- Landfill costs and taxes
- Economic assumptions

4.4.3 The comparison of NPV's, including all of the above factors, provides a ranking for each of the eight options, as shown in Table 3. These figures exclude costs associated with land acquisition, collection, education and awareness and recycle income.

Table 3

Ranking	Option	Description	Net Present Value (NPV)
1	Option 3	Energy from Waste (EfW)	£456m
2	DM	Do Minimum	£501m
3	DN	Do Nothing	£513m
4	Option 5	Mechanical Biological Treatment (MBT) + Landfill + In-Vessel Composting	£567m
5	Option 4	Mechanical Biological Treatment (MBT) + Advanced Thermal Treatment + In-Vessel Composting	£597m
6	Option 6	Mechanical Treatment + Anaerobic Digestion + Landfill	£600m
7	Option 1	Autoclave + Advanced Thermal Treatment	£601m
8	Option 2	Autoclave + Landfill	£614m

4.4.4 Changing the LATS scenarios changes the ranking order. At the 'worst' case of LATS at £150 per tonne, due to the high volumes sent to landfill, the NPV's rise to £628m for 'do minimum' and £686m for 'do nothing', while Option 3 reduces to £418m due to the sale of permits being available. However, at the 'best' case of £30 per tonne, Option 3 increases to £468m due to loss of income, while 'do nothing' becomes the cheapest at £449m.

4.4.5 The financial analysis summarised in Table 3 shows that Option 3 (Energy from Waste) has the lowest NPV. 'Do minimum' has a lower NPV than 'do nothing', while no other technology is cheaper than 'do minimum' or 'do nothing'. The ranking is no different between the eight options with or without collection and education costs and recycle income.

4.4.6 The ranking is sensitive to changing assumptions on LATS, the value of which remains uncertain. However, even with LATS at £30 per tonne, Option 3 is only 4% more expensive than 'do nothing', and Option 3 remains the option least susceptible to the risk of LATS.

4.5 Risk Assessment

4.5.1 Jacobs Babbie undertook a professional assessment, in discussion with the Project Team, of the risks of deliverability for the various technology options, using a short list of the key risks that can actually be appraised at this stage, prior to the selection of a preferred option and the subsequent availability of detailed technology specifications. The technology options were then assessed against these key risks using the risk scoring system set out below in Table 4.

Table 4

IMPACT	High	Significant = 3	Critical = 4	Unacceptable = 5
	Medium	Insignificant = 2	Significant = 3	Critical = 4
	Low	Acceptable = 1	Insignificant = 2	Significant = 3
	Low		Medium	High
PROBABILITY				

4.5.2 Table 5 shows the results of the risk assessment. It should be noted that each technical option consists of more than one technology (with the exception of 'do nothing' and 'do minimum'), and the scores for each area of risk in the table below are the addition of the scores for the individual elements of each option. It was decided to multiply each technology's score by a factor that relates directly to the tonnage that it would have to process, in order to make the scores more meaningful. These weighted scores are the basis for the final ranking at the bottom of Table 5.

Table 5

Key Risk	Do Nothing	Do Min	AC + ATT	AC + LF	EfW	MBT + ATT + IVC	MBT + LF + IVC	MT + AD + LF
	DN	DM	1	2	3	4	5	6
Market interest risk	2	2	10	6	8	10	6	8
Supplier robustness	1	1	9	5	5	10	6	7
Input specification	1	1	7	4	5	11	8	7
End market risk	1	1	7	5	5	10	8	9
Performance risk	2	2	10	6	6	12	8	8
Operational risk	2	2	10	6	7	12	8	8
Planning risk	4	4	11	7	12	14	10	10
Total	13	13	64	39	48	79	54	57
Total (with throughput weighting)	47	38	129	103	52	107	88	101
Overall Ranking	2	1	8	6	3	7	4	5

4.5.3 This exercise shows the 'do nothing' and 'do minimum' options as having the lowest risks. Option 3 (Energy from Waste) is the third best option in terms of risk, and by far best of the options requiring new technologies for treating waste.

4.6 Scrutiny Inquiry

4.6.1 The Environment and Community Safety Scrutiny Board has been carrying out a full inquiry into the Waste Solution for Leeds in parallel with the Waste Solution Project. The Board's summary interim report was submitted to the Waste Solution Project Team so that its recommendations might be considered at the Waste Solution stakeholder workshop. The main recommendation of the interim report reads as follows:

“We currently feel that by joining the benefits of a Materials Recycling Facility (MRF) with an Energy from Waste plant could provide a stable, long term solution to how the Council deals with municipal waste, though we would emphasise the need for this to be considered in conjunction with the Waste Strategy being developed by the Council.”

4.7 Public Feedback

4.7.1 In September 2005 a four page supplement was included in the ‘About Leeds’ newspaper on the future of recycling and waste management in Leeds, and requesting public feedback on what they felt were the most important issues to consider in arriving at the preferred Waste Solution for the City. Over 1700 responses were received from the people of Leeds, and Table 6 shows a summary of the results.

Table 6

	Keeping cost down	Proven track record	Effects on environment	Minimising landfill	Maximising recycling	Generating energy from processing waste	Minimising sites needed for waste processing
Important	66%	84%	98%	97%	99%	91%	69%
Less important	34%	16%	2%	3%	1%	9%	31%

4.7.2 Maximising recycling, minimising landfill and minimising negative effects on the environment were found to be the most important priorities to the public. 91% of respondents felt that the ability to generate energy from waste was important, and 84% felt that the track record of the selected technical solution was important. Fewer respondents, although still a majority, considered the issues of cost and minimising sites required to be the most important priorities.

4.8 Conclusions from Options Appraisal

4.8.1 The results from the assessments to evaluate the technology options in terms of performance against ‘benefit’ criteria, risk and cost have been brought together in Table 7 below to give an overall summary of the outcome of the technology options appraisal.

Table 7

Option	Description	Benefit Score (highest = best)	Risk Rating (lowest = best)	NPV (£s)
DN	Do Nothing	10	47	£513m
DM	Do Minimum	19	38	£501m
Option 1	Autoclave + Advanced Thermal Treatment	64	129	£601m
Option 2	Autoclave + Landfill	33	103	£614m
Option 3	Energy from Waste (EfW)	72	52	£456m
Option 4	Mechanical Biological Treatment (MBT) + Advanced Thermal Treatment + In-Vessel Composting	57	107	£597m
Option 5	Mechanical Biological Treatment (MBT) + Landfill + In-Vessel Composting	39	88	£567m
Option 6	Mechanical Treatment + Anaerobic Digestion + Landfill	45	101	£600m

- 4.8.2 This clearly shows Option 3 (Energy from Waste) as the best performing option, achieving the highest ranking in terms of cost and 'benefit' criteria, and the highest ranking of all of the technological solutions in terms of risk ('do nothing' and 'do minimum' naturally presented lower risks of deliverability).
- 4.8.3 The clear recommendation for the Authority emerging from the options appraisal is therefore to pursue a Waste Solution to include a Materials Recycling Facility (MRF) and an Energy from Waste facility. It is recommended that a Sustainable Energy Park be developed to incorporate both of the above elements, but also an education centre and business incubation units. The Energy from Waste facility could also have the potential to provide combined heat and power, and to link into district heating schemes.

5 DELIVERING A SUSTAINABLE ENERGY PARK

5.1 Affordability and Funding

- 5.1.1 To avert the financial impact of LATS targets, time is critical in developing the City's waste solution facilities. Consideration has been given to the funding of the proposed option and it is clear that affordability is an issue. The detailed financial appraisal carried out by Price Waterhouse Coopers (PwC) indicates that the cost (NPV) of the recommended option would be around £456m. Although the full affordability study has yet to be completed, the level of capital investment required for a contract of this kind suggests strongly that, of the funding options available, PFI is likely to provide the most practical vehicle and the only financial option that will attract Government support. If PFI credits were to be awarded, this would provide revenue support throughout the contract life in the form of increased Revenue Support Grant. Any credits awarded would result in a reduction in the costs to the Authority for Options 1 to 6 shown in Tables 3 and 7.
- 5.1.2 The value of the PFI credit would need to reflect the capital within the contract so that the revenue support matches the cost of capital. The estimated capital outlay for the Energy from Waste (EfW) facility is £125m. This would be discounted to £110m at the contract start date. This is the value that is eligible to submit to DEFRA for PFI credit support. However, it should be noted that the value of the PFI credit likely to be available from DEFRA is limited and may be capped. Any submission would have to demonstrate that Leeds understands the limitation of central funding and is aware of the potential requirement to contribute to the affordability of the scheme.
- 5.1.3 Therefore, subject to Executive Board approval, it is proposed to submit an expression of interest to DEFRA to determine whether PFI credits would be made available to the City. If DEFRA approves the Expression of Interest and PFI credits are available, it is then proposed to submit an Outline Business Case in July 2006, once the public consultation on the Waste Strategy has been completed, and some of the practical issues of deliverability such as land availability have been satisfactorily resolved.

5.2 Land Use/Planning

- 5.2.1 The Sustainable Energy Park could require an estimated 14ha of land. It will be necessary to identify land that can provide a one site solution or a number of sites which can be used for the different elements of the Park. If an Outline Business Case is to be progressed for PFI credits the land take issue must be resolved before final approval will be given. Prior to selecting a preferred bidder for the Park, the Council will need to have obtained outline planning permission for the site(s).
- 5.2.2 In addition to this, the waste private sector are stating plainly that they will want clear evidence that local authorities are in the advanced stages of securing planning

permission for sites for waste facilities in order for them to invest the estimated £1-3m needed to bid for a potential contract. There have been examples of contracts falling through, or major delays in implementation, due to the failure of local authorities to resolve land use issues.

- 5.2.3 The Council's existing policy frameworks have been assessed in terms of how effective they will be in delivering the sites in Leeds that will potentially be required for new waste facilities. Given the potential complications and significant timescales associated with pursuing these options, it seems likely that planning permission will need to be submitted outside of, but consistent with, the existing policy frameworks, using Government guidance to assess the suitability and deliverability of sites and carry out the appropriate public consultation.

5.3 Market Interest

- 5.3.1 In light of the enormous pressures on all local authorities and Waste Disposal Authorities to ensure successful waste procurement exercises, it is important to have an understanding of the perspective of the private sector. It is widely acknowledged that there are only around nine waste management companies operating in the UK that would be in a position to bid for a contract of the size that Leeds would be looking to let, and, with so many other local authorities currently in the same position, the private sector can afford to be very selective in deciding which contracts they will invest in.
- 5.3.2 In addition to the issues relating to site identification and planning permission referred to at 5.2.2, there are a wide range of other factors to take account of in order to secure the necessary level of interest in a contract for Leeds. For this reason, a formal market sounding is to be conducted, once the preferred technology option has been selected by the Authority, in order to identify the issues and priorities of the private sector.

6 SERVICE IMPROVEMENT PLANNING

- 6.1 Consultation will need to be undertaken on service improvement proposals which would enable the Council to manage the financial impact of the Landfill Allowance Trading Scheme (LATS) between 2008/9 and 2012/13, and ensure that the necessary waste is diverted from landfill whilst the Sustainable Energy Park is being developed. These improvements could include increasing the range of SORT materials collected, increasing the frequency of collections, and the introduction of garden waste collections.

7 ROLE OF IN-HOUSE REFUSE COLLECTION SERVICE

- 7.1 In January 2005 Executive Board approved a recommendation to explore the procurement of an end to end solution for waste management. The implication of this decision was that the in-house refuse collection service could either be subject to TUPE transfer to the incoming contractor or subjected to a market testing exercise.
- 7.2 Information from DEFRA suggests that as part of a PFI arrangement that they would be expecting the local authorities to pursue an end-to-end service which would include collection. Furthermore, major companies in the market are also stating that an end-to-end contract would make Leeds a more attractive proposition for them.
- 7.3 However, having undertaken an assessment against the optimum organisational arrangements for the delivery of the waste collection service in the future, and an evaluation of the current in-house waste collection service against these optimum organisational criteria it would indicate that there would be significant risk associated

with the waste collection service being provided by a contractor which would need to be considered before any final decision is made.

- 7.4 At this stage it is proposed that the Council keep its option open and determine the future delivery of the collection service once further information is received from DEFRA and the soft market test on the prefer waste solution for the city has been carried out.

8 COMMUNICATION AND CONSULTATION

- 8.1 Consistent with good project management practice, and particularly given the high profile nature of this project, a formal communication and consultation strategy has been devised for the Waste Solution and Waste Strategy projects. A wide range of communication and consultation activities has been undertaken, both to raise awareness of the issues facing the City in relation to waste management, and to gain feedback on the range of potential options and solutions being considered.
- 8.2 In terms of Elected Members, briefings have been provided to all of the political groups, and a Scrutiny Board Inquiry has been carried out into the full range of issues covered in this report. This Inquiry has provided Members with opportunities to visit operational examples of a range of different waste treatment technologies. The recommendations from the Scrutiny Inquiry have been fed into the 3rd November stakeholder options appraisal workshop and the draft Integrated Waste Strategy scheduled.
- 8.3 The Authority has secured a range of media coverage in local newspapers in the last nine months in relation to the waste management issues covered in this report, and has provided briefings to local environmental groups from various different sectors. The Council's website has been updated to provide a range of information on future strategies for waste in Leeds, and includes an on-line form to enable the public to register their views more easily.
- 8.4 Most notably, a four page supplement was included in the Autumn 2005 edition of the 'About Leeds' newspaper, which was distributed to all households in Leeds during September. This provided key messages promoting recycling and waste minimisation amongst Leeds residents, information around the problems associated with landfill, and details of the technologies available for diverting waste from landfill. It also included a questionnaire, with Freepost address, seeking views on proposals for kerbside recycling services and waste treatment options for the City.
- 8.5 It is proposed to continue to increasing the level of education and awareness across the City to support the changing agenda on waste. In particular during the consultation period to ensure that the level of information available is improved and that this supports the delivery of the Waste Strategy. Some success has already been achieved in this area which is demonstrated by the increase in recycling levels of around 5% each year for the last three years.
- 8.6 Leeds has been successful in securing DEFRA funding to introduce a pilot recycling incentive scheme in the New Year. At this stage it is not clear what the impact of this scheme will be on recycling targets, but it is anticipated that this will assist the service in increasing participation in some of the more difficult areas.
- 8.7 A detailed plan has been developed to support consultation on the draft Integrated Waste Management Strategy from January to May 2006.

9 PROJECT AND RISK MANAGEMENT

- 9.1 A Waste Programme Board, chaired by the Director of City Services, has been meeting regularly since June 2005 to ensure the effective co-ordination of the various inter-related projects discussed in this report. Each of these projects is being managed in line with the Corporate Risk Framework, and corporate and best practice guidance for project management. The Authority's Audit and Risk Team are formally involved in the management of these projects.
- 9.3 If a PFI were to be approved, this would be pursued in accordance with the agreed Corporate Governance Framework for such projects, and a specific PFI project board, chaired by the Deputy Chief Executive, would be established.

10 RECOMMENDATIONS

10.1 Executive Board are requested to approve:

- the content of the draft Integrated Waste Management Strategy and the proposal to undertake public consultation from January to May 2006, with a view to receiving a further report on the outcomes of the consultation in July 2006 (*section 3*);
- the proposed development of a Sustainable Energy Park for the City (including a Materials Recycling Facility and Energy from Waste Plant), and to support the submission of an Expression of Interest to DEFRA for PFI credits (*sections 4 and 5*);

and to note that:

- a report on the outcomes of consultation on service improvements will be presented in July 2006 (*section 6*);
- a further report on the appropriate collection arrangements to meet the City's needs in the future will be presented in July 2006 (*section 7*).

INTEGRATED WASTE STRATEGY – KEY THEMES, AIMS AND POLICIES

Key Theme 1 – Education and Awareness	
Aim - To change the culture and behaviour of the people of Leeds to make a positive step change in waste prevention and recycling.	EA1 – To encourage active participation EA2 – Provide feedback on how well we are doing EA3 – Integrate education and awareness into all waste services EA4 – Seek views to inform future decision making EA5 – Link into other strategies, plans and policies
Key Theme 2 – Waste Prevention	
Aim – To reduce the amount of waste produced and maximise the reuse of municipal waste materials.	WP1 – Empower consumers WP2 – Explore incentives for waste prevention WP3 – Minimise and reuse Leeds City Council's waste WP4 – Reduce the annual growth in waste per household to 0.5% by 2016
Key Theme 3 – Market Development and Procurement	
Aim – To work in partnership to develop local markets and encourage the development of secondary material industries.	MDP1 – Strive to stimulate new and emerging businesses to reuse items or reprocess materials and support existing businesses who want to move into this field. MDP2 – Increase the use of recycled materials by the Council MDP3 – Promote products made from reused, recycled or recovered materials MDP4 – Seek markets for the materials produced through the Council's waste management service
Key Theme 4 – Recycling and Composting	
Aim – To maximise recycling and composting of municipal waste within the limits of practicality and affordability to complement our efforts to prevent waste.	RC1 – Provide appropriate, convenient and accessible collections of recyclables from every household in the City RC2 – Improve composting through household waste sites and explore kerbside collection services RC3 – Extend the range of materials collected RC4 – Strive to recycle and compost 40% of municipal waste by 2020
Key Theme 5 – Medium and Long Term Recovery Options	
Aim – To meet our recovery targets over the medium and long term	R1 – Provide information on the recovery technology R2 – Deliver an Energy from Waste Recovery facility for municipal waste generated in Leeds R3 – Complete an Environmental Impact Assessment on the proposed Energy from waste facility R4 – Strive to recover 90% of municipal waste by 2020
Key Theme 6 - Enforcement	
Aim – To support the objectives and policies of the Strategy through enforcement where appropriate	EF1 – Develop waste specific enforcement policies EF2 – Use enforcement as a last resort after all efforts to educate and support have been pursued
Key Theme 7 – Limiting Landfill	
Aim – To limit the amount of waste disposed to landfill	L1 – Minimising our need for municipal waste landfill, with a long term aspiration of zero waste to landfill L2 – Landfill no more than 10% of municipal waste by 2020
Key Theme 8 - Planning	
Aim – To assist with meeting the requirements of sustainable waste management through the existing UDP and emerging LDF process	P1 – Assist with and influencing the contents of the Local Development Framework, particularly the waste Development Plan Document P2 – Identify sites and obtain planning permission for municipal waste facilities
Key Theme 9 – Commercial and Industrial Waste	
Aim – To drive commercial and industrial waste up the waste hierarchy.	CI1 – Partner with stakeholders to explore ways to promote sustainable management of commercial and industrial waste CI2 – Lobby for the prevention of waste CI3 – Leeds City Council as exemplar CI4 – Partner with the EA to improve our data on commercial and industrial waste

REPORT OF THE DIRECTOR OF CITY SERVICES

MEETING: EXECUTIVE BOARD

DATE : 14TH DECEMBER 2005

**SUBJECT : PROPOSALS TO DEAL WITH ABANDONED SHOPPING TROLLEYS –
ADOPTION OF SECTION 99 AND SCHEDULE 4 OF THE ENVIRONMENTAL
PROTECTION ACT 1990**

Electoral Wards Affected : ALL	Specific Implications For :
	Ethnic Minorities <input type="checkbox"/>
	Women <input type="checkbox"/>
	Disabled People <input type="checkbox"/>

1.0 Summary

- 1.1 This report proposes that the Council formally adopts Schedule 4 of the Environmental Protection Act 1990, as amended by the Clean Neighbourhoods and Environment Act 2005, which facilitates the collection of abandoned trolleys from land or watercourses, the return of them to the owner and to recover the costs of doing so.
- 1.2 This report provides details of the relevant legislation, outlines the proposals and provides information on the resource implications.
- 1.3 Under the Councils Constitution, the adoption of these provisions requires a decision by full Council. This report seeks Executive Board approval prior to consideration by Council.

2.0 Background:

- 2.1 Trolleys of all descriptions, but mainly supermarket, are routinely found abandoned across the City. Up to 60 can be collected each month, but many more remain uncollected. Some communities suffer more than others. Trolleys are the subject of regular complaint. Abandoned trolleys not only look unsightly, but can be left in roads creating traffic hazards.
- 2.2 Following the recent floods in Leeds, an action plan has been agreed to attempt to prevent/minimise further flooding. One action point is to address the enforcement of abandoned trolleys in watercourses. These proposals will address trolleys in watercourses as well as on dry land.

- 2.3 Section 99 and Schedule 4 of the Environmental Protection Act 1990 (EPA) contain a series of measures that can be used to take enforcement action against problems associated with abandoned trolleys.
- 2.4 These powers can be summarised as follows:
- It applies to abandoned trolleys found in the open air.
 - This does not include land from where the trolley originated (eg supermarket car parks), or which is designated for trolleys (trolley stores) or to rail/tram/bus stations or airports.
 - On public land the local authority may seize the trolley and remove it. On occupied land, the trolley is removed either with the consent of the occupier, or by service of Notice on the occupier if this consent is not forthcoming.
 - A seized trolley can be sold or disposed of after six weeks.
 - If the owner of the trolley is known, the local authority must advise the owner that the authority has got the trolley and where it is kept. If it is not claimed, the authority may dispose of it.
 - If the owner claims the trolley, the local authority must deliver the trolley back to that person. A charge can be made for this.
 - The council may agree a scheme with owners whereby the owners deliver an acceptable recovery process and the Council would not charge for trolley recovery.
- 2.5 For these provisions to apply, the Council needs to formally adopt them. Before doing so, the Council must consult with interested parties, and then advertise the resolution. It then becomes operational 3 months later.
- 2.6 Leeds has never adopted schedule 4 due to the owner of the trolley having total control over whether they wish the trolley to be returned. Trolleys are often damaged beyond repair, so there was often little benefit in owners recovering them. The Local authority would still have to follow the legal Notice processes contained within the Act, but with no suggestion that any costs could be recovered.
- 2.7 The Clean Neighbourhoods & Environment Act 2005 (CNEA) amends the EPA in that it provides that an owner will have to pay for the recovery of the trolley, whether they wish for its return or not. The process remains the same, however, the new provision states that after the specified retention period, if the owner of the trolley is known, that person can be charged for the removal, retention and disposal. The owner has no choice in this and the charge is payable on demand, recoverable as a debt. This effectively means that most trolleys can be returned at the owners cost.
- 2.8 This amendment is not yet in force but is anticipated to be so by April 2006.

3 Proposal:

- 3.1 It is proposed that the Council formally adopts Schedule 4 of the Environmental Protection Act 1990, as amended by the Clean Neighbourhoods and Environment Act 2005, which facilitates the collection of abandoned trolleys from land or watercourses, the return of them to the owner and to recover the costs of doing so.
- 3.2 In order to do so, interested parties need to have been consulted with. Letters have been sent to all local supermarkets and their head offices, and to other outlets which may use trolleys. E mails have also been sent to the British Retail Consortium, Association of Town Centre Management and the Association of Convenience stores.
- 3.2 There have been 3 responses to the consultation letters, from Morrison's and Sainsbury's and one from a person representing several stores. Two comment on the ways which they prevent abandonment, and one is requesting that Leeds enter into dialogue to see whether an acceptable scheme operated by some of the supermarkets can be designed.

4.0 Resource implications.

- 4.1 The costs of collection, storage and return are the main physical costs of the process. Further costs will be incurred by staff carrying out the legal searches and paperwork. As the legislation suggests that cost recovery is a major driver in this new process, it is envisaged that after a lead in period, this scheme should be self financing.
- 4.2 If all trolleys are dealt with using the cost recovery process described, and based upon an assumption that 80% of trolleys will have identifiable owners, it is estimated that each return would cost in the region of between £110 and £150.
- 4.3 If a consortium of supermarkets agree a process whereby they deal with their own trolleys, this may mean that the individual cost of return would increase, as the identifiable trolleys component will decrease but overheads would not reduce pro-rata as some, such as storage space and vehicles, would still need to be procured.
- 4.4 Currently trolleys are collected and treated as waste at cost to the authority. This proposal should offset some of these costs and reduce the number of trolleys found in the community.

5.0 Recommendation:

- 5.1 Executive Board are recommended to note the contents of this report and recommend to Council that it adopt the provisions of Schedule 4 of the Environmental protection Act 1990, as described by section 99 of that Act, in order to deal with abandoned trolleys.

REPORT OF: Directors for Neighbourhoods & Housing and Development

REPORT TO: Executive Board

DATE: 14 December 2005

SUBJECT: EASEL: Outcome of the Exclusive Clarification Period with Bellway

Electoral Wards Affected:

Killingbeck & Seacroft
Burmantofts & Richmond Hill
Gipton & Harehills
Temple Newsham

Specific Implications For:

Ethnic minorities	No
Women	No
Disabled People	No

Executive Function

Eligible for Call In

**Not eligible for Call In
(details contained in the report)**

1. Purpose of report.

1.1 The purpose of this report is to inform Executive Board of the results of the exclusive clarification period with Bellway PLC and recommend the next steps in the EASEL procurement process.

2. Background

2.1 The EASEL project has been underway since Executive Board gave approval to procure a partner to regenerate the area of East and South East Leeds in January 2004. In November 2004, Executive Board approved the short-list selection of two consortia, who then submitted detailed and final bids for 'Preferred Bidder' status. The lead organisations are Bellway and Lend Lease Europe, both of whom have strong track records and a sound financial base. Officers reported to Executive Board in June 2005 the results of the detailed evaluation.

2.2 The evaluation was unanimous in scoring Bellway as the better bid, confirmed by independent advisers. Separate evaluations were made of the Technical, Financial and Commercial, and Legal aspects of both bids.

2.3 Officers were also able to inform the Executive Board of the results of a 'Third Bidder' analysis where by the Council might undertake the regeneration project on its own accord.

2.4 In light of the above, it was recommended to Executive Board to continue the procurement exercise with Bellway. Lend Lease Europe were not deselected, rather held in reserve.

The highlights of the Bellway offer are:

- A complete mixed-used regeneration at the East and South East Leeds area;
- Greater investment in affordable housing;
- A new centre for Seacroft;
- New residential development in Gipton;
- A new identity for East End Park;
- Re-modelling of terraced houses;
- Creating over 7,000 jobs through construction and commercial development;
- Environmental improvements with high quality public spaces throughout;
- Over 5,000 new houses involving over £1bn of investment;
- Investment in education, infrastructure and community facilities.

2.5 Executive Board accepted, however, the view of council officers that there were significant risks inherent in the Bellway submitted financial model. It was agreed, therefore, to enter into a three month period of exclusive clarification with Bellway to resolve these matters.

2.6 The Executive Board of 29th June 2005 agreed the following:

- Bellway be offered a 3-month exclusivity period within which to clarify to the Council's satisfaction the key areas of concern;
- Should Bellway establish a satisfactory position with the Council within that period, they should be recommended as preferred bidder;
- Should officers prove unable to reach a satisfactory understanding through the clarification period with Bellway, a further paper would be prepared for Executive Board on the available options;
- Responsibility for management of this continuation of the procurement period be delegated to the Directors for Neighbourhoods & Housing and Development;
- Responsibility for the award of 'Preferred Bidder' remain with the Executive Board; and,
- Responsibility for the termination of the EASEL procurement process remain with the Executive Board.

2.7 In addition, Executive Board of 29th June 2005 further agreed that a report would be submitted to the Board on the nature of Compulsory Purchase Orders required for the area, in order to secure vacant possession of property either voluntarily or through CPO. Planning for CPO is necessary to reduce uncertainty for both the Council and property owners.

2.8 The 3 month exclusivity period ran from 18th July to 14th October, starting at the date on which Bellway received details of the issues which the Council wished to resolve. For the Council, a team of Officers was led by the Chief Regeneration Officer and comprised officers from Legal Services, Corporate

Finance, Development Department, Leeds East Homes, Leeds South East Homes, Neighbourhoods & Housing, plus our external advisors from Trowers & Hamlins and Deloitte.

3.0 Potential Offer

3.1 The details of the clarified position presented by Bellway are set out in the confidential report.

4.0 Recommendations

4.1 The recommendation to Executive Board is that Bellway are issued with a preferred bidder letter.

REPORT OF: THE DIRECTOR OF NEIGHBOURHOODS AND HOUSING

REPORT TO: EXECUTIVE BOARD
DATE: 14th December 2005

**SUBJECT: EAST AND SOUTH EAST LEEDS REGENERATION AREA LAND ASSEMBLY
ISSUES ASSOCIATED WITH THE PHASE 1 DEVELOPMENT SITES**

<p>Electoral Wards Affected:</p> <p>Gipton and Harehills Killingbeck and Seacroft</p>	<p>Specific Implications for:</p> <p>Ethnic Minorities <input type="checkbox"/></p> <p>Women <input type="checkbox"/></p> <p>Disabled People <input type="checkbox"/></p>
<p>Executive Board Decision <input checked="" type="checkbox"/> Eligible for call in</p>	<p><input type="checkbox"/> Not Eligible for call in (details contained in the report) <input type="checkbox"/></p>

EXECUTIVE SUMMARY

The Council, Leeds East Homes and Leeds South East Homes are currently in the process of procuring a private sector partner to develop a long-term regeneration strategy for East and South-East Leeds. As part of this strategy, 8 Phase 1 sites in Gipton and Seacroft were identified in the Regeneration Brief issued as part of the procurement process, which the Council has agreed to commit to the Partnership as early development opportunities. This report outlines progress relating to the assembly of these sites. Although it is the intention to acquire the remaining interests in these sites by negotiation, the report seeks authority for officers to instigate Compulsory Purchase Order proceedings to acquire remaining privately owned properties within three of these sites under the provisions of Section 226(1) (a) of the Town and Country Planning Act 1990, as amended by S.99 of the Planning and Compulsory Purchase Act 2004.

1.0 PURPOSE

1.1 The purpose of this report is to update the Executive Board on progress relating to the 8 Phase 1 development opportunities identified as part of the East and South East Leeds (EASEL) Regeneration initiative. The report also seeks authority for officers, to instigate Compulsory Purchase Order proceedings to acquire remaining privately owned properties within three of the Phase 1 sites, should the Council fail to agree terms for the purchase of the properties.

2.0 BACKGROUND

2.1 Following Executive Board approval in January 2004, an advertisement was placed in the Official Journal of the European Union (OJEU) and other professional publications seeking

expressions of interest from private consortia to work in partnership with the City Council, Leeds East Homes and Leeds South East Homes to develop a regeneration strategy for East and South East Leeds.

- 2.2 The advertisement was accompanied by a Stage 1 Development Brief that identified 8 initial Phase 1 development opportunities in Gipton and Seacroft (identified in Appendix 1 of this report).
- 2.3 This advert resulted in an initial 8 expressions of interest. Three consortia were 'long-listed' and on 15 November 2004, having considered a progress report on the procurement process, the Executive Board
- Approved an officer recommendation to short-list two consortia led by Bellway Homes and Lend Lease Europe respectively to develop detailed proposals for the East and South East Leeds Regeneration Area
 - Delegated authority to the Director of Neighbourhoods and Housing and Director of Development to manage the selection process through to selection of a preferred partner and establish a Project Board to move forward into the contractual phase
 - Approved the 'in principle' use of Compulsory Purchase Order (CPO) powers for the implementation of the Programme
- 2.4 Gipton has been identified as one of three pilot areas in the country as part of the ODPM's 'Mixed Communities' initiative. As part of this work, officers from the Commission for Architecture and the Built Environment have visited the EASEL area and provided initial advisory guidance relating to the Phase 1 sites.
- 2.5 The two short-listed consortia were invited to prepare detailed proposals for the East and South East Regeneration Area within a 13 week period (closing on the 6 May 2005) based on a detailed stage 2 Regeneration Brief issued to them on the 4 February. The Brief stated that as part of their submissions, the short-listed bidders should submit a detailed financial offer for the Phase 1 sites accompanied by a development programme.

3.0 CURRENT POSITION

- 3.1 Following on from a joint special meeting of the Boards of Leeds East Homes and Leeds South-East Homes on the 27th June 2005, the City Council's Executive Board on the 29th June 2005 resolved to offer Bellway PLC a three month exclusivity period to clarify key issues relating to their bid, and that should Bellway within this time period agree a position with the Council, they be appointed as Preferred Bidder', subject to the approval of the Executive Board. The key issues arising from this period of clarification are summarised in a report that appears earlier on this agenda.
- 3.2 Both short-listed consortia prepared detailed proposals for residential development on all 8 of the Phase 1 sites as part of their submissions, and clearly identified that they wish to commence development on sites 3, 6 and 7 in the early years of their development programme. The consortium led by Bellway indicated that they wish to commence the development of Site 3 and the assembly of site 7 in early 2006, and begin to develop site 6 in 2007. It is anticipated that planning applications for the development of the initial sites will be submitted in early 2006.
- 3.3 The sites form an integral part of the overall regeneration strategy for the area, and highway and planning officers have confirmed that their development for residential

purposes is acceptable in principle, subject to the consideration of detailed schemes. The City Council will work with the appointed partner to prepare a Statutory Action Area Plan for the EASEL area as part of the Local Development Framework. Work has already commenced on the preparation of this Action Area Plan, which is expected to be completed by the summer of 2007.

3.4 The current status of the Phase 1 sites is as follows:-

Site 1 St Wilfred's Avenue, Gipton

Brownfield Cleared Housing Site

Site 2 Easterly Mount, Gipton

Brownfield Cleared Housing Site

Site 3 Amberton Terrace

Brownfield former housing site which is almost entirely cleared. One pair of semi-detached properties remain within the site. Number 11 Amberton Close is in private ownership, and the attached property (number 9 Amberton Close) is vacant and in the ownership of Leeds City Council.

Site 4 Thorn Walk, Gipton

Brownfield Former school site allocated in the UDP for residential development.

Site 5 Oak Tree Drive, Gipton

Predominantly allocated for housing development in the UDP (area south of Thorn Walk)

Site 6 Oak Trees, Gipton

Brownfield, predominantly cleared housing site. (57 properties within this site have already been cleared)

A linked block of 4 properties owned by the City Council on Oak Tree Place remain (numbers 15/17 and 19/21). Three of these properties are empty, and the tenants who occupy number 15 Oak Tree Place have accepted the offer of an alternative Council owned property and are expected to move in the immediate future.

Two pairs of semi-detached properties remain on Oak Tree Mount. Numbers 7 and 11 are owner-occupied and the adjoining properties (numbers 5 and 9) are owned by the City Council and vacant.

Site 7 Parkway Vale, Seacroft

Brownfield partially cleared housing site. 93 properties remain on this site, 22 of which are in private ownership and 71 properties are owned by Leeds City Council. 18 properties have already been cleared on this site

Site 8 Former Seacroft Depot, Seacroft

Brownfield former depot site in the ownership of the City Council, now vacant.

3.5 The Council has been working in partnership with the Land Registry to achieve the voluntary registration of the 8 Phase 1 EASEL sites. As a result of issues arising from these investigations, and further discussions with Leeds East Homes, minor amendments

have been made to some of the boundaries of the Phase 1 sites

Plans showing the revised boundaries to these sites are attached in Appendix 3 of this Report.

- 3.6 On 28 February 2002 the Housing and Environmental Panel in the Councils Housing and Environmental Services Department approved the demolition and subsequent disposal of property and land within site 3 at

1-27 and 2-26 Amberton Close

1-49 and 2-8 Amberton Terrace

5-53 and 16-62a Montague Avenue

The decision to clear properties within sites 6 and 7 was taken by the Board of Leeds East Homes on the following dates following the completion of option appraisals.

Site 6 18 July 2003

Site 7 25 February 2005.

The Phase 1 sites were declared surplus to requirements by the Board of Leeds East Homes on 18 November 2004, with the exception of the following privately owned properties within Site 7

- 1-15 Bowfell Close
- 1-17 Ironwood View (odd numbers only)
- 121-143 Foundry Mill Street (odd numbers only)
- 107-167 Parkway Vale (odd and even numbers)

These properties were declared surplus by the Board of Leeds East Homes on 20 January 2005.

- 3.7 The dwellings on site 7 are predominantly 5Ms with some flat roofed Aireys. These are dwellings of non-traditional construction which may fail certain requirements of the existing Housing Fitness Standard, as set out in s604 of Housing Act 1985. The decision on failing the Housing Fitness Standard, for example, from being 'not free from serious disrepair', or 'not structurally stable', should be based on individual surveys by structural engineer/s. Evidence from similar properties in the area indicates that the structures are deteriorating. In future the homes could become unfit for human habitation on failing those requirements of the standard and by reason of those failures may not be reasonably suitable for human habitation.

The Housing Fitness Standard, in the next few months, is due to be replaced by the Housing Health and Safety Rating System which is the Government's new approach to the evaluation of the potential risks to health and safety from any deficiencies identified in dwellings. The rating system concentrates on threats to health and safety from hazards in a property i.e. the effect of a defect. When the rating system is applied to these properties in site 7 many are likely to have unacceptable scores from hazards of 'excess cold' (due to inadequate insulation and inadequate heating) or 'structural collapse and falling elements' (due to structural defects and disrepair).

Remedial measures can be undertaken but If homeowners wish to refurbish their properties to a standard that satisfies the existing Housing Fitness Standard, and the new rating system they will have to invest a substantial amount of money in their property. Effective remedial measures are not considered feasible for a single 5M dwelling due to the way the properties are constructed together in a block. Costs for refurbishments can be in the region of £25,000 for a single property based on a block scheme. For Aireys the cost is similar. In addition, further works may need to be undertaken to comply with the Decent Homes Standard.

- 3.8 The Board of Leeds East Homes approved the potential use of Compulsory Purchase Order proceedings by the Council to achieve vacant possession of sites 3, 6 and 7 at its meeting on 24 March 2005. A further progress report was presented to the Board of Leeds East Homes on the 28th July 2005, outlining indicative costs associated with potential CPO action on these three sites.

4.0 PROPOSAL

- 4.1 Efforts to acquire the remaining privately owned properties within the three Phase 1 sites identified above by negotiation are continuing, and this is the preferred course of action to ensure that the sites can be comprehensively developed to contribute to the regeneration of the area. However, at this stage the owners of the remaining single property within site 3 (Amberton Terrace) have advised ALMO and Council officers that they do not wish to proceed any further with negotiations regarding the acquisition of their property, and negotiations have stalled with the 2 remaining owners within Site 6. At the present time, negotiations are continuing with all of the owners of the remaining properties within site 7.
- 4.2 In view of the length of time that negotiations with the majority of these owners has been ongoing, the identification of these sites within the first phase of the EASEL regeneration programme and the proposed appointment of a private sector development partner, the Council and its ALMO partners are minded to use compulsory purchase order powers to assist with the assembly of the sites. S226 (1)(a) of the Town and Country Planning Act 1990, as amended by S99 of the Planning and Compulsory Purchase Act 2004, is the most appropriate legislation to use in the circumstances.
- 4.3 The Section reads 'A local authority to whom this section applies shall on being authorised to do so by the Secretary of State have power to acquire compulsorily any land in their area if the authority think that the acquisition will facilitate the carrying out of development, redevelopment or improvement on or in relation to their land'.
- 4.4 Section 226(1)(a) further states that a local authority must not exercise the above power unless they think that the development, redevelopment or improvement is likely to contribute to the achievement of one or more of the following objectives, namely, a) the promotion or improvement of the economic well-being of their area; b) the promotion or improvement of the social well-being of their area; c) the promotion or improvement of the environmental well-being of their area.
- 4.5 The clearance of properties identified in Appendix 2 of this report is required to enable coherent proposals to be progressed in a timely manner to facilitate the development of three of the 8 Phase 1 sites identified in the EASEL Stage 2 Regeneration Brief which will promote and improve the well-being of the area. The majority of the Phase 1 sites have already been cleared, and if the development were not to proceed, the emerging regeneration proposals for East and South East Leeds would be seriously jeopardised. Six of the sites are situated within the Gipton Neighbourhood Renewal Area, and two of

the sites are located within the Seacroft Neighbourhood Regeneration Area identified in the UDP Review. No objections have been received to these proposals.

- 4.6 It is clear that although every effort will be made to continue negotiations, it may be necessary to instigate Compulsory Purchase Order Proceedings to acquire properties within Sites 3, 6 and 7 to support the early phases of the EASEL development programme. The circumstances outlined above are considered sufficient to provide a case for the use of the Council's Statutory Powers to acquire the interests outlined in order to facilitate the development of Sites 3, 6 and 7 within Phase 1 of the EASEL regeneration initiative.
- 4.7 Leeds East Homes are responsible for the management of the housing stock within these areas, and has been negotiating with homeowners and tenants for a considerable period of time regarding the acquisition of properties and the provision of suitable alternative accommodation. To date, 93 properties have been cleared within site 3, 57 properties within site 6 and 18 properties within Site 7.
- 4.8 If the Council resolves to make a CPO, displaced persons would become priority cases and their satisfactory re-housing would become essential.

5.0 RESOURCE IMPLICATIONS

- 5.1 The progression of CPO action relating to the above sites will be undertaken using existing staff resources within Leeds East Homes and the Council's Neighbourhoods and Housing, Development and Chief Executive's Departments.
- 5.2 At a meeting on 28 July 2005, the Board of Leeds East Homes confirmed that it will fund all costs associated with the making of a CPO, the relocation of tenants and the acquisition of the outstanding interests within the Phase 1 sites.

6.0 CORPORATE PRIORITIES

- 6.1 The EASEL programme has at its core the Council's Mission, as set out in the Corporate Plan 2005-2008, 'to bring the benefits of a prosperous, vibrant and attractive city to all the people of Leeds'. The new housing development undertaken by a private sector partner on these sites will bring large areas of brownfield back into productive use, replace some unsustainable stock, include affordable housing provision and create new opportunities for home ownership, thereby helping to diversify the tenure of the area. As part of the EASEL programme, the Phase 1 proposals will contribute to the following of the Council's Strategic Outcomes.

- All neighbourhoods are safe, clean, green and well maintained
- All communities are thriving and harmonious places where people are happy to live
- The programme strongly connects with the Vision for Leeds objective of 'narrowing the gap between the most disadvantaged people and communities and the rest of the city'

The private investment will help the ALMO to achieve government decency standards on other housing stock.

The development of the Phase 1 sites forms part of an overall regeneration programme for East and South East Leeds, which has a strong theme of developing employment and training links for local residents. Both of the short-listed consortia have stressed the importance of developing construction training and employment opportunities as part of the regeneration of the EASEL area.

7.0 CONSULTATION

- 7.1 As outlined in paragraph 3.4 above, the Board of Leeds East Homes has approved the clearance of these sites, and at the Board meeting on the 24 March, 2005 approved the potential use of CPO procedures by the Council to achieve vacant possession relating to sites 3, 6 and 7.
- 7.2 The MP for East Leeds, Ward Members, all tenants and owners within these sites have been informed in writing of the Board's decision to clear the sites and officers from Leeds East Homes have visited all of the tenants and owners to discuss the implications of this decision and terms for either purchasing properties in private ownership or relocating tenants in Council owned properties.
- 7.2 The proposals for potentially instigating Compulsory Purchase Order proceedings have been developed in consultation with the Director of Neighbourhoods and Housing and the Director of Development.

8.0 HUMAN RIGHTS

- 8.1 Regard must be had to the Human Rights Act 1998, including Article 8 (respect for private family life and home). The recommended decision strikes a clear balance between the public interests of progressing the development of these sites and the interference with private rights, which will arise if a Compulsory Purchase Order is progressed and confirmed. Compensation would be payable to those persons affected, and the provisions of the Acts referred to in paragraph 4.2 above are considered to be compatible with the Human Rights Act.

9.0 OPTIONS

- 9.1 The following alternative options have been considered regarding the acquisition of the outstanding properties within the Amberton Terrace, Oaktrees and Parkway Vale sites:-
- Rely solely on the ability to negotiate the acquisition of the properties concerned
 - Omit the properties concerned from the proposed development sites
- 9.2 Negotiations with owners and tenants have been ongoing from March 2002 in respect of site 3, May 2003 in respect of site 6 and August 2004 in respect of site 7. Since that time 93 properties have been cleared for the Amberton Terrace site (site 3), 57 properties within the Oaktrees site (site 6) and 18 properties within the Parkway Vale site (site 7).
- 9.3 Although negotiations with the remaining tenants and owners will continue, negotiations with the owners of the property remaining within site 3 have virtually broken down, and negotiations with the remaining property owners within Site 6 have stalled, and it is improbable that an agreed settlement will be achieved. Given the fact that Bellway PLC have indicated that they wish to commence the development of these three sites in the early years of their development programme, it is therefore considered that Compulsory Purchase Powers may need to be obtained in parallel to continuing negotiations to acquire the remaining interests within these sites.
- 9.4 A critical objective of the EASEL initiative is to achieve the comprehensive regeneration of East and South East Leeds. The scale of transformation required to address the serious deprivation issues affecting this part of the City simply cannot be achieved by piecemeal development. All of the Phase 1 sites relate to other regeneration initiatives that have either been developed or are proposed. Six of the eight sites are within the Gipton Neighbourhood Renewal Area and the two Seacroft sites are close to the David Young Academy, which will open in the summer of 2006, and the potential development of a new

Learning Campus close to the existing East Leeds Family Learning Centre. The Board of Leeds East Homes has authorised the clearance of these sites, and the majority of properties within the sites have now been demolished. The two short-listed bidders have submitted proposals for the EASEL Regeneration area on the understanding that vacant possession of the Phase 1 sites will be achieved which is required in order to develop coherent, well-designed schemes.

10.0 RISK ASSESSMENT

- 10.1 The consequences of not promoting a CPO would be that the land required to develop coherent and cohesive proposals for the three sites concerned may not be assembled, and the development of the sites will not be progressed. It is highly unlikely that the appointed EASEL development partner will be able to bring all of the required property interests into their ownership by negotiation and agreement, and this could jeopardise the emerging partnership.
- 10.2 Leeds East Homes will underwrite all of the costs associated with promoting and obtaining the CPO relating to the phase 1 sites. However, it is the Council who are the acquiring Authority, and it is the Council who will be responsible for the payment of compensation claims, which can be submitted up to 6 years after the date of entry through the use of CPO powers.
- 10.3 In the event of a CPO for either sites 3, 6 or 7 being the subject of objections and progressing to a Public Inquiry, it is highly unlikely that the successful developer will be able to include these in the first years of their development programme.
- 10.4 Planning permission has not yet been granted for residential development on the Phase 1 sites. However, two of the sites (Site 4 and the majority of Site 5) are allocated for residential development in the UDP, and planning and highway officers have confirmed that the principle of developing all of the Phase 1 sites for residential purposes is acceptable, subject to the consideration of more detailed proposals.

11.0 RECOMMENDATIONS

- 11.1 That the minor changes to the boundaries of the Phase 1 sites as identified in Appendix 3 of this report be noted.
- 11.2 That progress on the acquisition of remaining properties and land and the relocation of tenants within the EASEL Phase 1 sites is noted.
- 11.3 That subject to the appointment of Bellway PLC as the preferred bidder for the EASEL regeneration area, the Council resolves to make a Compulsory Purchase Order, or Orders, under the provisions of Section 226(1)(a) of the Town and Country Planning Act 1990, as amended by Section 99 of the Planning and Compulsory Purchase Act 2004 for the acquisition of land and properties shaded within the sites identified on Plans 3 (Amberton Terrace), 6 (Oak Trees) and 7 (Parkway Vale) in Appendix 4 of this report and indicated on the schedule in Appendix 2 of this report..
- 11.4 That officers be authorised to take all necessary steps to secure the making, confirmation and implementation of any Compulsory Purchase Order including:-
 - (i) The publication and service of all notices and the representations of the Council and its partners at any Public Inquiry
 - (ii) Approving the acquisition of interests in land and premises within the three sites

either by agreement or the use of compulsory powers

- (iii) Approving agreements with land owners setting out terms for the withdrawal of objections to the Order(s), including where appropriate, making arrangements for the satisfactory re-housing of all persons displaced by the Council and ALMO proposals.

11.5 That officers be authorised to enter into negotiations with and provisionally agree terms to facilitate the development of the EASEL Phase 1 sites, and that final terms for the disposal of the sites be reported to the Executive Board for approval.

Appendix 1 EASEL PHASE 1 SITES

Site 1	St Wilfred's Avenue, Gipton
Site 2	Easterly Mount, Gipton
Site 3	Amberton Terrace, Gipton
Site 4	Thorn Walk. Gipton
Site 5	Oak Tree Drive, Gipton
Site 6	Oaktrees, Gipton
Site 7	Parkway Vale, Seacroft
Site 8	Former York Road Depot, Seacroft