

Not for Publication: Appendix 1 is not for publication under paragraph 10.4 category 11. and will be circulated at the meeting

Report of the Director of Corporate Services

Executive Board

Date: 17th February 2006

Subject: Equal Pay

Electoral Wards Affected: All

Specific Implications For:

Ethnic minorities

Women

Disabled people

Narrowing the Gap

Eligible for Call In

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

EXECUTIVE SUMMARY

1. This report sets out the background and main issues regarding equal pay, the importance of reaching an agreed settlement with the trade unions and seeks approval to the proposal in order that negotiations can be concluded.

1.0 Purpose Of This Report

- 1.1 To inform members of the current position regarding equal pay and seek Executive Board approval to the compensation package.

2.0 Background Information

- 2.1 Members may be aware of the 1997 National Single Status agreement which set out to harmonise pay, terms and conditions of service for former blue collar and white collar employees. The agreement requires authorities to carry out a pay and grading review using the principles of job evaluation. The agreement also provides advice about carrying out a job evaluation exercise jointly with the trade unions who are party to the Single Status Agreement.
- 2.2 The Equal Pay Act 1970 gives an individual a right to the same contractual pay and benefits as a person of the opposite sex in the same employment, where the man and woman are doing like work, work rated as equivalent, or work of equal value. A successful claim could entitle the employee to an immediate pay increase and following amendments to the legislation in 2003 the potential right to up to six years back pay (this had previously been a maximum of 2 years back pay).
- 2.3 In 2004 the council carried out an assessment of potential pay inequalities both in terms of the number of employees that may have an equal pay claim together with initial costs of the potential size of a settlement if pursued through the employment tribunal (confidential information exempt from the public is detailed on Appendix 1).
- 2.4 Whilst the council is at potential risk of legal liabilities as described above, it also needs to be proactive in addressing the issues of equal pay as a good employer. Recent high profile employment tribunal claims and compensation payments around the country have increased the pressure to deal with this more swiftly.

3.0 Main Issues

- 3.1 The pay and grading review will establish new pay levels that are based on the results of the job evaluation exercise. Whilst this will correct the pay levels of the future it does not address the issue of back pay as described in paragraph 2.2.
- 3.2 The impact of potential back pay could be significant and as such officers have entered into negotiations with the trade unions to resolve the matter based on a fair compensation package and affordability for the council. The negotiations are close to an agreement and the Trade Unions have given positive signs that they are prepared to ballot their members on the proposed settlement. The details of the settlement are outlined in the confidential information exempt from the public in Appendix 1.

4.0 Legal And Resource Implications

- 4.1 Whilst the cost of the proposed settlement would normally fall to the council's revenue account, specific approval has been obtained from the Secretary of State to treat this as capital expenditure and accordingly an appropriate amount of capital receipts has been set aside for this purpose. Details of the financial implications of the proposed settlement are included in the confidential information exempt from the public in Appendix 1.

5.0 Recommendation

- 5.1 Executive Board are requested to note this report and give approval to the proposed settlement as set out in the confidential information exempt from the public in Appendix 1.

Report of the Chief Officer Executive Support

Executive Board

Date: 17 February 2006

Subject: CPA – Improvement Planning 2006 - 2008

<p>Electoral Wards Affected:</p> <p>ALL</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>Narrowing the Gap <input type="checkbox"/></p>
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Eligible for Call In

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

EXECUTIVE SUMMARY

In December 2005 the council was assessed for the first time under the new CPA framework, ‘CPA-The Harder Test’, as a **four-star council which is improving well**. The council has continued to improve services in priority areas and has established good strategies to sustain improvement in the future.

The new CPA framework is both a harder and different test, in line with the statutory obligation for councils to secure continuous improvement. CPA has more emphasis on outcomes for local people and value for money. It is a more rigorous test of the council’s performance than CPA in previous years.

Following the December 2005 CPA announcement and our achievement of being a four-star council, it is important to now present an overall summary of the council’s position across each of the ‘blocks’ of the new CPA framework. This report aims to summarise the key findings of the assessment and specifically highlights areas for further consideration and, where appropriate, identifies action required to make further improvements.

Members of Executive Board are recommended to note this report and endorse the action being taken to make further improvements to our performance.

1.0 Purpose Of This Report

1.1 The purpose of this report is to present an overall 'picture' of the council's position following the December 2005 CPA outcome. The report summarises the key findings from each of the inspectorates involved in assessing the council's performance. The report also highlights areas where further improvement can be progressed. The report identifies specific actions that are being taken to ensure that the council is as prepared as can be for the December 2006 CPA refresh and the full Corporate Assessment and Joint Area Review in 2007/08.

2.0 Background Information

2.1 In December 2005 the council was assessed for the first time under the new CPA framework, 'CPA-The Harder Test', as a **four-star council which is improving well**. The Audit Commission said *"The council is making a real difference to the quality of life of citizens in priority neighbourhoods, helping to reduce social exclusion and child poverty. Overall, services are improving in line with the council's priorities and the council has established good strategies and coherent arrangements to sustain future improvement"*.

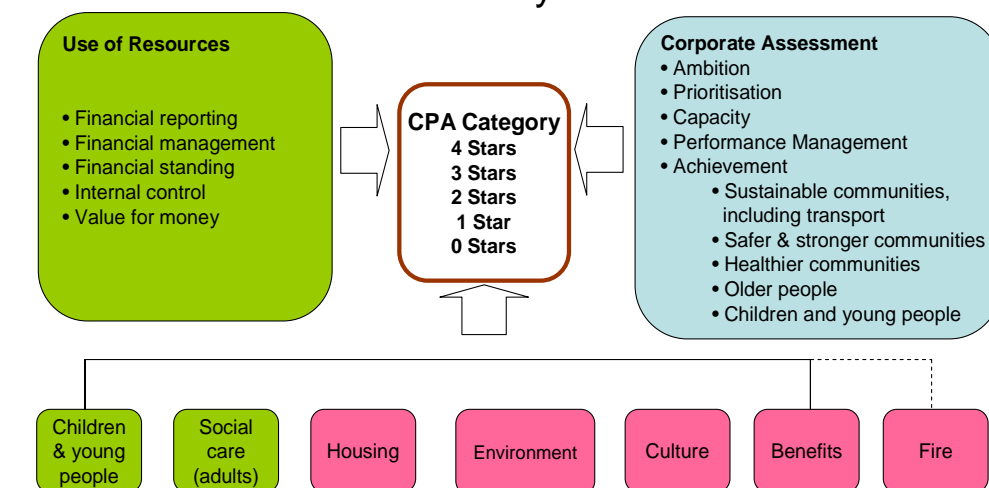
2.2 The new CPA framework is both a harder and different test, in line with the statutory obligation for councils to secure continuous improvement. CPA has more emphasis on outcomes for local people and value for money. It is a more rigorous test of the council's performance than CPA in previous years.

2.3 The elements of the new CPA framework are set out in the diagram below.

The overall framework comprises:

- An annual use of resources assessment by the Audit Commission, based on work by the council's appointed auditors (KPMG);
- Annual service assessments by the Audit Commission (AC) or provided to the AC by Ofsted, the Commission for Social Care Inspection (COMMISSION FOR SOCIAL CARE INSPECTORATE) and the Benefits Fraud Inspectorate (BFI);
- Periodic corporate assessments by the AC; and
- Direction of travel statements, with straightforward labels, reported by the AC.

New CPA framework for single tier and county councils



Colour coding key for annual elements:

Level 1 Level 2

Notes:

Direction of travel scored judgements will be published annually when CPA categories are updated
Fire assessment for all relevant authorities from 2006

- 2.4 The assessment scores for each element will be brought together by the Audit Commission, and using a series of rules, will determine the council's overall CPA score.
- 2.5 All councils will have a full new style corporate assessment by 2008, as part of a rolling programme of corporate assessments and joint area reviews (JARs); it is anticipated that Leeds will have its full corporate assessment and JAR in late 2007 or early 2008. However, the council will undergo an annual refresh of its service block scores in December 2006 and our overall score could change as a result.
- 2.6 CPA is one of a wider set of processes and initiatives designed to support improvement, for example, CPA categories are used to establish baselines from which to set targets for further improvement. Therefore the council can use the results of the December 2005 assessment to identify and clarify its priorities for improvement over the next 2 years.
- 2.7 In order to ensure that the council is fully prepared for both the December 2006 refresh and the full corporate assessment in 2007/08, it is necessary to highlight within each of the various service blocks, the strengths and weaknesses as identified in the December 2005 assessment. This will enable the council to concentrate its efforts in those areas requiring further improvement. We also need to plan for our Corporate Assessment in 2007/08 and ensure that we are prepared to evidence delivery of sound outcomes across a wider range of strategic priority areas.

3.0 Main Issues

3.1 Corporate Assessment

- 3.1.1 Under the new CPA framework the Audit Commission will in future undertake a Corporate Assessment at the same time as a Joint Area Review to minimise disruption to Councils, although it is acknowledged that this is a big undertaking for Councils to plan and execute. It is likely the Corporate Assessment team will consist of 5-6 people and the JAR 10-12. However, the two teams will share one co-ordinating Inspector to ensure the two elements are linked. Leeds is scheduled to have its assessment in late 2007 or early 2008.
- 3.1.2 The Corporate Assessment will cover the themes of Ambition, Prioritisation, Capacity, Performance Management and Achievement in: sustainable communities, including transport; safer and stronger communities; healthier communities; older people; and children and young people. Each theme will be scored individually and brought together to determine the overall Corporate Assessment score. **Our current Corporate Assessment score is 3.**
- 3.1.3 As part of the 'Harder test' the Audit Commission want to see that the council engages effectively with their service users and wider communities, and have therefore strengthened the methodology for assessing user focus; the corporate assessment in 2007/08 will include an explicit judgement on this. The corporate assessment Key Lines of Enquiry measure how well local councils understand their local communities; user focus and diversity will be threaded throughout the Key Lines of Enquiry across all five themes.
- 3.1.4 In addition, the 'harder test' Corporate Assessment will consider the quality and robustness of the council's own customer surveys, its citizens' panels and any other consultation methods and the use of these to inform decisions. The council's engagement with the formal voluntary and community sector becomes a key focus for councils seeking to 'perform well' at Level 3, which requires more proactive, co-ordinated and systematic activity. For example:
- Strategic and integrated approach to the use of different community engagement techniques stemming from an understanding that 'user focus' is a key driver of the organisational culture and service improvement and backed up by systems and resources;

- Active involvement of communities and the voluntary, community and faith sector from policy-making through to service delivery;
- Detailed understanding of the complexity of need at the neighbourhood level and also with respect to particular communities of interest; and proactive collaborative work with other partners, including voluntary, community and faith sector, built upon trust and openness to change.

3.1.5 There is strong emphasis on issues of diversity and disadvantage both in terms of communities-of-interest who are considered 'at risk of disadvantage' (BME, older and younger people, disabled etc.), and, to a lesser degree, poorer neighbourhoods. There is also heavy emphasis at Level 3 on the integration and linkage between key strategies and policies concerning issues of diversity and human rights and on addressing workforce diversity. The Key Lines of Enquiry also highlight the importance of community cohesion issues, and there is a clear expectation that the council will lead in strategic planning on cohesion issues.

3.1.6 In terms of the Voluntary, Community and Faith Sector, the Key Lines of Enquiry at Level 3 places greater emphasis upon a joint-effort to 'help The Voluntary, Community and Faith Sector build its own capacity'. An additional criterion has also been added concerning the creation of sustainable and transparent funding processes for the Voluntary, Community and Faith Sector.

Conclusion

There is every indication that the Corporate Assessment will be a rigorous test of the council's overall performance in delivering its priorities. The new Key Lines of Enquiry are explicit in terms of the criteria for judgement and the evidence base required to support the self-assessment. If the council fails to achieve a score of 3 in the 2007/08 Corporate Assessment this will stay with us for three years. A Corporate Assessment score of less than 3 would prevent us from being a 4 star council.

Action agreed

1. That a full review of the new Key Lines of Enquiry is undertaken.
2. That a 'peer visit', involving officers and Elected Members is arranged with an appropriate council during 2006/07, to learn from the experience of a full Corporate Assessment/Joint Area Review under the new CPA Framework – The Harder Test.

3.2 Direction of Travel

3.2.1 The scored Direction of Travel (DoT) judgement is an important element of the new CPA framework. The DoT assessment serves two important purposes. Firstly, to recognise progress achieved in the years leading up to a new style Corporate Assessment, and secondly to make the CPA model two dimensional; formally categorising both how well the council is performing and whether or not it is continuing to improve. The DoT activity results in one of four labels; improving strongly; improving well; improving adequately and not improving adequately. In December 2005 the council was judged as '**improving well**'.

3.2.2 Feedback from the Audit Commission on the council's direction of travel indicates that the council has a good track record in improving services and outcomes for local people, especially those from deprived areas. The council has made good progress in defining its priorities and has made itself accountable for their delivery against clear targets set over the three year period of the Corporate Plan.

3.2.3 The DoT self-assessment is a key document in the whole CPA process and will need to identify continuous improvement year on year. This judgement will also take on increased importance in the council's overall CPA judgement year on year.

Conclusion

The Direction of Travel (DOT) judgement measures the council's track record of the council in improving services and the progress made in implementing improvement plans to sustain future improvement. Therefore, year on year the DoT will hold more significance in terms of the council's overall position of continuous improvement. As a council, our aspiration must be to rise to the challenge of becoming a four star council, and one that is 'improving strongly'.

Action agreed

1. That the Key Lines of Enquiry for the Direction of Travel self-assessment are reviewed, with a view to determining the key areas that need to improve in order to seek to secure at least an improving well rating and, if possible, an 'improving strongly' rating in December 2006.

3.3 Use of Resources

- 3.3.1 The Use of Resources element of the CPA framework is a Level 1 theme, in that more weight is attached to it and poor performance in this area has a greater impact on the overall score. The Use of Resources assessment is still carried out by the council's appointed auditors but will be more stringent than before, covering financial reporting, financial management, financial standing, internal control and value for money, the latter being a new element. Each of the five themes are scored individually and then combined using a set of rules to determine the council's overall score for Use of Resources. **Leeds scored 3 for its Use of Resources this year.**

The five themes in December 2005 were scored as follows:

- Financial Reporting 2
- Financial Management 3
- Financial Standing 2
- Internal Control 3
- Value for Money 3

- 3.3.2 The most significant areas where further development is needed in relation to the above five themes are:

- Working papers to support the accounts to be more comprehensive and provided at the start of the audit;
- Publishing a summary set of accounts and/or annual report which is separate to the council's detailed financial statement;
- Modelling balance sheets and cash flows over a minimum of three years within the Medium-term Financial Strategy;
- Budget setting and reserves should be routinely linked to the corporate risk register so that there is an explicit link to quantified risks; and
- Ensuring risk management processes are embedded within the council's corporate processes. This includes appropriate training and finalisation of the corporate risk register.

Officers in the Corporate Services Department are currently developing a detailed action plan to address areas for further improvement, which will be monitored through the Council's Finance Performance Group that meets monthly.

- 3.3.3 The use of resources assessment is based on judgements against the financial Key Lines of Enquiry, which under the new framework 'raise the bar'. Although the Key Lines of Enquiry will remain consistent in any one year, the Audit Commission intend to keep them under review and will consider whether they need to be updated year on year. For the first time in 2005, the council was asked to carry out a self-assessment of its performance in achieving

value for money (VFM); this provided the starting point for the Audit Commission to make its judgement about VFM.

- 3.3.4 The Audit Commission have stated that future years will see the phasing in of more demanding requirements in relation to how the VFM judgement is used in the assessment of Use of Resources. A rule that would give the VFM theme additional weighting within the assessment is being considered for introduction in 2006, which highlights the uncertainty surrounding this element and the subsequent risk to the authority in retaining its score of 3.

Conclusion

Overall the council has achieved a positive outcome for this block in the December 2005 refresh; however, there are clearly some areas requiring further improvement. The external auditors have clearly articulated the actions the council needs to take in order to improve scores on each of the above themes, which are now forming the basis of an action plan for this area. In addition, the Key Lines of Enquiry are a rigorous test of the council's performance in this block and therefore the council needs to review its position against them on a six-monthly basis to ensure adequate progress is being made.

The assessment process for the Use of Resources block also has the potential to change with the possible additional weighting to the VFM theme. This uncertainty and the 'raising of the bar' generally in this block creates a new challenge to the authority if we are to retain our current CPA score.

Action agreed

1. That the Key Lines of Enquiry for the Use of Resources self-assessment are reviewed before June 2006 to ensure the council is in line to score at least a 3 in the December 2006 refresh.

3.4 Service Assessment Blocks

- 3.4.1 The service assessment blocks are divided into two areas: Level 1 (Use of Resources, Children and Young People, and Social Care for Adults) and Level 2 (Housing, Environment, Culture, Benefits and where applicable fire). Level 1 services have more importance attached to them and poor performance in these areas impacts more on the overall score. As the Audit Commission is moving towards less service inspections, CPA will concentrate less on inspection outcomes in the future. It is hoped that by introducing thresholds for PI's this will enable services to prioritise improvement activity at those areas which are failing to meet the thresholds thereby enabling councils to improve their weak service scores. Strong performance management systems should be in place which can provide robust performance information in order to drive this.

3.5 Social Services (Adult Care)

- 3.5.1 Each year in May to July, Commission for Social Care Inspectorate collates this evidence to form an overall assessment, providing comprehensive information for the council about local services and promoting improvement in local council social care services. The annual performance assessment feeds into the annual star rating for social care services, and also into the overall CPA annual star rating and Direction of Travel. In December 2005 **Leeds retained its 2 star status with the prospects for adult care services remaining 'promising'** which translates into a 3 for the CPA service score. The detailed findings from the Social Care inspection were presented in the report of the Director of Social Services to Executive Board on 18 January 2006. Details of the approach adopted by the Social Services Department to address the required service improvements are set out in the departmental business plan 2005 – 2008.
- 3.5.2 It should be noted, however, that Commission for Social Care Inspectorate is seeking to improve their approach to service assessment, which will have the potential to change the model; the areas it plans to focus and consult on are:

- Introducing new evidence based on information gained from their regulatory activity. This will further strengthen the user focus element of the judgement but will be subject to what is technically possible and methodologically appropriate;
- Strengthening the value for money component in service inspections and the overall performance assessment;
- Improvements to the selection of performance indicators and the definitions used in the performance assessment framework performance indicator set;
- Reviewing the content and complexity of the delivery and improvement statement – the self assessment completed by the council; and
- Consider how to organise the Annual Review meeting in the light of changing local authority structures and the integrated children's framework.

3.5.3 Commission for Social Care Inspectorate will be working closely with the Healthcare Commission and the Audit Commission to develop the concept of whole system reviews of services. Depending on the outcome of their work on the vision for social care, there may be the potential for a new framework for assessment to be introduced in the near future.

3.5.4 There is scope for making a clearer distinction between the components that make up the capacity and the service judgements. There will be opportunities to make more substantial revisions to the performance indicators, perhaps to include more outcome-based measures, and others to reflect more closely those characteristics of services that are most important to service users. There may also be the potential for making sub-judgements on the different user groups in order to deal with the tendency for the older people's judgement to 'overpower' other smaller scale services such as those for disabled people.

Conclusion

In retaining the 2 star status with the prospects for adult social care services remaining 'promising', the council has shown its commitment to improving the services it delivers. As with other service blocks within the CPA framework there is potential for this assessment process to change over the coming months, therefore, we need to ensure that we have the mechanisms in place to respond to any such any changes. The council also needs to be confident that performance indicator data is robust and would withstand the rigorous audit process. Social Services are in the process of taking steps to put in place a quality assurance process for its performance information.

3.6 Children and Young People

3.6.1 Commission for Social Care Inspectorate together with Ofsted contributes to the judgement of children's services, which informs the council's CPA rating and their improvement planning. Inspection evaluates and rates service contributions to five key outcomes for children and young people:

- Being healthy;
- Staying safe;
- Enjoying and achieving;
- Making a positive contribution; and
- Achieving economic well-being.

In December 2005 the council's final Annual Performance Assessment judgements were as follows, and collectively, resulted in the council **achieving an overall 3 in the Children and Young People block.**

Area for judgement	Final judgements
The contribution of the local authority's social care services in maintaining and improving outcomes for children and young people	3
The contribution of local authority's education services in maintaining and improving outcomes for children and young people.	2
The contribution of the local authority's children's services in maintaining and improving outcomes for children and young people.	3
The council's overall capacity to improve its services for children and young people	3

Appendix 1 gives a detailed breakdown of the strengths and weaknesses identified following the Annual Performance Assessment.

Conclusion
The Children and Young People service block is a Level 1 service within the CPA framework; therefore, the Annual Performance Assessment is fundamental in securing the council's overall CPA score in future years. Although the council achieved a score of 3 overall in this block there are still some areas for improvement that need to be addressed. These areas for improvement will be addressed through the developing Children and Young Peoples Plan, the Post Inspection Action Plan for Education, the updated Education Development Plan and also the Social Services Commission for Social Care Inspectorate Inspection Action Plan.

3.7 Housing Service Block

3.7.1 From 2005 the housing service assessment framework has included two sub-blocks: 'managing council housing' and 'housing the community'. The two sub-blocks are scored separately and combined to give the overall housing assessment score.

3.7.2 The overall service assessment score is derived from a performance indicator element score and an inspection element score; both are given a score of 1 – 4, which when combined give the overall score for the service. Weightings are applied to the two sub-blocks; as a stock holding council the weightings for Leeds in December 2005 were split equally between the two sub-blocks as follows:

Housing the Community PI element	Housing the Community Inspection element	Managing council housing PI element	Managing council housing Inspection element	Total
50%	N/A	20%	30%	100%

3.7.3 The performance indicator element of housing block assesses the council's performance against a number of different performance indicators and measures. Performance on each indicator is compared against two pre-determined thresholds; a lower and an upper threshold. Using a rules-based approach the performance indicator element score is based on the distribution of indicators that are below the lower threshold, above the upper threshold, or in-between the thresholds. In the December 2005 refresh the council **achieved a score of 3** for the housing services block.

3.7.4 Throughout 2005/06 there has been concern around the performance of some of the performance indicators within the housing services block. This is further exacerbated with difficulties regarding the processes in place for collating robust information and ongoing IT systems challenges. This is particularly important in that, for future assessments the Audit

Commission will give greater weighting to the performance indicator element of the housing block service assessment.

- 3.7.5 The nature of the CPA model is such that if performance in the housing block does not improve sufficiently performance indicator, this could prevent the Council from gaining a score of 3 for the Housing block, which would then impact adversely on the Council's overall CPA score in December 2006. Based on our 2005 performance if one performance indicator were to drop below the lower threshold then the council could lose its 4 star status. Additionally, where there may be concerns with regard to the validity and reliability of performance information, which could lead to a performance indicator being qualified, this would also impact adversely on the overall CPA score.
- 3.7.6 As mentioned above, in future service assessments it is anticipated that there will be greater emphasis on the performance indicators element as inspection scores 'fall-out' of the model. As the council is subject to two inspections during 2006, Leeds North East Homes in June and the Supporting People inspection in August, clarification has been requested from the Audit Commission as to the likely impact this will have on the calculation of the council's CPA score in December 2006. However, at this time the Audit Commission is unable to give clarification as further consultation on the assessment methodology will be carried out in April this year. It is unlikely that the results of this consultation exercise will be published until late summer/early autumn, further emphasising the fragility of the model and the high risk of uncertainty of the assessment methodology, particularly in regard to the housing block.

Conclusion

The CPA framework in this area continues to change year-on-year, with huge uncertainty around the focus of the assessment in December 2006 and subsequent years. The council currently monitors performance through the Corporate Priority Boards and the quarterly accountability process. However, given the importance of specific performance indicators the council needs to closely monitor its position against the CPA thresholds for these performance indicators on a more regular basis. It has been agreed, therefore, that monthly information is reported through the council's Performance Management System, ensuring that early warning is given regarding areas which may become problematic. In addition, there is a need for officers in the Corporate Performance and Improvement Team to continue to work closely with colleagues within the Neighbourhoods and Housing department, and also to develop the working relationship with performance officers within the ALMOs. In developing a joint understanding of the issues faced with regard to performance and the impact this has on the overall CPA score, the council will be better prepared to address individual areas of concern and focus on priority issues.

Action agreed

1. That monthly reporting of CPA performance indicators commences from 1 April 2006
2. That officers within the Corporate Performance and Improvement Team work with performance officers within the ALMOs and develop a joint understanding of the implications of the ALMO performance and the subsequent impact of this on the council's CPA score.

3.8 Environment Service Block

- 3.8.1 Under the 'harder test' approach, the environment service assessment takes a broader view of the council's environmental performance, and includes performance indicators such as public transport, waste and, for the first time, data has been drawn from trading standards and environmental health. In December 2005 the approach assessed the council against three broad policy areas:
- Creating a better environment;
 - Managing the environment well; and
 - Sustaining a quality environment for future generations.

- 3.8.2 The environment service assessment score is derived from the Performance indicator element score and the inspection element score(s), which are weighted in the overall score. In the December 2005 refresh the council **achieved a score of 3** for the environment service block.
- 3.8.3 However, in the run up to the December 2005 refresh, it became apparent that, as with the housing block, the environment performance indicators also present a risk to the authority in terms of contributing to the overall CPA score. The majority of the Performance indicators in this block were between the thresholds, indicating that they require close management as, for example, based on our 2005 performance, if two performance indicators were to drop below the lower threshold then the council could lose its 4 star status.
- 3.8.4 Within the environment service block, performance information from both Trading Standards and Metro is included in determining the environment block score. Last year 3 Performance indicators from these areas were below the lower threshold. Therefore, the council needs to develop and actively manage these partnerships with a view to jointly understanding any performance related issues and subsequent implications in terms of CPA.

Conclusion

The Environment block is again one that continues to evolve, in that as yet, there is no clarification from the Audit Commission as to how assessments may change over the next few months. This uncertainty and the fragility of the model overall presents a risk to the authority, particularly in terms of the performance indicators. It is suggested therefore, that monthly information is reported through the council's Performance Management System, ensuring that early warning is given regarding areas which may become problematic. In addition, the areas of transport and trading standards are ones where the council needs to develop and actively manage these partnerships with a view to jointly understanding any performance related issues and subsequent implications in terms of CPA.

Action agreed

1. That monthly reporting of CPA performance indicators commences from 1 April 2006
2. That officers within the council work with their counterparts at Metro and West Yorkshire Joint Services to develop a joint understanding of the implications of their performance and the subsequent impact of this on the council's CPA score.

3.9 Culture Block

- 3.9.1 The culture assessment score is derived from the performance indicator element score (25%) and the inspection element score(s) (75%), which are weighted in the overall score. In order for sufficient time for a robust and appropriate data set for culture to be developed, the culture service assessment score in December 2005 was calculated on the basis of the higher of the score for the new assessment or the 2004 service score. In the December 2005 refresh the council therefore **achieved a score of 4** for the culture block.
- 3.9.2 Currently the Culture block concentrates on performance centred on libraries and the results of resident satisfaction surveys across libraries, museums/galleries, parks, theatres/concert halls and sports facilities, and therefore does not give a 'real' picture of the council's performance in the area of culture.
- 3.9.3 However, the Audit Commission is currently building upon the relatively limited set of consistently used performance information within the sector, working closely with relevant agencies such as Sport England, and the Museums, Libraries and Archives Council to increase the breadth of these measures available. As yet, there has been no confirmation from the Audit Commission as to when the new model will become available in terms of applying the model in the CPA assessments. Due to the level of uncertainty, the culture

service block could potentially have a significant impact on the CPA score in both December 2006 and the 2007/08 Corporate Assessment.

Conclusion

Although the council is currently in a strong position in terms of the Culture block score there is a high level of uncertainty as to how this block will evolve over the coming months. It is essential therefore, that officers within the relevant departments continue to work closely with the Audit Commission and relevant agencies to ensure that we as a council, can influence where possible the development of the new assessment model in this area.

Action agreed

1. That officers from the relevant departments continue to lobby and work with partner organisations to influence where possible, the development of the culture block.

3.10 Benefits

3.10.1 The Benefit Fraud Inspectorate (BFI) assesses the housing benefit and council tax benefit services provided by the council. The BFI assessment is based primarily on achievement against the 2005 housing benefit and council tax benefit Performance Standards, and the council's performance against the Performance Measures for the first quarter of 2005/06. The outcomes (consisting of 19 Performance Measures) will be reported against quarterly to the Department of Work and Pensions (DWP), and the council is required to carry out an annual self-assessment against 65 enablers. The combination of this information provides the 1 – 4 score against the Performance Standards, which feeds directly into the overall CPA annual star rating and Direction of Travel.

3.10.2 In 2005 the council provided a full self-assessment against performance standards. The BFI concluded that the evidence provided by council supported its self-assessment and this **resulted in a score of three, which showed it was providing a good service.**

3.10.3 The council's performance demonstrated a number of positive aspects:

- The on-line guidance manual covered all aspects of benefits administration and workflow was being managed effectively;
- Weekly statistics detailing work received, completed and outstanding were produced and monitored at team level;
- The council exceeded Standard for 2 of the performance measures set for Security. It was compliant with the Verification Framework, and all appropriate staff had been trained on the latest evidence requirements. In addition, the Fraud Investigators followed the code of conduct and fraud policy;
- In User focus, the council had set customer service contact centre performance targets for all the staff dealing with customer enquiries made by telephone, in person, by letter or e-mail; and
- The council's *Revenues and Benefits Service Improvement Plan 2005-08* set targets that were stretching, comprehensive in terms of scope and included the statutory Performance Indicators. They also provided a baseline of current performance.

3.10.4 However, there are some areas where the council needs to improve to fully meet the DWP Performance Standards. The areas for further improvement are as follows:

- improvements to processing new claims and changes of circumstances;
- the level of appeals submitted to the Appeals Service within 4 weeks and 3 months;
- the council also needs to ensure that it identifies, within 7 days of receipt of the claim or notification of changes of circumstances, where further information was required from the customer and third parties such as landlords; and

- In Security, the council did not sift referrals within an average of 10 working days of receipt. Nor did it commence investigations within an average of 10 further working days once the referrals had been sifted.

Conclusion

Within the Benefits block in terms of performance, the goalposts are expected to move in relation to the Performance Standards for the Best Value Performance Indicators. Like many other local authorities Leeds has been getting better throughout the last the year and this is pushing up the Standards nationally – it is expected, but not yet confirmed, that DWP/BFI will reflect the higher Standards in their assessment. This should not affect our ability to achieve a 3 in December 2006, but if the changes happen, it will make achieving a score of 4 much more difficult. It is suggested therefore, that monthly information is reported through the council's Performance Management System, this will ensure that early warning is given regarding areas which may become problematic, and allows the council to assess its position in terms of the overall CPA framework.

Action required

1. That monthly reporting of CPA performance indicators commences from 1 April 2006

3.10 General

- 3.10.5 In terms of setting and meeting the performance indicator thresholds within the three service blocks of housing, environment and culture, the Audit Commission's service assessment guidance states that the thresholds for scoring purposes will normally remain unchanged for two years, except for the two cost related indicators, where thresholds will be uplifted on an annual basis in line with inflation. For satisfaction indicators, which are formally collected every three years, thresholds will remain unchanged until the year following the next data collection year. There may be exceptions in particular circumstances, for example where there has been a significant change in the definition of a performance indicator. Any such changes will be consulted upon at the appropriate time.
- 3.10.6 Given the emphasis on continuous improvement it is likely that year on year we will see an incremental improvement in the performance of performance indicators overall. If this were to be the case, then we could assume that for the corporate assessment in 2007/08 the upper and lower thresholds will be based on revised quartile information, which would require councils to perform well above present performance levels.

4 Implications For Council Policy And Governance

- 4.1 The next CPA assessment will be the December 2006 refresh with a full Corporate Assessment and Joint Area review in 2007/08. In preparing for 2007/08 there is a need to discuss, agree and implement an improvement plan which focuses on the council's key areas for improvement across all council departments. In addition, there is a need for a more 'joined-up' approach to preparation for CPA in terms of all departments working closely with the Chief Executive's department to understand the implications of what is and continues to be, an evolving process.

5 Legal And Resource Implications

- 5.1 There are no specific legal and resource implications of this report. The activity described in this report can be contained within existing budgets.

6 Conclusions

- 6.1 There is no doubt that the new CPA Framework – the Harder Test, is both a harder and different test, and is a more rigorous test of the council's performance than CPA in previous years. In addition, the framework is still subject to ongoing consultation, resulting in a high

level of uncertainty of how the council will be assessed in the December 2006 refresh and subsequently during the full Corporate Assessment/Joint Area Review in 2007/08.

- 6.2 The December 2005 assessment resulted in a very positive outcome for the council, its staff and ultimately the people of Leeds. However, as illustrated in this report, there are a number of areas identified for action and improvement.

7 Recommendations

- 7.1 Members of Executive Board are recommended to note this report and endorse the action being taken to make further improvements to our performance.

Children and Young People – Annual Performance Assessment Outcomes

Being Healthy – Outcomes in this area are good.

Strengths	Areas for improvement
<ul style="list-style-type: none"> • good collaboration between the authority and primary care trusts in supporting the healthy schools initiative • high participation rate of schools in the enhanced local version of the healthy schools initiative • strong contribution to reducing the rate of teenage pregnancy • high level of commitment to child and adolescent mental health services • improved outcomes for vulnerable children and young people • good practice of looked after children health team. 	<ul style="list-style-type: none"> • improve dental checks for looked after children • improve timeliness of referrals of non-acute mental health needs for children and adolescents.
	<p>Areas for exploration in the JAR <i>Healthy lifestyles are promoted for children and young people:</i></p> <ul style="list-style-type: none"> • effectiveness and consistency of health promotion efforts including sexual health education across the city.

Staying safe – Outcomes in this area are good.

Strengths	Areas for improvement
<ul style="list-style-type: none"> • effective case audit systems • good placement stability indicators • comprehensive guidance on health and safety, welfare and child protection for schools. 	<ul style="list-style-type: none"> • improve timeliness of completion of initial and core assessments.
	<p>Areas for exploration in the JAR <i>The incidence of child abuse and neglect is minimised:</i></p> <ul style="list-style-type: none"> • timeliness and effectiveness of initial and core assessments.

Enjoying and achieving – There is a lack of consistency in the outcomes in this area. Overall, they are satisfactory.

Strengths	Areas for improvement
<ul style="list-style-type: none"> • good provision for early years • special educational needs support that gives good value for money • corporate parenting role for looked after children. 	<ul style="list-style-type: none"> • improve value added measures in secondary schools • reduce absence rates further • reduce the average time that excluded pupils spend in pupil referral units • ensure that all looked after children have personal education plans.
	<p>Areas for exploration in the JAR <i>Children and young people are enabled and encouraged to attend and enjoy school and to achieve highly:</i></p> <ul style="list-style-type: none"> • value added scores for Key Stage 2 to 3, Key Stage 2 to GCSE, Key Stage 3 to GCSE and attainment levels at GCSE. <p><i>Children and young people who are looked after are helped to enjoy and achieve:</i></p> <ul style="list-style-type: none"> • personal education plans for looked after children.

Making a positive contribution – Outcomes in this area are good.

Strengths	Areas for improvement
<ul style="list-style-type: none"> • success of policies on anti-racism, bullying and harassment • offending rates for looked after children have halved • high proportion of looked after children in family foster placements • effective work of the restorative justice team • reduction in the rates of re-offending. 	<ul style="list-style-type: none"> • improve the rates of participation of looked after children and young people in their care planning and reviews.
	<p>Areas for exploration in the JAR <i>Action is taken to prevent offending and to reduce re-offending by children and young people:</i></p> <ul style="list-style-type: none"> • engagement of offenders in education, training and employment. <p><i>Children and young people who are looked after are helped to make a positive contribution:</i></p> <ul style="list-style-type: none"> • involvement of children and young people in their care planning and reviews.

Achieving economic well-being – Outcomes in this area are good, particularly in relation to the contribution of social services.

Strengths	Areas for improvement
<ul style="list-style-type: none"> • good early years provision • proportion of care leavers being engaged in education, training and employment has almost doubled and compares well with the national picture <ul style="list-style-type: none"> • children in children’s homes have comprehensive plans and support for when they leave care • high proportion of disabled young people involved in education or training at 18 • Transition Teams for young people aged 14 to 18 with health and social care impairments. 	<ul style="list-style-type: none"> • increase the rates of participation of young people in further education • raise the attainment of pupils aged 14 to 16 • improve the outcomes and integrated support for vulnerable groups of young people.
	<p>Areas for exploration in the JAR <i>Action is taken to ensure that 14-19 education and training is planned and delivered in a coordinated way, and to ensure that education and training (16-19) is of good quality:</i></p> <ul style="list-style-type: none"> • strategy and outcomes for attainment for 14 to 19 years group.

Report of the Chief Officer (Executive Support)

Executive Board

Date: 17 February 2006

Subject: Local Area Agreement: Final Submission Document

<p>Electoral Wards Affected:</p> <p>All</p>
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<p>Specific Implications For:</p> <p>Ethnic minorities <input checked="" type="checkbox"/></p> <p>Women <input checked="" type="checkbox"/></p> <p>Disabled people <input checked="" type="checkbox"/></p> <p>Narrowing the Gap <input checked="" type="checkbox"/></p>
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Eligible for Call In

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

EXECUTIVE SUMMARY

This report outlines the content of our final Local Area Agreement (LAA) to be submitted to the Government Office for Yorkshire and Humber on 25 February 2006 for formal presentation to Government for consideration and agreement. The report explains the focus of the four constituent blocks and the approach taken to integrate a series of key crosscutting principles. It also describes the governance and performance management arrangements for the delivery of the agreement. Executive Board are asked to formally approve the LAA (full copy to be circulated at the meeting) and to authorise the Chief Executive to make any amendments that may be necessary before the document is formally submitted to Government.

1.0 Purpose of this Report

1.1 The purpose of this report is to outline the content of the final LAA agreement and to request approval from Members of the Executive Board before its submission to Government for consideration and agreement on 25 February 2006.

2.0 Background Information

2.1 The Executive Board endorsed the 'second round' submission of Leeds' Local Area Agreement at its meeting on 14 December 2005.

2.2 Further work has been undertaken, in consultation with a wide range of stakeholders, to integrate issues and to clarify specifically the outcomes, targets and measures that will guide and assess the delivery work undertaken during the duration of the three-year agreement. In addition, discussion and consultation has taken place on appropriate partnership arrangements for governance, accountability and performance management.

Business cases have also been developed for thirty-three freedoms and flexibilities to be raised, as part of the agreement, with government departments.

- 2.3 The Government Office for Yorkshire and the Humber (GOYH) require the negotiated and agreed LAA final submission document by 25 February 2006 so that it can then be formally presented to the Office of the deputy Prime Minister (ODPM). The Minister of Communities and Local government has promised to sign all agreed LAAs by 23 March 2006 for their implementation in April 2006.

3.0 Main Issues

3.1. Consultation

Opportunities have been provided as follows for a range of partners to be involved in the development of the agreement:

- Members: Reports to Executive Board and Overview and Scrutiny Committee; Area Committees as an agenda item; individual Member briefings as requested/required; offer of briefings to all political groups, and; two open Member workshops
- Leeds Initiative: all strategy groups, Narrowing the Gap Executive, Leeds Initiative Board
- Health Service: PCT Chief Executives Group and professional network
- Voluntary, Community and Faith Sector: specific meetings and AGMs
- BME Strategy Group: meeting item
- District Partnerships: meeting item

A range of partners have been actively involved in task group meetings to determine the detailed content of the four blocks. Three major partnership events have been held, on 6 September 2005, 28 November 2005 and 2 February 2006.

Suggestions raised in discussions have been addressed wherever compatible with the agreed direction and timescales of the LAA. Changes are outlined in the report and Appendix 2 provides a detailed account of the action taken in response to the points highlighted by Overview and Scrutiny Committee.

3.2. Overview of the LAA

The Vision for Leeds, the Leeds Regeneration Plan, the developing Children and Young People's Plan, the Health and Well-being Plan and other more specific issue or sector based partnership strategies and plans provide the context for the LAA. The Leeds LAA is building on these primarily in two ways:

- To accelerate delivery of key priorities and programmes of change in these plans and strategies, and;
- To develop multi-agency work to deliver more lasting change in impact on a number of issues where individuals, families and communities face particular obstacles that prevent them from living lives that are happy, healthy, safe, successful and free from the affects of poverty.

Partners involved in developing each of the four blocks of the LAA have supported an agreed ambition statement. Key elements of these are outlined below:

3.2.1. **Safer and Stronger Communities**

To deliver the following:

- Neighbourhood Management Programmes that will improve the delivery of public services to better meet local needs and create safer, cleaner and greener neighbourhoods that people are proud to belong to.
- Reductions in the harm caused by the misuse of alcohol and drugs and the associated violence and anti-social behaviour that has a negative effect on individuals, families, communities and the City as a whole.
- Sustainable mixed communities through investment in housing renewal and major regeneration schemes to improve housing conditions and access to affordable housing.
- Increased social inclusion and cohesion through empowered communities that have a common vision, sense of belonging and positive identity where diversity is valued.

3.2.2. **Children and Young People**

To support aspirations and plans that:

- Bring about a step change in the lives of children, young people and their families focused on recognisable communities based on the 31 most deprived super output areas in the city.
- Focus, in the first instance, on families within these communities who have a young person in Year 9.
- Pioneer a holistic approach focused on prevention and early intervention that offers opportunities to support all family members.
- Develop a universal offer for children, young people and their families differentiated to meet the needs of individuals and groups and fully take account of the role and contribution of the voluntary, faith and community sector.
- Offers a menu of possibilities to the young person and their family focused on their needs and aspirations and fully take account of the role and contribution of sport and cultural activities, mentoring, coaching, volunteering and parenting support.

3.2.3 **Healthy Communities and Older People**

To concentrate ambitions in two specific areas:

- Health and Well being of Older People. Support the delivery of the Older People Strategy that, after extensive consultation, is due to be endorsed by May 2006. Focus will be on people over 60 in the most deprived areas in the city and delivering on three key issues:
 - Financial Security where Link Age Plus (a single gateway to services provided in the community) will be an active support.
 - Transport access and availability to move towards an integrated delivery of public welfare transport and increase use of public transport.

- Physical activity to introduce and cascade schemes of physical activity for older people appropriate to their stage of life, ability and setting.
- Employability with special reference to exclusion through mental health problems and musculo-skeletal disorders.
 - Develop an innovative Leeds model that offers individualised packages to move people with mental illness and/or musculo-skeletal conditions to employability. This model will be developed through multi-agency partnership working and specifically recognise the important role and contribution of health partners. Links will also be made with the Mental Health Employment Consortium to support their current work with employers to sign up to recognised good practice in supporting people with health needs at work.

3.2.4. **Economic Development and Enterprise**

Accelerate the delivery of economic priorities by:

- Tackling worklessness with a concentration on helping more lone parents and people who claim incapacity benefit to get jobs; targeting the activity towards the most deprived areas and building on Leeds' track record of high quality projects.
- Develop a new business and enterprise culture across the city growth area and use the Local Enterprise Growth Initiative Fund, if successful, to develop an enterprise culture in the city, support new business formation and support business growth and survival.
- Tackling financial exclusion through establishing an alternative loan fund that can be utilised to provide affordable credit; providing a more comprehensive debt advice service and increasing financial literacy through packages available in schools and community locations.
- Improving the Physical infrastructure to support long term social, economic and sustainable objectives by:
 - Transport to link local people in deprived communities to economic opportunity.
 - Public realm projects to attract investment and benefit local people.
 - Ensure investment in 14-19 learning skills provision is aligned to high quality resources in communities.

3.2.5. **Cross-cutting principles**

There is a commitment in the LAA to a number of key principles. These are outlined with a brief outline of how they are being integrated into the LAA:

- **Empowering local people and building the role of the voluntary, community and faith sectors**

The voluntary, community and faith sector (VCFS) has identified a set of specific outcomes, targets and indicators to be met over the duration of the agreement. The outcomes sought are:

- The Leeds Compact to underpin the relationship and standard of conduct between partners and the VCFS.
- The VCFS as a fully recognised partner and active contributor.
- The service delivery role of the VCFS recognised as adding value and making a distinctive contribution.
- The empowerment of local people demonstrated in a greater voice and influence over local decision-making and the delivery of services.

- **Utilising the role of culture**

Each block is considering new ways of how culture can contribute to meeting its outcomes and targets e.g. contributing to the menu of opportunities in the Children and Young People Block and to employability ambitions in the Healthier Communities and Older People block

- **Equality, Diversity and Social Inclusion**

Each block is focusing on an issue or the particular needs of a specified group who face discrimination or social exclusion e.g. hate crime reporting in the Safer and Stronger Communities block and lone parents (predominantly women) in the Economy and Enterprise block. An equality audit of the LAA is being undertaken.

- **Community Cohesion**

It is hoped that the overall effect of the activities delivered under the LAA will be to build community cohesion and that individuals, groups and families identified for particular support and opportunities will consequently feel more comfortable amongst their neighbours and proud to be part of their neighbourhoods. A full community cohesion audit is also being undertaken.

- **Respect**

A mandatory outcome has now been recommended by Government to reflect the respect agenda in the LAA. An outcome is already built into the Leeds LAA in the Safer and Stronger Communities block to engage and support socially excluded individuals and their families where their behaviour has a negative impact on neighbourhoods. Additionally, the intensive family approach in the Children and Young People block will provide an excellent learning opportunity about the implementation of the respect agenda in practice.

3.3. **Freedoms and Flexibilities**

Thirty-three potential freedoms and flexibilities have so far been identified to assist partners to meet the outcomes of the four blocks of the LAA. Business cases have been developed for each and negotiated with the GOYH. Early considerations by Government Office indicate that approximately one third are either already possible to undertake or it has been established, following negotiations in the round 1 pilots, that government departments are unable currently to grant such freedoms and flexibilities.

3.4. **Performance Management Arrangements**

The Performance Management Framework within the LAA will enable higher level outcomes and related outputs and targets to be monitored and measured and will be a fundamental

element of the accountability process. These arrangements are also needed to meet the bi-annual performance reviews of the GOYH.

In developing the performance management framework within the LAA it will be necessary for partners to understand the importance of their individual contributions in achieving the high level outcomes. The Council and the Local Strategic Partnership will work with partner organisations to develop a common understanding of performance issues in terms of achievement and under performance across the outcomes of the LAA.

The LAA presents a real opportunity to move towards the adoption of a single, common performance management framework for partners and organisations signed up to the delivery of the LAA outcomes.

Our priority in managing performance is to:

- Fully establish the Performance Management Framework with the full involvement of all partners, having a clear agreement between partners relating to delivery and accountability within the LAA;

Our aims will be to:

- Measure, monitor and evaluate the progress against outcomes and achievement of targets;
- Develop management and information systems to enable and support the performance monitoring process;
- Where appropriate, ensure that key national and local priorities are reflected in the outcomes and targets of the LAA;
- Ensure that partners are able to bring performance information together to enable seamless reporting across all organisations against the outcomes within the LAA ensuring both vertical and horizontal accountability; and
- Ensure that performance data is transparent and accessible to local partners and Government Office, enabling accountability to all stakeholders including the public and central government.

3.5. Local Public Service Agreement 2 (LPSA2)

The LAA incorporates all LPSA2 targets which have been negotiated and agreed with GOYH. If successful, each LPSA2 target will provide a Performance Reward Grant at the end of the three year period.

4.0. Implications for Council Policy and Governance

The Leeds LAA strongly supports current policy as outlined in the Vision for Leeds and the Council Plan. However, it does introduce the need for some new governance arrangements to enable its effective delivery and to reinforce horizontal and vertical challenge and accountability to meet its high level planned outcomes and achievements. A diagram outlining the arrangements is outlined in Appendix 1. The intention is to integrate with existing accountability arrangements to Members and partners wherever possible. One new Programme Management Board will be established to oversee progress on operational delivery and the LAA Developmental Group will continue to ensure the LAA is integrated more fully with the strategic plans of partner organisations and developed in accordance with the outcomes of the current ODPM consultation exercise on Local Strategic Partnerships.

5.0. Legal and Resource Implications

- 5.1. Leeds City Council is the Accountable body for funds included within the LAA. The Director of Corporate Services, as the Council's Section 151 Officer, will need to gain assurance from grant recipients that funding has been used in line with the terms and conditions in the LAA and will certify that the performance and financial monitoring returns are correct to GOYH on an annual basis. One of the key underlying principles of the LAA is a significant reduction in the level of monitoring and reporting in relation to funding streams included in the LAA. Financial monitoring will be at 6 monthly intervals by funding pooled into each block rather than individual funding streams. This should generate significant efficiencies as increasing numbers of funding streams are pooled, in terms of a reduction in the number of terms and conditions attached to funding streams and reduced numbers of grant claims and audits required.
- 5.2. The Neighbourhood Renewal Fund will be 'pooled' as part of the LAA in 2006/07 (£12.8m) on the understanding that a substantial amount is already committed to agreed priorities and ongoing work for 2006/07. However, that work either directly supports or complements the Narrowing the Gap focus of the LAA. All other possible funding streams, where identified as contributing to the work of the LAA, will be aligned. This will not affect current arrangements but indicate that they need to be considered for 'pooling' in 2007/08 financial cycle. The benefits of 'pooled' funding is that all funding streams will be administered to the local authority in one cheque, paid in monthly installments, and can be used flexibly to support the delivery of the LAA outcomes and targets. Also, in most cases, only the single performance reporting arrangements of the LAA will be required. All partners are also being asked to consider where it may also be appropriate to align or pool some mainstream funding.

6.0. Not Eligible for Call In

This report is exempt from call in because of the requirement to submit the signed local area agreement to the GOYH on February 25th 2006 to present to Government. The Overview and Scrutiny Committee have commented on the agreement (see Section 3.1.) and as the LAA evolves there will be further opportunities to re-consider particularly as part of the annual re-fresh process.

7.0. Conclusions

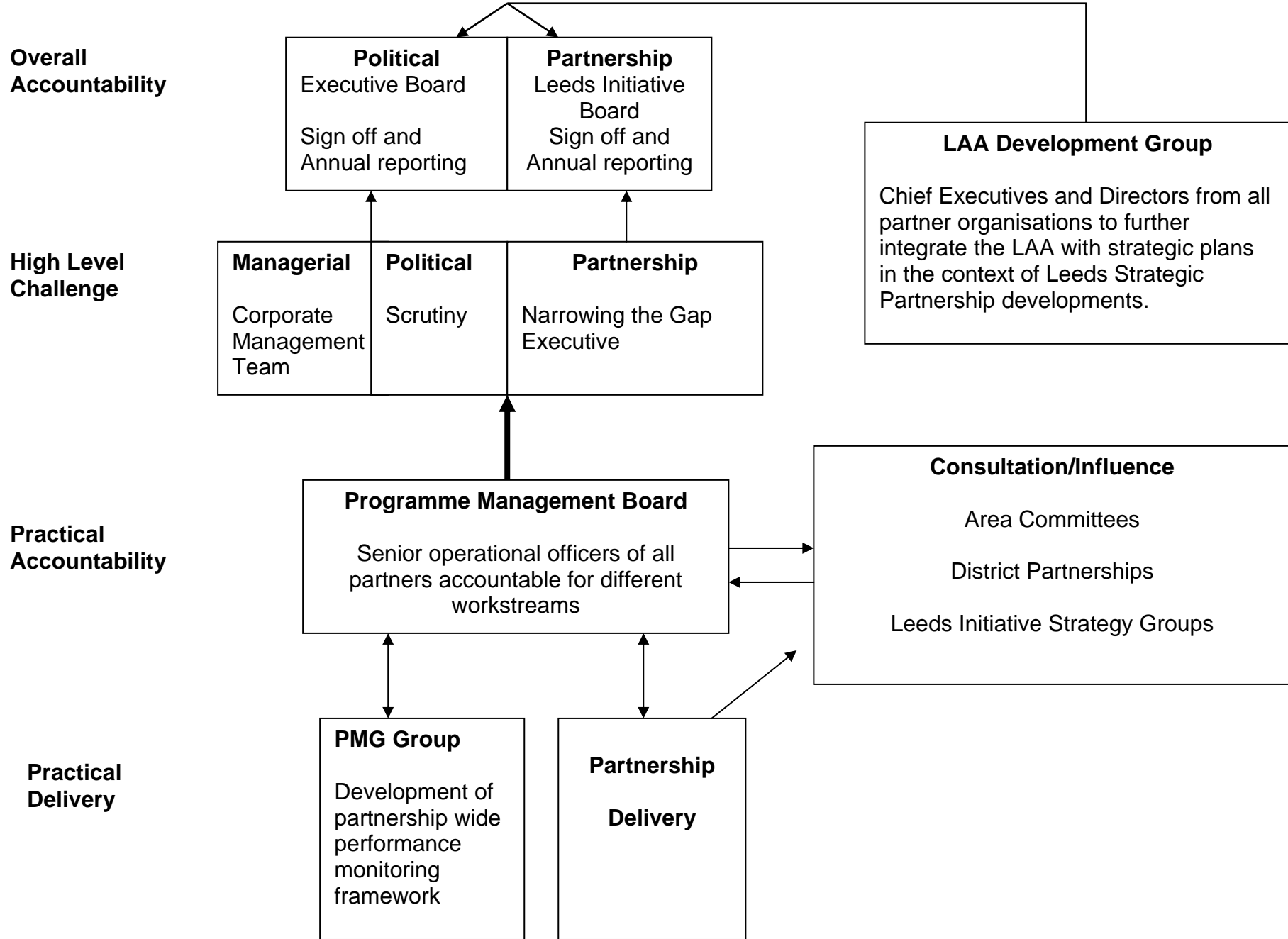
This report has outlined the main content of the Leeds LAA. This has included an overview of its approach and cross-cutting principles, the focus of the four blocks and governance, performance management and funding arrangements. Executive Board are invited to endorse the LAA content and approve the final submission document attached.

7.0. Recommendations

It is recommended that the Executive Board:

- (1) Endorse the content of the Leeds Local Area Agreement;
- (2) Approve the final LAA submission document and authorise the Chief Executive to make any minor amendments and sign the document on 25 February 2006;
- (3) Agree to submit the signed LAA document on 25 February 2006 for consideration and agreement with Government, and;
- (4) Endorse the proposed governance and performance management arrangements.

Framework for Governance and Accountability



Overview and Scrutiny Committee – 9 January 2006

No.	Comments of OSC Members	Action Taken
1.	The 31 Super Output Areas (SOAs) do not always make sense on the ground	Neighbourhoods and Housing have carried out a data mapping exercise based the SOAs and a composite map that clusters the 31 SOAs with details against the domains of the Index of Multiple Deprivation. Every effort is being made to ensure the geographical areas that are the focus of delivery in the LAA make sense to communities on the ground, to operational service managers and in terms of any known changes e.g. school closures/re-build etc.
2.	Greater Member Involvement	Since OSC on 9.01.06 there have been ongoing individual Member briefings as requested/required; briefings taken up by one political group; two open Member workshops; and it has also been an agenda item on Area Committees.
3.	Change outcome in last template in Economic Development and Enterprise block to include 'sustainable' objectives	Change made as requested
4.	Need to develop democratic accountability and sound governance arrangements	Outlined in Section 4.0.of the report and in Appendix 1.
5.	Continued involvement of LSP	The Narrowing the Gap Executive and all strategy groups of the LSP have considered and commented on the LAA proposals. An LAA Development Group is proposed that will ensure the LAA is embedded in any further developments of the LSP.
6.	Support of a small number of targets that can be achieved by the partnership and recommends that the Council lobbies for such an approach	<p>This endorses the approach of the LAA with its focus on targets that either:</p> <ul style="list-style-type: none"> • accelerate delivery of key priorities and programmes of change in existing plans or strategies • develop multi-agency work to deliver more lasting changes in impact on a key number of issues where individuals, families and communities face particular obstacles that prevent them from living lives that are happy, healthy, safe, successful and free from the affects of poverty.

Not for Publication: Appendix 1 : Access to Information Procedure Rules, paragraph 10.4 categories 1, 7 and 8

Report of the Chief Executive

Executive Board

Date: 17 February 2006

Subject: Issues arising following the appointment of the Director of Children's Services

Electoral Wards Affected:

Specific Implications For:

Ethnic minorities

Women

Disabled people

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In

(Details contained in the report)

Executive Summary

1. On 21 September 2005, Members of Executive Board agreed to recommendations for the recruitment of a Director of Children's Services (DCS). The report included proposals in regard to the accountability arrangements for the DCS, responding appropriately to the guidance issued by the DfES in support of the Children Act 2004.
2. A Director of Children's Services (DCS) was appointed in November and will formally commence the role on 1 March 2006. The September report also referred to the form of constitutional change required as a consequence of this appointment, particularly as they impact upon the Director of Social Services and the Director of Learning and Leisure.
3. The appointment of the DCS was a key stage in a major programme of change arising from the Children Act 2004. On 30 January 2006, the Government issued the 'Our Health, Our Care, Our Say' white paper which is expected to lead to further legislative change in regard to health, social care and wider adult services.
4. Following the appointment of a DCS, and anticipating the health white paper, officers have, in discussion with Executive Members, been considering the necessary changes required to ensure that functions are appropriately delegated to appropriately experienced officers, that appropriate arrangements are made to meet the statutory requirements of the Children Act 2004 and that capacity is created to lead the developing adult services agenda.

5. The changes outlined in this report refer to decisions that have been taken, or will be taken, through delegated decision arrangements and are provided here in this report for information and comment by Members of the Executive Board.
6. Further time will be required to consult and agree more permanent changes to help deliver both the full requirements of the Children Act 2004 and the developing adult services agenda, therefore, these arrangements should be considered as being interim until further changes are implemented/proposed.
7. Members of the Executive Board are asked to note:-
 - a. the organisational implications arising from the appointment of the Director of Children's Services;
 - b. the Leader's intention to amend the scheme for the delegation of executive decision making, to reflect the arrangements described above and note that the amendment will be reported to Council for information;
 - c. the intention of the Chief Executive to:
 - i. designate the Director of Learning and Leisure as the Director of Adult Social Services under the provisions of the Children's Act 2004;
 - ii. approve honoraria payments to the Director of Learning and Leisure and the Chief Officer (Development), and;
 - iii. appoint an interim Chief Officer Social Services Officer and;
 - d) the intention of the Director of Corporate Services to approve the emoluments referred to in paragraph 5.3 of the report.

1.0 Purpose of Report

- 1.1 This report informs Members of the Executive Board of a number of organisational changes that have, or will be, implemented as a consequence of the appointment of Rosemary Archer as Director of Children's Services (DCS).

2.0 Background Information

- 2.1 The Children's Act 2004 placed a statutory duty on local authorities to appoint a DCS by 2008. The DfES outlined an expectation that most local authorities would have a DCS in post by the end of 2006. Following a report to Executive Board on 21 September 2005, the authority progressed a recruitment process and appointed Rosemary Archer as DCS, who will commence her duties on 1 March 2006.

- 2.2 The Children Act 2004 also requires the authority to appoint an officer for the purposes of its adult social care functions with effect from the same date. Furthermore, on 30 January 2006, the Government issued the 'Our Health, Our Care, Our Say' white paper which is expected to lead to further legislative change in regard to health, social care and wider adult services.

- 2.3 As explained in the September 2005 report, the DCS will take responsibility for the following statutory functions on the 1 March 2006 :

- Education services - excepting functions relating to further, higher and adult education;
- Social services - in so far as they relate to children, and children and young people leaving care;
- Health services – any related functions exercised on behalf of an NHS body under section 31 of the Health Act 1999, insofar as they relate to children, and;
- Inter-agency co-operation – the new functions of the Children's Services Authority as outlined in the Children's Act 2004.

- 2.4 Alongside the change process, the authority still needs to deliver and develop existing services. The Department of Social Services is already undergoing change in recognition of the future direction for both children's and adult's services with an appreciation that the commissioning and operational roles will evolve further. The Department of Learning and Leisure will also see significant impact from the children's agenda currently having responsibility for the education client service, early years and youth provision.

- 2.5 The report to the September meeting of Executive Board included the following extract in regard to proposed delegation arrangements for the Director of Learning and Leisure and Director of Social Services, consequent upon the appointment of the DCS:

"In progressing in the way proposed, consideration will need to be given to the form of constitutional change required. The DCS will, as indicated above, be appointed for the purpose of all functions of a children's services authority, including those currently discharged by the Director of Leisure and Learning and Director of Social Services in regard to children. However, it is not proposed that, with the appointment of the DCS, the Director of Learning and Leisure and the Director of Social Services should cease to be authorised to discharge the functions that currently stand delegated to them which pertain to children and young people. Instead, it is proposed: (i) that the two Directors should be required, following the

appointment of a DCS, to consult with him/ her on all proposed key and major decisions affecting children and young people; and (ii) that the DCS be authorised to decide any children's services matter himself/ herself, or to direct that such matter be referred to the Executive Board for determination, if the DCS considers that such action is called for in order to promote the well-being of children and young people or to safeguard their welfare."

"The Children Act 2004 also requires the authority to appoint a Director of Adult Services when a DCS is appointed. It is proposed that the Director of Social Services be the officer appointed, in the first instance, for these purposes."

- 2.6 As the current Director of Social Services was successful in being appointed to the post of Director of Children's services, further consideration has had to be given to the proposals that were presented to Members in September 2005.

3.0 Main Issues

- 3.1 Having now appointed a DCS, effective from 1 March 2006, there are now requirements upon the authority: (i) to designate an officer as the Council's Director of Adult Social Services with effect from 1 March 2006; and (ii) to approve revised arrangements for the discharge of those social services functions for which the DCS will not be responsible, with effect from the same date.
- 3.2 As regards the requirement at 3.1(i), following discussions with a range of officers and members, the Chief Executive has determined that the Director of Learning and Leisure should be deputed to act as the Council's Director of Adult Social Care until 31st March 2007 and, in this connection, to undertake the following additional responsibilities: (i) to take the strategic lead on the development of the Council's services to adult users of social services; (ii) to promote joint commissioning with NHS bodies and other agencies to ensure that all of the assessed needs of such users are met; and (iii) to be responsible for the overall quality, fitness for purpose and value for money of the Council's adult social services.
- 3.3 The Chief Executive has also decided that the services of an interim Chief Social Services Officer should be procured to support the Director of Learning and Leisure (in his capacity as Director of Adult Social Services) and to be responsible for the day-to-day management of Social Services Departmental operations. For the time being, it is proposed that this service is procured for between 6 and 12 months to allow for the further development and review work to be completed.
- 3.4 The specification is for a highly qualified, previous Director of Social Services from a large authority who has experience of both children's and adult's services. With the nature of interim placements and the strategic element of the role being fulfilled by the DCS and the Director of Learning and Leisure (see below), this post will be remunerated less than the previous Director of Social Services. In the interests of efficiency, the services will be provided on a 7 day, per fortnight, basis.
- 3.5 The interim Chief Social Services Officer will be responsible for the management and ongoing improvement of the Department of Social Services with the current management team including the Chief Officer (Children and Families), the Chief Officer (Adults Services) and the Chief Officer (Support Services). The Chief Social Services Officer will formally report to the Director of Children's Services on strategic matters pertaining to children and to the Director of Learning and Leisure on strategic matters pertaining to adult social care services.

- 3.6 The current Deputy Director of Social Services will work full time in supporting the Director of Learning and Leisure in developing the strategic direction of adult social services and continuing the partnership work with Health Services in the city. He will take on the new title of Lead Chief Officer (Adults Service Development) to reflect the changed duties.
- 3.7 With respect to the requirement at 3.1(ii), the approval of detailed arrangements for the delegation of executive functions is a matter, under the Council's Constitution, for the Leader. Formal revisions to the current scheme will be approved by the Leader prior to 1 March and reported to the Council next month.
- 3.8 As regards other outstanding matters, the DCS has identified requirements for an 'Office of the DCS' to progress the strategic change agenda, ensure full consultation and involvement and undertake the statutory responsibility for education functions. This takes some responsibility from the current Director of Learning and Leisure, freeing up capacity for the additional responsibilities described at 3.2 above.
- 3.9 The current Chief Learning Officer will report to the DCS as Lead Chief Officer (Commissioning) and take responsibility for the creation of a Children's Trust and the development of commissioning arrangements. He will continue his client management and monitoring work for the council and Education Leeds. His current team will transfer including the Strategic Coordinator for the Children's and Young Persons Partnership who will be redesignated Development Officer. Early Years and Youth Services will remain as part of the Department of Learning and Leisure until further proposals are developed.
- 3.10 As also identified in the report to Executive Board on 21 September 2005, the DCS requires a core team to manage the overall change programme, provide effective performance management information, develop the Children and Young People's plan and coordinate all performance and inspection processes. Some of these responsibilities are currently undertaken by officers in existing departments and as an interim measure some of these are to be drawn into the Office of the Director of Children's Services. Initially this will be the existing Change Manager and support staff.
- 3.11 As the pace and volume of the change management work increases further, more co-ordination and capacity is required. The current Chief Customer Services Officer is to be seconded for six months to provide this as the Chief Officer (Development). Interim arrangements are being put in place to provide cover in Customer Services.
- 3.12 Furthermore, now that the DCS has been appointed, the Leader will need to consider the changes required in regard to the appointment and portfolios of Executive Members. The Leader's determinations with respect to these matters will be reported to the Annual Council meeting, in the usual way, in May 2006.

4.0 Implications for Council Policy and Governance

- 4.1 A workforce planning approach has been applied to the changes being made in line with the People Strategy 2005-08. This ensures that the short term changes provide future flexibility as well as providing for immediate need.
- 4.2 The Council's Code of Practice for Recruitment and Selection has been complied with in identifying and filling secondment opportunities. Consideration has also been given to equity in arrangements for honoraria payments, applicable to the Director of Learning and Leisure and the Chief Officer (Development). The delegated decision

making powers of the relevant officer (i.e. Chief Executive/Directors) enable these changes to be implemented.

- 4.3 The Council's framework contract for Executive Search and Selection has been used to procure Veredus to provide a list of suitable and available interim managers for the post of Chief Social Services Officer. Procurement guidelines have been followed and the services of an Interim Chief Social Services Officer will be agreed within the general delegated decision making powers of the current Director of Social Services in conjunction with the Director of Learning and Leisure.
- 4.4 The changes required in delegated decision making arrangements are to be agreed by the Leader of the Council prior to 1 March 2006, in accordance with Executive Procedure Rules, paragraph 1.2 bullet point 3.

5.0 Resource Implications

- 5.1 The resources required for the effective running of the Office of the Director of Children's Services have been previously considered and are included in this year's budgetary considerations, of which there is a separate report on this agenda.
- 5.2 The Chief Social Services Officer costs and additional payments for the Director of Learning and Leisure and the Chief Officer (Development) can be contained within the existing budgetary provision for the post of Director of Social Services. The role of Lead Chief Officer (Adults Service Development) is currently budgeted for in the form of provision made for the Deputy Director of Social Services post.
- 5.3 A breakdown of actual costs is provided in appendix 1 but is not for publication under the 'Access to Information Procedure Rules' paragraph 10.4 categories 1, 7 and 8.

6.0 Conclusions

- 6.1 As expected, the appointment of a Director of Children's Services in response to the Children Act 2004, will lead to wide ranging change across the authority. An immediate challenge has been to appoint an officer for the purposes of its social care functions with effect from 1 March 2006. The rate of change is increasing and resources are required to ensure further development of structure and provision is appropriate.
- 6.2 Over the past few weeks there has been considerable discussion around the issues identified above. A pragmatic and cost effective interim solution has been found which makes the most of existing resources, begins to move structures and decision making in the right direction and is flexible enough to provide time and opportunity for wider consultation at the same time as addressing immediate and urgent needs.
- 6.3 The solution makes a clear differential between the role of the previous Director of Social Services and the Director of Children's Services. It reflects the importance of the ongoing improvement agenda in the Department of Social Services and provides a balance between immediate requirements to respond to the Children Act 2004 and the longer term changes that are likely to be required both in regard to children's and adult services.

7.0 Recommendations

7.1 Members of the Executive Board are asked to note:-

- i) the organisational implications arising from the appointment of the Director of Children's Services;
- ii) the Leader's intention to amend the scheme for the delegation of executive decision making, to reflect the arrangements described above and note that the amendment will be reported to Council for information;
- iii) the intention of the Chief Executive to:
 - a) designate the Director of Learning and Leisure as the Director of Adult Social Services under the provisions of the Children's Act 2004;
 - b) approve honoraria payments to the Director of Learning and Leisure and the Chief Officer (Development), and;
 - c) appoint an interim Chief Social Services Officer and;
- iv) the intention of the Director of Corporate Services to approve the emoluments referred to in paragraph 5.3 above.

Report of the Director of Development

Executive Board

Date: 17th February 2006

Subject: East Leeds Link Road

Electoral Wards Affected:

Burmantofts & Richmond Hill

Temple Newsham

Garforth & Swillington

Specific Implications For:

Ethnic minorities

Women

Disabled people

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In

(Details contained in the report)

EXECUTIVE SUMMARY

The Council has been actively pursuing the completion of East Leeds Link Road since the early 1990's but due to funding difficulties and problems over the impact of new development on the capacity of the M1 motorway the scheme has not progressed. Terms for a number of legal agreements which resolve the highway capacity issue and generate funding for the scheme are now agreed, and with the Government's recent decision to provide additional funding, the scheme can now be implemented.

1.0 Purpose Of This Report

1.1 This purpose of this report is to:

- i) Advise the Executive Board of the current position on the East Leeds Link Road (ELLR) and the proposed legal and financial arrangements for delivering the scheme;
- ii) Seek authority to rescind the previous financial approvals for the scheme which are now out of date and seek approval to the revised costs and expenditure;
- iii) Seek authority to enter a number of legal agreements which are necessary to progress the scheme and secure funding;
- iv) Authorise the invitation of tenders for the roadworks and on return of tenders, subject to adequate funding being in place, implement the scheme.

2.0 BACKGROUND

- 2.1 Completion of ELLR is of the Council's highest priorities as it is the key element in unlocking potential development in the Lower Aire Valley and one of the final pieces in the City's planned strategic highway network. It has been widely recognised that further delay in completing the road will have serious implications both locally and regionally. The City Council has been actively promoting the completion of ELLR since the early 1990's. At that time the project was accepted for some funding from the Government and with additional funding from the Council's own resources considerable progress was made, including obtaining the necessary planning consent and statutory highway powers to construct the road, together with construction of the junction with the M1 motorway (Junction 45). Unfortunately sufficient Government funding was not made available to complete the scheme and the Council was initially directed to pursue the completion of the project through the PFI route, this ultimately proving unsuccessful. In December 2000 the Government did finally accept the scheme as a formally approved major scheme in the West Yorkshire Local Transport Plan but was only prepared to provide Transport Grant funding up to £9.5 million on the basis that the road would largely provide opportunities for new development and the remainder of the funding should therefore be provided from other sources.
- 2.2 On 31 October 2001 a report was presented to the Executive Board outlining a proposed funding arrangement to deliver the road. In addition to the Government contribution, the proposed funding arrangement included further funding from the Council, and funding secured through an agreement between the Council, Yorkshire Forward and three major private sector landowners – referred to as the 'participating landowners'. At this stage it was also hoped that a contribution would be secured from the company operating the M1-A1 motorway link on behalf of the Highways Agency (HA) as it was considered that it also had a commercial interest in ELLR being completed as early as possible. Negotiations over the terms of the funding agreement proved protracted and in the meantime the costs of the scheme continued to increase due to inflationary pressures and particularly due to revised cost projections from the Statutory Undertakers for the estimated cost of the diversionary works required to their apparatus. Negotiations to secure a contribution from the operating company for the M1-A1 motorway link also eventually proved unsuccessful. A further report was submitted to the Executive Board on 5 June 2002 outlining the revised cost of the scheme and seeking a further injection of funding from the Council. Unfortunately before the terms of the agreement to secure the overall funding were agreed, the HA raised concerns about the impact the potential level of development in the Lower Aire Valley would have on the M1 motorway. In November 2002 the HA advised the Council that it would not support the approval of planning consent for major developments which would increase traffic flows on the motorway until its concerns about capacity had been resolved. Since that time negotiations have continued between the Council, the HA and landowners to find a solution to the highway capacity issues which were acceptable to all parties. In parallel, negotiations have continued amongst the various parties involved in funding the scheme to reach an agreement on the increased level of funding required to complete the road. Agreement has now been reached on terms which provide a satisfactory solution to all parties in respect of the highway capacity/planning conditions and which provides an adequate level of financial contribution from the landowners.
- 2.3 In July 2005 the Council submitted a bid to the Department for Transport (DfT) for further funding of £5.3 million towards the cost of the scheme. On 21 December 2005 confirmation was received that this additional £5.3 million would be made available thereby completing the funding package necessary to progress the construction of the road.

3.0 PROPOSALS

- 3.1 In order to provide an agreed framework for acceptable planning conditions and the necessary funding arrangement, a series of legal agreements have been prepared involving the Council, Yorkshire Forward, the HA and the three participating landowners. These agreements are all mutually compatible and enable the Council to progress with the implementation of the ELLR whilst providing each of the parties involved with the necessary guarantees and assurances they require. The terms of each of the agreements are now

resolved and following approval from the Executive Board it is intended that all the agreements are signed concurrently. The agreements which involve the Council are described below.

3.2 Leeds City Council/Highways Agency Agreement

3.2.1 In order to address the HA's concerns over the impact development generated traffic will have on the M1, and thereby secure the agreement of the HA to determine the planning applications for the participating landowners sites, the HA requires the Council to enter into an agreement to commit to undertake work on the M1 in stages between Junctions 45 (ELLR) and Junction 46 (Austhorpe). This agreement with the HA will be under the provisions of Section 6 of the Highways Act 1980. The agreement provides for work to be undertaken by Leeds City Council at its own expense in 3 stages described as follows:

- Stage 1 – Prior to the opening of ELLR and Junction 45, the Council will complete work to widen and signalise the off-bound motorway slip roads at Junction 45. It is intended to include this work within the Council's contract for the construction of ELLR at a cost estimated at £500,000.
- Stage 2 – By the Year 2015 the Council will complete further works to the slip roads at Junction 45 and the circulatory carriageway at the junction, including the full signalisation of the junction. At current prices this work is estimated to cost £2.0 million.
- Stage 3 – By the Year 2019 the Council will install signals on the southbound on-slip road at Junction 46. At current prices this work is estimated to cost £100,000.

3.2.2 On signing of the Section 6 Agreement, the HA will issue formal notification to the Planning Authority that planning consent for the applications already received in relation to the participating landowners sites may be granted subject to certain conditions previously agreed with the HA.

3.3 Leeds City Council/Landowners Agreement

3.3.1 In order to secure a contribution of £10.5 million towards the cost of the road from the 3 participating landowners, terms for an agreement between the Council and the landowners have been agreed. This agreement will be under the provisions of Section 106 of the Town and Country Planning Act 1990 and Section 278 of the Highways Act 1980. This agreement ensures that the landowners make their agreed contribution to the cost of the road once they start development of their sites. The agreement does not require the landowners to make payment to the Council until they start to develop their sites, the £10.5 million towards for the cost of the road initially being provided by Yorkshire Forward through a further agreement described in 3.4 below. The Section 278 Agreement will allow a limited amount of pre-development preparatory activity to take place on the sites before the full contribution becomes payable.

3.4 Leeds City Council/Yorkshire Forward Agreement

3.4.1 In order to remove the risk from the landowners of contributing to the costs of ELLR before they are committed to developing their sites, Yorkshire Forward will initially invest the £10.5 million contribution towards the road and subsequently recover the costs once the landowners start development. This arrangement is covered by the terms of a Joint Venture Agreement between the Council and Yorkshire Forward which provides for the funding to be drawn by the Council from Yorkshire Forward as it is required to meet the cost of the road construction and then later repaid by the Council to Yorkshire Forward as the Council recovers money from the landowners under the terms of the Council/Landowners Agreement. Such an agreement has been in place since March 2002 but due to the time elapsed and the changes in costs, a new agreement is now required.

3.5 A further agreement between Yorkshire Forward and the landowners referred to as the Parent Company Guarantee is also required to give Yorkshire Forward further guarantees in respect of the recovery of money from the landowners.

- 3.6 In order to bring Junction 45 into full operation on completing the construction of ELLR, the ownership of the whole of the junction and slip roads will need to be transferred from the Council to the HA, the HA becoming the 'highway authority' for the junction. The ownership of the 4 slip roads and the eastern bridge has remained with the Council since the Council took the opportunity to construct them during the window of opportunity when the motorway works were in progress (the western bridge was constructed by the HA as part of the motorway works). To rationalise the arrangement and allow the junction to properly function as any other motorway junction once it is ready to open, the HA will need to become the highway authority for all the slip roads, the 2 bridges and the circulatory carriageway of the junction. The HA has confirmed its intention to open Junction 45 once ELLR is complete and the terms of the Section 6 Agreement have been met. Discussions are already in progress between the Council and the HA regarding the necessary orders required to make this change.
- 3.7 The section of the M1 motorway to the east of Leeds was constructed under a PFI arrangement and is operated by a private sector company, Connect M1-A1 Ltd (formerly known as Yorkshire Link), on behalf of the HA. Connect still has around 20 years of its operating contract to run. In order to open Junction 45 its operation and maintenance will need to be brought into Connect's overall arrangements for the rest of the motorway. Connect will incur additional costs by adding Junction 45 and the slip roads into its maintenance arrangements for the motorway and it is seeking to recover these costs. The HA is insistent that it will not meet these additional maintenance costs and that the Council will need to do so. Discussions between the Council and Connect are ongoing in relation to this cost and how it is paid. Until the Junction is opened the maintenance required is minimal.

4.0 FINANCE

- 4.1 The current estimated outturn cost for the scheme is £32.489 million assuming an October 2006 start of construction. Allowing for an additional 5% project contingency it is proposed that budget provision of £34.114 million is allocated to the project. The approved Capital Programme includes provision of £34.114 million for ELLR for which funding has been secured. Previous approvals have given authority to incur expenditure on design, works and advanced statutory undertakers works. Details of previous and future expenditure together with funding profiles are shown on the combined finance sheet below. The total scheme is included in the approved Capital Programme under scheme No's. 28950, 26733, 26734, 99853 and 12565.

- 4.2 The total funding of £34.114 million has been secured from the following sources:

Leeds City Council	7,210,000
Initial LTP Allocation	1,212,000
Department for Transport	14,800,000
Yorkshire Forward/Landowners	10,500,000
SRB6	140,000
Section 106 Contributions	252,000
TOTAL	34,114,000

Total Scheme Costs	TOTAL £000's	TO MARCH 2005 £000's	FORECAST				
			2005/06 £000's	2006/07 £000's	2007/08 £000's	2008/09 £000's	2009 ON £000's
LAND (1)	1212.0	354.9	14.0	383.0	460.1		
CONSTRUCTION (3)	29688.2	4673.1	41.0	5651.0	10116.9	6973.0	2233.2
FURN & EQPT (5)	0.0						

DESIGN FEES (6)	3214.0	1813.1	110.1	330.0	587.0	312.0	61.8
OTHER COSTS (7)	0.0						
TOTALS	34114.2	6841.1	165.1	6364.0	11164.0	7285.0	2295.0

Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2005 £000's	FORECAST				
			2005/06	2006/07	2007/08	2008/09	2009 ON
			£000's	£000's	£000's	£000's	£000's
LAND (1)	1212.0	354.9	14.0	383.0	460.1		
CONSTRUCTION (3)	29688.2	4673.1	41.0	5651.0	10116.9	6973.0	2233.2
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	3214.0	1813.1	110.1	330.0	587.0	312.0	61.8
OTHER COSTS (7)	0.0						
TOTALS	34114.2	6841.1	165.1	6364.0	11164.0	7285.0	2295.0

Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2005 £000's	FORECAST				
			2005/06	2006/07	2007/08	2008/09	2009 ON
			£000's	£000's	£000's	£000's	£000's
Total Funding	34114.2	6841.1	165.1	6364.0	11164.0	7285.0	2295.0
Total Funding	34114.2	6841.1	165.1	6364.0	11164.0	7285.0	2295.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0	0.0

4.3 Details of the Section 6 Agreement with the HA were covered in Part 3.2 of this report and explain that in opening ELLR and Junction 45 the Council may be committing to undertaking further work for the HA on the motorway in the years 2015 and 2019 the costs of these works at current prices being estimated at £2.0 million and £100,000 respectively. Part 5 of this report details how the risk to the Council of having to fund these additional works may be mitigated but should this not be achievable the Council will have to meet these costs from future capital programmes.

4.4 Negotiations with Connect are still ongoing in respect of the amount and method of payment for their future maintenance of Junction 45. An initial indication of the annual maintenance costs involved provided by Connect is shown in Appendix 1.

5.0 RISK

5.1 Although many of the major risks normally involved in a project of the scale and complexity of ELLR have been removed or minimised there remains a number of key risks to the project. Most significantly are risks that may lead to substantial cost. These risks are covered below together with the measures that are being taken to mitigate the risk.

5.2 The funding package that has been assembled to deliver ELLR involves contributions from a number of sources including external sources. However, once committed to the roadworks contract no additional external funding will be available and the Council will carry all the risk of any cost overrun on the project from its own capital resources. The major risks on cost are:

- Tender price higher than estimated cost
- Overrun on Works cost
- Additional costs from Statutory Undertakers

- 5.3 Tender Prices – estimating works prices in the construction industry is notoriously difficult and has become increasingly so in recent years due to wide fluctuations in prices. The current estimate for the project has been produced using the most appropriate information available both locally and nationally. Whilst it is generally recognised that construction prices are rising relatively steeply due to the buoyant market, indications from the industry locally are that prices for this specific project are likely to be very competitive due to the shortage of major road schemes in the region. The basis of the estimate has been reviewed on numerous occasions and the scheme has been subject to an external value review. The Council is not obliged to accept any tender if it considers there is inadequate funding available to award the contract although clearly any further delay in progressing the scheme has serious implications.
- 5.4 Overrun on Works Costs – as with any complex construction scheme there remains some risk of costs overrunning the contract price. On this project a number of steps have been taken to mitigate this risk:
- i) Various elements of advance works have been carried out including the construction of the junction with the motorway, advance earthworks at the western end of the scheme and a number of advance diversions of statutory undertakers' equipment, all of which significantly reduce the risk of delay and disruption to the main roadworks.
 - ii) In addition to the normal level of contingency included within the contract sum for the works the approved Capital Programme makes provision for an additional overall project contingency.
- 5.5 Additional Statutory Undertakers Costs – the Statutory Undertakers have a particularly poor record of supplying accurate information on their works and costs associated with ELLR and this has been one of the major causes of the increased cost of the project. Officers of the Council have undertaken work to reduce the scale, cost, complexity and risks associated with these works and a number of advance diversionary works have already been undertaken. The Statutory Undertakers are currently being asked again to review their proposals and ensure that the Council is provided with up to date accurate information and costs. There does however remain a risk associated with the statutory undertakers that they underestimate the scope and cost of their works and this can only be mitigated through the provision of the additional project contingency sum.
- 5.6 In order to obtain the agreement of the Highways Agency (HA) to the proposals to open ELLR and develop the participating landowners sites, certain planning conditions have been agreed between the Planning Authority, the HA and the landowners which limits the extent of traffic generated by the developed sites and thereby limits the impact of this generated traffic on the motorway. In addition the Council will be obligated, through the Section 6 Agreement, to undertake works to the motorway at Junctions 45 and 46 over a period of time as the participating sites are developed. The 3 stages of work required under the Section 6 Agreement were described earlier in Part 3.2.1 of this report. The Stage 1 Works are incorporated within the main ELLR contract and budget provision is included within the project budget. Therefore there are no particular residual risks remaining with the Council in respect of the Stage 1 Works. The Stage 2 and 3 Works are not required for a considerable time, Year 2015 and 2019 respectively. It is likely by this time that the Council will have been able to pass on this obligation to other developers through planning conditions on future developments or possibly the HA may not seek to enforce the requirement to undertake these works because circumstances may well have changed by this time and alternative operational arrangements for the motorway may be more appropriate.

If the commitment made within the Section 6 Agreement to undertake and fund the Stage 2 and 3 Works is not removed or offloaded from the Council in the course of time, provision will need to be made in future capital programmes to fund this work.

- 5.7 In signing the various legal agreements none of the parties involved are exposed to any of the obligations within the agreements until the Council has started the ELLR construction contract. Clearly the Council will only award the contract if on return of tenders adequate

funding is available. If the Council has not started the contract within 2 years of the date of signing the agreements the agreements can be terminated with no further obligation to any party.

- 5.8 In accordance with the Council's constitutional requirements a Corporate Project Board has been established to hold overall responsibility for the scheme and ensure its correct management and delivery. The Project Board is chaired by the Director of Development and is supported by the nominated Project Manager who will report to all Board meetings. The Board will arrange for regular minuted meetings to be held with the Executive Member for Development to ensure that the Executive Member is kept informed of all key issues affecting the project.

6.0 PROGRAMME

- 6.1 It is intended to invite tenders in April 2006, commence the roadworks construction in October 2006, and open ELLR and the motorway Junction 45 in November 2008.

7.0 RECOMMENDATIONS

- 7.1 The Executive Board is recommended to:

- i) Note the contents of this report and the proposed arrangements to deliver the East Leeds Link Road;
- ii) Rescind all previous approvals for expenditure on the scheme;
- iii) Approve the scheme at a revised total cost of £34,114,200;
- iv) Authorise the invitation of tenders for the main roadworks contract;
- v) Give authority for the Council to enter into the appropriate legal agreements to progress the scheme and secure funding;
- vi) Authorise expenditure of £34,114,200 (comprising £1,212,000 Land, £29,688,200 Works and £3,214,000 staff costs) on the implementation of East Leeds Link Road which is included within the approved Capital Programme, subject to the budget provision being adequate as outlined in this report on the return of tenders.

Appendix 1
Annual Maintenance Cost for Junction 45

Year	Cost £	Year	Cost £
2006	12,173	2016	14,296
2007	124,533	2017	12,173
2008	12,173	2018	12,173
2009	12,173	2019	132,367
2010	26,496	2020	40,371
2011	12,173	2021	326,651
2012	20,007	2022	14,296
2013	329,274	2023	12,173
2014	12,173	2024	12,173
2015	16,003	2025	26,496

Report of the Director of Development

Executive Board

Date: 17 February 2006

Subject: West Yorkshire Local Transport Plan 2006 to 2011

Electoral Wards Affected:
All

Specific Implications For:

Ethnic minorities

Women

Disabled people

Narrowing the Gap

Eligible for Call In

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

EXECUTIVE SUMMARY

This report presents the proposed final West Yorkshire Local Transport Plan (LTP2). The Plan provides a new five year transport strategy and investment plan for West Yorkshire for the period 2006 to 2011 to replace the existing Local Transport Plan, which was adopted in 2000 and expires in March 2006.

The Plan has been prepared jointly by the five West Yorkshire local authorities and Metro with oversight from a Joint Member Steering Group. The document has been developed in accordance with guidelines issued by the Department for Transport (DfT) and is structured in line with the nationally agreed 'shared priorities' for transport to cover the following themes:

- Tackling Congestion;
- Delivering Accessibility;
- Safer Roads;
- Better Air Quality;
- Other Quality of Life Issues; and
- Effective Asset Management.

A *Provisional* Plan was submitted to the DfT in July 2005 and has been assessed as 'promising' in the feedback provided to the Council. The Plan has been further developed for the final submission, incorporating advice from the DfT. The final document is required to be submitted to the DfT by 31st March 2006.

1.0 Purpose Of This Report

- 1.1 This report presents the proposed final West Yorkshire Local Transport Plan 2006 to 2011 (LTP2) which is included within the Council's budget and policy framework, and seeks the recommendation of the Executive Board for approval by the Council for submission to the Government by the 31st March 2006.

2.0 Background Information

- 2.1 The *Provisional* LTP2 was reported to the Executive Board on the 6th July 2005, and subsequently approved by full Council on the 20th July 2005 for submission to the Department for Transport (DfT). The previous report provided the context for LTP2, in relation to the national 'shared priorities' for transport, and information regarding the structure of the document.
- 2.2 The *Provisional* Plan was submitted to the DfT on the 31st July 2005 and has been assessed as 'promising' in the detailed feedback which has been provided to the Council. Nationally, 16 plans have been marked as 'very promising', 59 have been marked as 'promising' and 7 have been classified as 'needing substantial improvement'. This feedback identified several aspects of the Plan where further development was recommended for the final submission of the document by the 31st March 2006.
- 2.3 The Plan has now been further developed in accordance with the Government guidance and updated to reflect the feedback received from the DfT. Following the Secretary of State's decision on Leeds Supertram it is also intended to prepare and include a statement with the final submission to the DfT that reflects the latest position in terms of future strategy.
- 2.4 Confirmation of the local transport capital expenditure settlement for West Yorkshire for 2006/07, and indicative figures for the following years, were received on the 14th December 2005. The 2006/07 allocation includes an additional 5% which has been awarded for good progress in implementing the first LTP in 2004/05. The financial settlement for 2007/08 will be reviewed when the final LTP has been assessed.
- 2.5 This report outlines the main changes that have taken place since the *Provisional* Plan was submitted to the DfT in July 2005.

3.0 Main Issues

- 3.1 The proposed final LTP2 is attached to Members' copies of the agenda and can be inspected by contacting the clerk named on the front sheet of the agenda. The document is recommended for submission to the DfT by the 31st March 2006.
- 3.2 The DfT identified in its feedback a number of aspects of the *Provisional* Plan which required further attention in order to improve the final assessment. A programme of work has been undertaken to address these issues. In addition, the DfT expected to see further work on: targets and trajectories, in particular the development of a congestion target; the five year capital programme; the accessibility strategy; and the Strategic Environmental Assessment (SEA), prior to the submission of the final Plan.

Development of the Final LTP

Targets

- 3.3 The targets in LTP2 are West Yorkshire wide and will be used to measure performance over the five year Plan period, which will contribute to the annual progress score assigned by the DfT. Some of the targets are mandatory and reflect the Public Service Agreement (PSA) targets set by central Government.
- 3.4 The assessment of LTPs and Annual Progress Reports (APRs) feeds into the Comprehensive Performance Assessment (CPA) process. Progress against the targets will inform future funding allocations and it is therefore imperative that the final targets are realistic in terms of what can be achieved.
- 3.5 Confirmation of the local transport capital expenditure settlement has enabled targets to be finalised and LTP2 now sets out the indicators, targets and trajectories which will cover the Plan period. The only mandatory target which has not been set is the target for congestion.
- 3.6 The LTP authorities for the ten largest urban areas in England, outside London, are required by the DfT to develop a mandatory target for congestion, based on journey time per person, per mile. This target aims to measure the efficiency of the road network by measuring journey times to main centres by the number of people making the journey. A target to reduce journey times for people complements the over-arching LTP2 strategy which aims to increase bus patronage and manage the demand for travel alone by private car.
- 3.7 Discussions are continuing with the DfT to ensure that what is being measured will in fact provide an accurate measure of network efficiency and additional data is yet to be provided by the DfT in order to finalise this target. The DfT expect local authorities to be in a position to set a target by July 2006 and have confirmed that the overall assessment of LTP2 will be based on the March submission which will indicate the overall LTP approach to congestion.

Accessibility Strategy

- 3.8 Local transport authorities are required to incorporate an accessibility strategy into their LTPs which demonstrates how access to key services and facilities will be improved, namely: health; education; employment; and healthy food. Partnership working with key stakeholders and service providers is imperative in order to address the range of issues which affect access to these services.
- 3.9 Provisional LTP2 contained a Framework Accessibility Strategy for West Yorkshire which identified strategic accessibility issues and broad objectives for improving accessibility across the district. Accessibility assessments have now taken place at a local level and accessibility mapping has highlighted the extent of particular problems. Discussions with key stakeholders have provided an increased understanding of these issues.
- 3.10 Wider linkages have also been made with the regeneration programmes across the city and appropriate strategies and policies such as the Local Development Framework and the Regeneration Plan. A long term priority is to embed accessibility planning in partners' approaches to planning the delivery of services.
- 3.11 An Action Plan has been prepared which identifies the priority issues to be addressed across West Yorkshire. Access to employment for communities adjacent to Aire Valley Leeds has been identified as a key priority in Leeds and across West

Yorkshire a priority will be to work closely with partners in the health sector in order to support the ongoing changes and reconfiguration plans of NHS Trusts.

Strategic Environmental Assessment (SEA)

- 3.12 An independent SEA has been undertaken for LTP2 which has influenced the overall strategy approach and informed the development of the Plan throughout. The SEA process has been written up within an SEA Environmental Report.
- 3.13 The Assessment identified environmental issues which need to be mitigated and areas where enhancements can be made as part of the development and delivery of future schemes. The SEA found that overall the Plan would have a slightly beneficial effect on general environmental issues.
- 3.14 Consultation has informed the SEA process and statutory consultees and the general public have been invited to comment at various stages of the Assessment.

Consultation

- 3.15 Consultation has taken place to inform the development of the final document, including a further seminars for stakeholders. The LTP website has been regularly updated and LTP2 documents have been made available at www.wyltp.com.
- 3.16 In parallel to the development of LTP2, consultation has also taken place on the development of a 25 year transport Vision for West Yorkshire to identify the interventions and projects that are required to support growth in the sub-region in a sustainable way. Consultants have been appointed to assist with this work.
- 3.17 A transport policy document for Leeds is also being developed. It is envisaged that it will provide a local context for the LTP and the delivery of integrated transport and transport improvements. The Leeds Initiative and District Partnerships will be invited to contribute to the development of this document.
- 3.18 A Members' Briefing session is planned for the 8th February 2006 to update Members on LTP2, the West Yorkshire transport Vision and other transport issues.

Other Areas of Change

- 3.19 This report reflects the final form of the proposed LTP2 document. All the significant changes made to the Plan in response to the DfT feedback have been incorporated into the document accompanying this report
- 3.20 As part of the approval process dialogue is continuing with the Government Office and the DfT. A copy of the document has been provided to the Government Office and the DfT for their final feedback.
- 3.21 Following approval by Executive Board, no further significant changes will be made to the document other than final editing changes made in order to ensure that the document submitted to the DfT provides the best possible presentation of the approved strategy.

Funding

- 3.22 *Provisional* LTP2 was developed based on initial funding guidelines which were issued by the DfT. Confirmation of the funding allocation for 2006/07 has now been

received. £28.941m has been allocated to West Yorkshire for integrated transport and has been split between the five district authorities and Metro; £5.871 has been allocated to Leeds. £33.310m has been allocated to West Yorkshire for highways capital maintenance for the period 2006/07 of which £10.346m has been allocated to Leeds.

Road Safety

- 3.23 The DfT announced changes to the funding arrangements for safety cameras on the 15th December 2005 which have implications for LTP2. From 2007/08 safety cameras and their funding are to be integrated into the LTP system alongside other road safety measures. Detailed information in respect of these changes is yet to be received from the DfT and therefore it is not possible to fully reflect this matter within the LTP document. These matters will be reported separately to the Executive Board as part of the Annual Casualty Reduction Partnership Report.

4.0 Implications For Council Policy And Governance

- 4.1 The new Local Transport Plan will form the over-arching framework for the Council's transport policies for the five year period commencing 1st April 2006 and ending 31st March 2011.
- 4.2 Due regard has been given in the development of LTP2 to the Council Plan, Corporate Plan and other relevant policies and initiatives.
- 4.3 LTP2 was considered at Scrutiny Board (City Development) on the 24th January 2006 and is therefore now presented to the Executive Board for recommendation to the full Council for approval at the 28th February 2006 meeting.

5.0 Legal And Resource Implications

- 5.1 This report has no specific funding implications. LTP2 will form the basis of the Government's allocation of funds to the West Yorkshire local authorities and Metro for local transport expenditure for the period 2006 to 2011.
- 5.2 The Local Transport Plan is a statutory requirement under the Transport Act (2000). Failure to submit the document within the Government's timescale would jeopardise the level of transport funding support the West Yorkshire authorities receive from the Government in the future.
- 5.3 Design and Cost Reports for individual LTP capital scheme proposals will continue to be brought forward for approval within the established process.

6.0 Conclusions

- 6.1 The second West Yorkshire Local Transport Plan has been prepared in accordance with Government guidance. The document sets out the proposed transport strategy for West Yorkshire over the period 2006 to 2011.
- 6.2 Wide-ranging consultation has taken place across West Yorkshire to inform the development of LTP2 and to ensure that key stakeholders have been fully engaged.
- 6.3 LTP2 is required to be submitted to the DfT by the 31st March 2006.

7.0 Recommendations

7.1 Members are requested to recommend that the Council approve the West Yorkshire Local Transport Plan for submission to the Government by 31st March 2006 in accordance with their requirements.

8.0 Background Information

8.1 The following documents provide background information for this report:

- i) West Yorkshire Local Transport Plan 2006 – 2011, March 2006
- ii) Provisional West Yorkshire Local Transport Plan 2006 - 2011, July 2005
- iii) West Yorkshire Local Transport Plan 2001 - 2006



**West Yorkshire Local Transport Plan
2006/07 - 2010/11
Executive Summary
March 2006**

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INTRODUCTION

West Yorkshire encompasses the district authorities of Bradford, Calderdale, Kirklees, Leeds and Wakefield, with a working population of 0.9 million and residential population of 2.1 million (2001).

The second West Yorkshire Local Transport Plan (LTP2) sets out a five year 'action' plan for 2006/07 to 2010/11 and the long term transport strategy for the next 15 years. Our first LTP (LTP1) covered the period 2001/02 to 2005/06.

It is a statutory requirement and is used by the Department for Transport (DfT) to inform the allocation of capital funding for transport.

The long term transport strategy provides direction for this and subsequent 5-year Local Transport Plans (LTPs), which will also inform the development of the Local Development Frameworks and other local strategies.

The principles of LTP2 are to:

- set transport within the wider context;
- set locally relevant targets for outcome indicators;
- identify the best value for money solutions to deliver our targets; and
- set trajectories for key targets to enable greater transparency and rigour in assessing our performance.

WIDER CONTEXT

LTP2 supports the delivery of a wider set of objectives, from national and regional policy.

West Yorkshire is continuing to develop transport through partnership working and co-ordinated planning with other government sectors. This assists in contributing to wider community needs, through transport (e.g. health, education).

The recent national White Papers on Transport, Rail and Air Transport raise important issues for West Yorkshire including:

- sustained investment in transport;
- transport management improvements;
- planning ahead to manage and accommodate future pressures, making the best use of existing infrastructure;
- a change in the management of the rail industry and the need for local improvements to now focus on complementary measures (e.g. park and ride, joint ticketing etc); and
- supporting the growth of the North of England airports through surface access improvements.

West Yorkshire's role within the region is important in terms of the transport

improvements needed during LTP2 to meet the objectives and support the proposals in the various regional strategies. Economic growth and regeneration are central to the regional strategies.

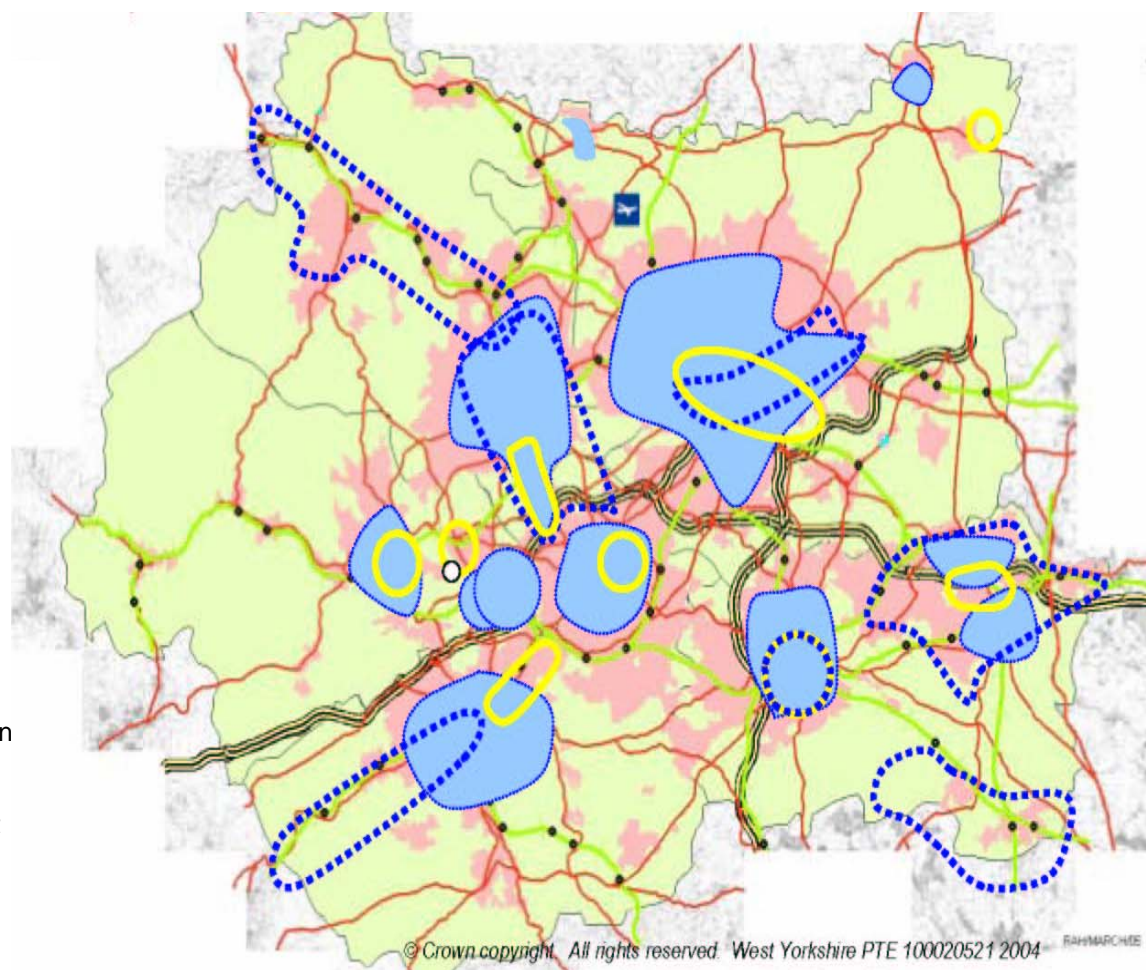
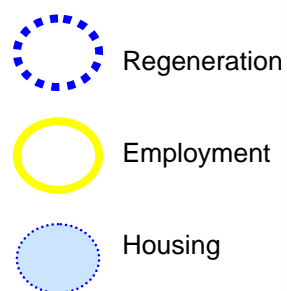
West Yorkshire provides 40% of employment in the Yorkshire and Humber Region (around 950,000 jobs).

West Yorkshire's growth is higher than that nationally and regionally (the working population has increased in the last ten years by 14% and the residential population by 3%). Leeds is the fastest growing UK city outside London and both Leeds and Bradford are identified in the Regional Economic Strategy (RES) (part of the *Regional Spatial Strategy for Yorkshire and the Humber to 2016*) as key cities for employment growth in the region.

The number and distance of trips in West Yorkshire is increasing. This is expected to continue with the forecast economic growth, and put greater demands on the local and strategic transport networks. Particularly through greater demand for local and cross-boundary trips in/out of West Yorkshire.

The figure opposite highlights the nominated economic growth and regeneration areas within West Yorkshire identified in RSS.

There are transport implications associated with these areas particularly in relation to the impact of more trips, the trend of increasing travel distances, increasing car ownership and rural accessibility for the proposed regeneration areas. The impacts include increased road congestion, overcrowded trains, accessibility issues and concerns for safety, health and the environment.



METHODOLOGY

A range of methods have been used to understand the local transport problems for West Yorkshire since LTP1. For example:

- consultation through workshops with the Local Strategic Partnerships, user and special interest groups, the West Yorkshire Economic Partnership, businesses, transport operators and partners;
- consultation through mail out and internet based questionnaires with the general public;
- the use of working groups with representatives from each of the district authorities and Metro, to consider particular issues;
- data analysis (including the use of casualty statistics, road safety audits, air quality monitoring information, the West Yorkshire Strategic Transport Model (STM), Accession (accessibility mapping software), Metro’s Public Transport Accessibility Model and market research data, congestion data, Census data, and survey data from the Civil Aviation Authority); and
- outcomes from the Strategic Environmental Assessment (SEA).

TRANSPORT OBJECTIVES

The LTP2 objectives have been developed from those in LTP1 and are consistent with national and regional policy.

Further sub-objectives have been developed for each strategy area.

To develop and maintain an integrated transport system that supports economic growth in a safe and sustainable way and enhances the overall quality of life for the people of West Yorkshire

Delivering Accessibility

- To improve access to jobs, education and other key services for everyone.

Tackling Congestion

- To reduce delays to the movement of people and goods

Safer Roads

- To improve safety for all highway users.

Better Air Quality

- To limit transport emissions of air pollutants, greenhouse gases and noise.

Effective Asset Management

- To improve the condition of the transport infrastructure.

DELIVERING ACCESSIBILITY

CONTEXT

Delivering accessibility is about tackling the barriers that people, particularly from disadvantaged groups and areas face in accessing transport, jobs and key services. Accessibility planning should ensure that barriers are identified and improvements made through better transport, working in partnership with delivery agents and delivering jobs and services where they are most needed.

Improving physical accessibility for people with disabilities and maintaining our road network for the movement of people and goods also delivers accessibility.

West Yorkshire is a large diverse area which makes delivering accessibility more challenging. Potential partners are numerous and vary within each sector and between each district authority area.

Our objectives

- **To improve access to jobs, education and other key services for everyone; and**
 - To improve accessibility for those people, services and facilities which have poor accessibility.
 - To broaden travel horizons and access to information.
 - To encourage planning for accessibility.

ISSUES

Transport has a key role in delivering accessibility and reducing social exclusion. 'Barriers' to accessibility include the following:

- long travel times;
- remote location of facilities and services;
- poor quality and level of public transport services;
- not having enough confidence to travel (travel horizons);
- lack of physical accessibility; and
- affordability.

We have used accessibility mapping software (Accession) and our in-house mapping package to measure travel time accessibility in West Yorkshire. Our initial results show generally high levels of public transport accessibility, although our maps suggest areas for further investigation.

CORE STRATEGY APPROACHES

Our full Accessibility Strategy and Action Plan are included in a separate appendix to LTP2. They have been informed by a process of awareness-raising, collation of local evidence and work with partners and service user representatives.

Our strategy approaches are to:

- A1** Improve physical accessibility by making public transport more accessible, improving the continuity and signage of cycle/walk routes;
- A2** Maintain and improve road, pavement and Rights of Way (ROW) conditions for pedestrians, cyclists, vehicle and freight users;
- A3** Minimise road weight and width restrictions;
- A4** Maintain and develop public transport networks through our bus and rail strategies;
- A5** Maintain and enhance concessionary fare schemes and address cost barriers for job-seekers;
- A6** Raise awareness of public transport and improve and target information and marketing; and
- A7** Embed accessibility in other strategies such as LDFs, and health, education, social services and leisure strategies.

Other accessibility issues include better integration of taxis into the public transport system and consideration of the links between LTP2 and emerging Surface Access Strategies (SASs) for airports in West Yorkshire and further afield.

TACKLING CONGESTION

CONTEXT

Congestion arises mainly from greater demands on the transport system than it can cope with. Economic growth and prosperity is leading to more journeys, of a greater average length, which result in increased car use together with increased congestion.

For LTP2 we have considered a length of road to be congested when the average speed of traffic is less than 70% of the prevailing speed limit. Using information obtained from vehicles fitted with global positioning devices and local knowledge we have identified specific locations on the highway network where congestion occurs.

Our objectives

- **To reduce delays to the movement of people and goods; and**
 - To encourage more journeys by public transport, walking and cycling particularly, in congested parts of the network.
 - To improve journey time reliability.
 - To make better use of highway capacity.
 - To reduce the demand for travel by car as a proportion of overall trips.

ISSUES

The main issues for West Yorkshire to address in LTP2 to tackle congestion are:

- journey time variability and delay for individuals and the movement of goods;
- the impacts of economic growth, regeneration and additional housing on future congestion levels; and
- managing congestion without having a detrimental effect on accessibility for other modes, e.g. pedestrians.

Additional issues include:

- economic impacts on businesses;
- impacts on air quality and the environment;
- motorway congestion being outside the direct control of district authorities; and
- non-road congestion issues, for example, difficulties caused by overcrowding on trains.

We have used the STM to provide an indication of the likely transport effects with and without the LTP2 strategy. Over the period of LTP2, but without intervention, indications show that levels of congestion will increase due to the impact of new developments and the forecast trends in car and bus use.

CORE STRATEGY APPROACHES

- C1** Encourage modal switch to public transport by;
 - encouraging more travel by bus and rail and improving ticketing and information.
- C2** Manage the demand for travel by;
 - management of car parking and reallocation of road space.
- C3** Make the best use of existing capacity by;
 - urban traffic management and control and the provision of information.
- C4** Improve the highway network by;
 - selective improvements and general highway maintenance.
- C5** Encourage more cycling and walking by;
 - dealing with existing barriers, promoting the benefits and integration with public transport
- C6** Promote smarter travel choices by;
 - workplace travel planning measures and car club schemes
- C7** Promote sustainable land use planning policies and practices

SAFER ROADS

CONTEXT

Improving road safety is a core theme in national, regional and local policy. The perception of safety is also important. Many of the more sustainable types of trips are discouraged by the notion that they are dangerous.

Our objectives

- **To improve safety for all highway users; and**
 - To reduce the number and severity of road casualties
 - To tackle problems facing vulnerable road users (including those in deprived areas)

The foundation of our approach to safer roads is the engagement with and the involvement of local people. This is to ensure they have choice in how they travel, and to be safe in their chosen form of transport, whether they are walking, cycling, riding, driving or travelling as a passenger.

The road safety work we do is based around the identification of trends in road injuries and the extensive analysis of road injuries related to road lengths, road junctions, local areas, road user groups and communities.

ISSUES

The main issues for West Yorkshire to address in LTP2 are:

- the number of people killed or seriously injured (KSI) that are pedestrians, motorcyclists and children (under 16);
- speeding (in terms of increasing the risk and severity of casualties, community severance, and discouraging walking, cycling and horse riding);
- road safety concerns which discourage people from using more sustainable modes of travel such as walking and cycling and so reduce quality of life;
- issues relating to the quality and maintenance of transport infrastructure; and
- locations with high numbers of casualties that require major financial investment.

Although we need to tackle these issues through LTP2, excellent progress has already been made in West Yorkshire. We are on track to meet the national targets for 2010, and are reducing the significantly higher incidence of casualties in deprived areas.

CORE STRATEGY APPROACHES

Our strategy relates to the Government's White Paper *Tomorrow's Roads Safer for Everyone* and recent three year review.

- S1** Provide an appropriate road environment with facilities for each user group;
 - surfaces should be well maintained with adequate crossing facilities and sufficient road space for all users.
- S2** Provide the relevant skills for driving, riding, walking and cycling;
 - all road users should be aware of risks and know how to use roads safely.
- S3** Promote awareness of road safety issues and the road user's responsibility for others;
 - a range of measures are used to promote road safety to road users.
- S4** Encourage the correct behaviour of all road users;
 - enforcement and non-enforcement measures are used to manage behaviour
- S5** Improve safety through new technologies that can reduce the risk of injury.

AIR QUALITY AND VEHICLE EMISSIONS

CONTEXT

Poor air quality can be one of the negative side-effects of motorised travel. It has proven adverse effects on human health and can also have wider effects on climate change and biodiversity.

More journeys are being made of a greater average length and associated increases in car use contribute towards road congestion. Once road congestion occurs emission problems are greatly exacerbated, leading to air quality deterioration.

Improving the standard of air quality is a priority from the European level down to the local level. The district authorities within West Yorkshire have been working together to address local air quality issues. LTP2 is an opportunity to further this work.

Our objective

- To limit transport emissions of air pollutants, greenhouse gases and noise; and
 - To mitigate and adapt to the effects of climate change

ISSUES

Road transport provides the most significant source of urban air pollution in West Yorkshire, contributing about 75% of emissions of nitrogen dioxide (NO₂) and 50% of emissions of fine particles (PM₁₀).

Key issues include:

- the declaration of 10 Air Quality Management Areas (AQMA) in West Yorkshire and more than 20 other Areas of Concern (AOC) identified
- the concerted work required with partners to deliver on initiatives identified in Air Quality Actions Plan (AQAPs);
- increases in traffic growth and congestion that are beginning to counteract the effects of a cleaner vehicle fleet;
- resolving conflicting priorities at economic development/regeneration sites with existing air quality issues;
- poor air quality making areas unattractive and deterring walking and cycling;
- more stringent air quality standards for particulate matter in the future; and
- the impact of weather and potential climate change on pollution levels.

CORE STRATEGY APPROACHES

Our long-term strategy for 'better air quality' has been influenced by the National Air Quality Strategy (2000). We have revised our strategy following an established review and assessment process. It currently has three main elements:

- AQ1** Traffic demand management measures, focusing on commuter journeys;
- AQ2** Encouraging more sustainable travel;
- AQ3** Actions to reduce vehicle emissions; and
- AQ4** Measures to adapt to the effects of climate change.

The actions proposed are aimed primarily at mitigation of AQMAs and AOCs, but there are also general air quality, greenhouse gas and noise improvements throughout the county.

The strategy also includes starting to deliver the following long term strategies in the Transport White Paper:

- properly integrating AQAPs into LTP2; and
- promoting better traffic management.

EFFECTIVE ASSET MANAGEMENT

CONTEXT

For all road users our transport system relies on transport infrastructure. In addition to roads and pavements this includes bridges, Rights of Way, bus stations, rail stations, traffic signals, bus shelters and stops, street lighting, car parks and road signs and lines.

An asset management system is needed to make the best and most effective use of these facilities.

Maintaining and improving the transport system can contribute to improving quality of life. A poor quality street scene and public transport infrastructure gives a negative impression of an area, impacts on people's perceptions and attitudes and can often increase feelings of insecurity. Well maintained footways for example can enhance the quality of journeys on foot and improve the visual amenity of an area.

Our objectives

- To improve the condition of the transport infrastructure; and
 - To manage the infrastructure more effectively.
 - To meet the needs of current and future transport users.
 - To mitigate and adapt to the effects of climate change.

ISSUES

Issues include:

- the high proportion of streets still requiring major improvement works;
- bridges which need strengthening to carry 40 tonne lorries;
- the backlog of maintenance to structures;
- damage to kerbs and footways;
- utility excavations which have a major impact on ride quality and asset life;
- the increased risk of flooding and subsidence due to strains on the highway drainage system;
- cyclists and motorcyclists who are particularly susceptible to poor quality and badly cleansed road surfaces;
- the poor quality of footways;
- ageing street lighting infrastructure;
- signal controllers, traffic signs and road markings which are at the end of their life;
- vandalism which strains resources and spoils the appearance of the area; and

- the high potential liability related to claims for slipping and tripping accidents and damage to vehicles

CORE STRATEGY APPROACHES

Transport infrastructure across West Yorkshire will be managed through Transport Asset Management Plans and LTP strategies. The long term maintenance strategy has 9 key elements:

- M1** Maintenance of roads and footways;
- M2** Strengthening and maintenance of bridges and walls and other highway structures;
- M3** Maintenance and operation of urban traffic control and Closed Circuit Television (CCTV) systems (on street and public transport);
- M4** Maintenance of lighting, signs and road markings;
- M5** Maintenance of bus stations, shelters and bus stops;
- M6** Maintenance of car and lorry parks;
- M7** Maintenance of Rights of Way (ROWs);
- M8** Winter maintenance; and
- M9** Reducing accident claims and making better use of resources and materials

OTHER BENEFITS

An objective of the Government's White Paper *The Future of Transport* is to balance the need to travel with the need to improve the quality of life, particularly by ensuring solutions meet long term economic, social and environmental goals. Improved quality of life is derived from a wide range of different elements. The transport strategies in LTP2 will provide a number of complementary benefits.

Improving the quality of public spaces and streetscapes

The physical environment will be enhanced by investment. Cycle routes and pedestrian facilities and similarly well maintained bus shelters and footways will contribute to improving the quality of public spaces. Such work complements community strategies across West Yorkshire.

Preserving and enhancing landscapes and biodiversity

Bridges and walls have been part of the landscape for centuries. Many structures are listed and of historic importance which requires careful lifecycle planning to preserve them for future generations. Victorian iron and later steel structures require regular maintenance and painting to enhance their surroundings and display their architectural magnificence.

Improving community safety and personal security and reducing crime

The Speed Management Strategy and other initiatives such as Home Zones complement community safety strategies and the neighbourhood renewal strategy by reducing the incidence of accidents and targeting measures in key areas to support vulnerable communities. The enforcement strategy in West Yorkshire is targeted to have the maximum impact on road injuries through the West Yorkshire Casualty Reduction partnership that operates safety cameras, and through local policing dealing with community concerns about road speeds.

Improving the health, sustainability and prosperity of communities

Our Region, our Health: Consultation Report by the Regional Public Health Group identifies that physical activity levels in our Region are amongst the lowest in England. Physical inactivity is an increasing problem and is directly linked to the continuing rise in obesity in the population. Initiatives such as safer routes to school and cycle training for children ultimately aim to influence travel behaviour and should lead to a subsequent increase in cycling and walking with associated health improvements.

Reducing transport related noise

Highway network improvements which expedite the movement of traffic to control congestion and route traffic away from residential areas reduce the impact of transport on the environment and the effects of air and noise pollution on surrounding local communities.

Contributing to climate change objectives and a reduction in greenhouse gases

Reducing congestion through the use of a package of measures to reduce single occupancy car use will lead to a reduction in vehicle emissions which will both improve air quality and assist in reducing the effects of climate change. For example making public transport more attractive, implementing specific initiatives such as 'Park and Ride', and making Rights of Way routes suitable for commuters will encourage more people to travel to work sustainably.

FUNDING AND THE FIVE YEAR IMPLEMENTATION PROGRAMME

PROJECTS USING LTP FUNDING

The DfT provides the Partnership with their main source of capital funding for investment in local transport.

In December 2005, the DfT confirmed the funding that would be allocated to West Yorkshire for 2006/07 and provided indicative funding guidelines for the years 2007/08 to 2010/11.

- £28.491m has been allocated to West Yorkshire for Integrated Transport for the period 2006/07. The planning guidelines for future years range from £27m in 2007/08 to £34m in 2010/11.
- £26.972m has been allocated for Maintenance in 2006/07 with an additional £6.338m for structures on the Primary Route Network. The planning guidelines for future years range from £27m in 2007/08 to £32m in 2010/11.

PROJECTS USING REVENUE FUNDING

The five year implementation programme includes projects funded through the local authorities' revenue income and other sources (e.g. private sector contributions). This funding is critical for the achievement of many of the LTP2 targets.

PROJECTS USING 'BONUS' FUNDING

During the course of LTP2 the DfT plans to allocate 'bonus' funding to high performing authorities. The DfT will allocate 'bonus' funding to high performing local authorities with 'very good' LTPs.

In addition to the five year implementation programme, LTP2 sets out projects that could be implemented with 'bonus' capital funding, and how the projects would enable LTP2 targets to be stretched or attained sooner.

PROJECTS USING 'MAJOR PROJECT' FUNDING

Major Projects are those that cost more than £5million. In addition to the programme, LTP2 indicates the types of Major Projects that may be bid for during the LTP2 period and beyond.

A long list of over 20 potential Major Projects has been appraised. This has been reduced to more realistic number of projects (reflecting the likely availability of DfT funding and the size of the West Yorkshire area) that will be sufficiently developed for submission during the LTP2 period and which best support the delivery of LTP2 objectives.

PROJECTS USING 'TIF' FUNDING

The new Transport Innovation Fund (TIF) was established by national government to support the costs of innovative, bold, and coherent transport measures – such as road pricing, measures to deliver modal shift, and better bus services.

Full TIF funding will be available for 'approved bids' from 2008/09 and indications from the DfT are that a mix of these proposals is expected.

Funding has been made available for the preparation of schemes in which the DfT has shown an interest. A submission relating to pump-priming funding was made to the DfT in October 2005. Unfortunately this was unsuccessful.

No decision on a future TIF bid has yet been made, though it is likely that a bid, or bids, will be made in the future.

FIVE YEAR IMPLEMENTATION PROGRAMME

LTPs can only be effective when their implementation plans broadly match the resources available to deliver those programmes. The five year implementation programme outlines how West Yorkshire will use the Integrated Transport and Maintenance capital funding provided by the DfT.

Summary Five Year Action Plan–LTP Capital Expenditure only

Scheme Category	Planned Expenditure (£000s)						Contribution to Shared Priorities					
	2006/07	2007/08	2008/09	2009/10	2010/11	Net Total	Delivering Accessibility	Tackling Congestion	Safer Roads	Better Air Quality	Effective Asset Management	Enhancing the Quality of Life
Bus Priority/HOV	4,308	3,592	3,101	4,118	4,779	19,898	✓	✓		✓		✓
Public Transport Interchanges	2,472	4,575	4,287	3,375	3,925	18,634	✓	✓		✓		✓
Park and ride	0	620	0	750	750	2,120	✓	✓		✓		✓
Bus infrastructure (exc. interchanges)	7,453	5,152	5,551	4,662	4,754	27,572	✓	✓		✓	✓	✓
Cycling Schemes	1,115	1,390	1,587	1,825	1,598	7,515	✓	✓	✓	✓		✓
Walking Schemes (inc. ROWs)	1,081	1,227	1,625	2,295	2,571	8,799	✓	✓	✓	✓		✓
Travel Plans	115	117	138	139	144	653	✓	✓	✓	✓		✓
Local Safety Schemes	2,806	2,297	3,357	2,839	2,664	13,963	✓		✓			✓
Safe Routes to School	1,050	1,050	1,040	1,065	1,140	5,345	✓	✓	✓	✓		✓
Road crossings	596	598	1,085	1,111	1,206	4,596	✓		✓			✓
Traffic Management and Traffic Calming	3,896	3,170	3,187	3,337	3,578	17,168	✓	✓	✓	✓	✓	✓
Local Road Schemes	200	840	943	1,590	1,990	5,563	✓	✓	✓	✓	✓	✓
Miscellaneous	3,399	2,518	3,360	4,413	4,832	18,522	✓	✓	✓	✓	✓	✓
Integrated Transport Total	28,491	27,146	29,261	31,519	33,931	150,348						
Roads and footways	17,921	18,244	18,842	19,438	20,427	94,872	✓	✓	✓	✓	✓	✓
Bridge and wall strengthening and maintenance	8,417	8,629	9,401	10,237	10,774	47,458	✓		✓		✓	✓
Miscellaneous	634	637	643	655	647	3,216	✓	✓	✓	✓	✓	✓
Maintenance Total	26,972	27,510	28,886	30,330	31,848	145,546						
Grand Total	55,463	54,656	58,147	61,849	65,779	295,894						

TARGETS

Local targets for the five years of LTP2 will be used to monitor progress towards meeting LTP2 objectives, and the underlying shared priorities.

The targets reflect key mandatory outcome indicators (defined by the DfT) and key local outcome indicators (specifically relevant to local needs and interests).

The local targets for West Yorkshire, and in some cases specific areas, reflect what West Yorkshire considers to be ambitious but realistic, given the available funding and resources.

Where appropriate, some of the local targets are National Targets (e.g. for safer roads), minimum targets specified by the DfT, stretched targets suggested by the DfT or related to DfT Public Service Agreement (PSA) targets.

LTP2 identifies the key actions of local government and local partners needed to achieve the targets. Consideration has been given to the principal risks to the achievement of the targets and how these will be managed.

For each target LTP2 includes graphs (with trajectories and annual milestones) to show how progress is expected to occur.

LTP2 Targets

Key Outcome Indicators		Local Targets to 2010/11	Relevant Shared Priority
Mandatory M1	Accessibility target (LTP1)*.	Ensure that 89.5% of households without access to a car are within 30 minutes of a hospital by public transport by 2011.	Delivering accessibility
Mandatory M2	Bus punctuality (LTP5)*.	Increase bus punctuality to 95% by 2010/11 for all registered services with a year on year reduction in Excess Waiting Time for Frequent services	Delivering accessibility; Tackling congestion
Mandatory M3	Satisfaction with local bus services (BVPI 104).	Increase bus satisfaction to 59% by 2009/10 and 68% by 2015/16.	Delivering accessibility; Tackling congestion;
Mandatory M4	Cycling (annualised index of cycling trips) (LTP3)*.	A 10% increase in overall cycling levels by 2010/11.	Delivering accessibility
Mandatory M5	Average journey time per person mile on key routes	Process of target setting still ongoing – awaiting DfT data and guidance. To be finalised by July 2006.	Tackling congestion
Mandatory M6	Change in peak period traffic flows to urban centres (LTP6)*.	Traffic growth in urban centres in the morning peak period (0700-1000) from 2003/04 to 2010/11 to be restricted to : Bradford 3% Halifax 3% Huddersfield 3% Leeds 3% and Wakefield 3%	Tackling congestion; Better air Quality
Mandatory M7	Mode share of journeys to school (LTP4)*.	Setting of target on hold until DfES data available in 2007.	Tackling congestion
Mandatory M8	Public transport patronage (BVPI 102).	A 5% increase in bus patronage by 2010/11.	Tackling congestion
Mandatory M9	Total KSI casualties (BVPI 99).	A 40% reduction in the number of people KSI from the 1994/98 average by 2010 (National Target), stretched to a 30% reduction from the 2002-2004 average by 2010.	Safer Roads
Mandatory M10	Child KSI casualties (BVPI 99).	A 50% reduction in the number of children KSI from the 1994/98 average to 2010 (National Target), stretched to a 40% reduction from 2002-2004 by 2010 (related to PSA)	Safer Roads
Mandatory M11	Total slight casualties (BVPI 99).	A 15% reduction in the number of people slightly injured from the 2002-2004 average by 2010.	Safer Roads

EXECUTIVE SUMMARY

Key Outcome Indicators		Local Targets to 2010/11	Relevant Shared Priority
Mandatory M12	NO ₂ annual average concentration in designated Air Quality Management Areas (AQMA's).	A 10% reduction NO ₂ in the Leeds AQMA's. Targets will be set for other AQMA's as they are declared during LTP2	Better Air Quality
Mandatory M13	Change in area wide road traffic (LTP2)*.	No more than a 5% increase in 16-hour weekday traffic flows, weighted by road length, at a representative sample of sites from 2003/04 levels by 2010/11.	Better Air Quality
Mandatory M14	Principal road network where maintenance work should be considered (BVPI 223, formerly BVPI 96).	Reduce the percentage of the principal road carriageway network where maintenance should be considered, from 36% in 2004/05 to 27% by 2011.	Effective Asset Management
Mandatory M15	Non principal road network where maintenance work should be considered (BVPI 224a, formerly BVPI 97a).	Reduce the length of the non-principal classified carriageway where maintenance work should be considered, from 13% in 2003/04 to 5% by 2011.	Effective Asset Management
Mandatory M16	Unclassified road network where structural maintenance should be considered (BVPI 224b, formerly BVPI97b).	Reduce the length of the unclassified carriageway network where structural maintenance should be considered, from 16% in 2003/04 to 9% by 2011.	Effective Asset Management
Mandatory M17	Footways where structural maintenance should be considered (BVPI 187).	Reduce the percentage of footway Category 1, 1a and 2 networks where structural maintenance should be considered from 24% in 2003/04 to 14% in 2011.	Effective Asset Management
Local L1	Satisfaction with LTP funded public transport facilities.	Increase satisfaction with LTP funded public transport facilities to 90% by 2010/11.	Delivering accessibility
Local L2	Cycling trips to urban centres during the morning peak.	A 20% increase in cycling trips to Leeds, Wakefield and Halifax centres during the AM peak (0730-0930) by 2010/11.	Tackling congestion
Local L3	AM peak period mode split to urban centres.	Reduce the proportion of car-based trips into central Leeds from 57% to 55% by 2010/11. No increase in car mode share in Bradford, Halifax, Huddersfield and Wakefield.	Tackling congestion
Local L4	Peak period rail patronage.	Increase peak time rail patronage on local train services into Leeds by 20% to 2010/11.	Tackling congestion

EXECUTIVE SUMMARY

Key Outcome Indicators		Local Targets to 2010/11	Relevant Shared Priority
Local L5	Patronage on QBC's.	Increase in bus patronage above the West Yorkshire patronage baseline on QBC's.	Tackling congestion
Local L6	Number of pedestrians KSI in road traffic collisions.	A 50% reduction in the number of pedestrians KSI from the 1994/98 average by 2010, and stretched to a 30% reduction from the 2002-2004 average by 2010.	Safer Roads
Local L7	Annual road traffic emissions of NOx across West Yorkshire principal road network.	A 20% reduction in NOx from 2004/05 to 2010/11.	Better Air Quality
Local L8	Annual road traffic emissions of CO ₂ across West Yorkshire principal road network.	No increase in CO ₂ emissions from 2004/05 to 2010/11.	Better Air Quality
Local L9	Structures with weight and/or width restrictions.	To reduce temporary restrictions on council owned bridges to 1.5% from 4.3% in 2004/05.	Effective Asset Management
Local L10	The number of bus shelters that meet modern standards .ie. have seating, lighting and/or heating and are wheelchair accessible	95% of bus shelters to meet modern standards by 2010/1.	Effective Asset Management

* (LTPx) refers to the designation given in the DfT LTP Guidance for mandatory indicators that are not BVPIs

STRATEGIC ENVIRONMENTAL ASSESSMENT

A Strategic Environmental Assessment (SEA) has been undertaken to examine the environmental effects of LTP2 strategies and programmes and to influence the development of LTP2 to ensure that sustainable development is promoted throughout the process.

SEA is a new requirement for LTPs. An Environmental Report has been produced documenting the findings of the SEA, and LTP2 identifies how the SEA process has influenced the Plan and improved its environmental performance.

The strategies and programmes have been developed so that the environmental effects are either beneficial or any negative impacts are kept as small as possible.

Key stages in the SEA process include Scoping and the final Environmental Report.

THE SCOPING PROCESS

The SEA scoping process played an important role in identifying the best performing environmental option of the alternative LTP2 overarching strategies.

Five alternative LTP2 strategies were developed each comprising of a specific group of transport policy instruments. Each of the alternatives satisfied the LTP2 objectives but placed emphasis on different

policy areas. These alternatives were assessed against the SEA objectives.

The Scoping Report was distributed to the statutory consultees (English Nature, English Heritage, Environment Agency and Countryside Agency) for comment. Comments from this consultation have been incorporated into the SEA as appropriate.

THE ENVIRONMENTAL REPORT

An Environmental Report is required under the SEA regulations to provide a detailed account of the SEA process. This has built upon the findings of the Scoping Report and the process has included:

- The prediction of any significant environmental effects of the Plan and its alternatives, and evaluation of the predicted effects to direct refinement of the Plan to better meet sustainable development principles;
- Mitigation measures for consideration to be included in the Plan;
- A wider consultation (statutory/non-statutory consultees and all other interested parties) of the SEA Environmental Report, to enable relevant comments to be assessed and improvements incorporated within LTP2; and

- A framework to monitor the environmental effects of the Plan's implementation in order to determine whether its effects are as anticipated, and therefore inform future revisions to the monitoring programme / SEA of future plans.

Based on this information, an independent judgement has been made on the strategic significance of the LTP2 environmental effects and whether appropriate mitigation, or enhancements could be introduced to improve the performance of LTP2. The findings indicate that there are further opportunities for environmental improvement and these will need to be investigated during the period of LTP2.



Leeds
CITY COUNCIL

Agenda Item:

Originator: M Farrington

Tel: 22 43816

Report of the Director of Development

Executive Board

Date: 17 February 2006

Subject: LEEDS CITY COUNCIL'S SHAREHOLDING IN LEEDS BRADFORD INTERNATIONAL AIRPORT

Electoral Wards Affected:
Otley & Yeadon

Specific Implications For:

Ethnic minorities

Women

Disabled people

Narrowing the Gap

Eligible for Call In

X

Not Eligible for Call In

(Details contained in the report)

EXECUTIVE SUMMARY

This report considers the Council's 40% shareholding in Leeds Bradford International Airport (the Airport). The report outlines the increase in passenger numbers in recent years and in turn the growing contribution that the Airport makes to the sub region. However, in recognition of increased competition in the aviation market, the Airport's need for sustained capital investment across all of its service areas and the likely impact on future dividend returns to shareholders, the report concludes that the Airport's future success would be best served by a change in the current ownership model. In consideration of the issues outlined and in light of the informal views expressed by the other shareholding authorities, the report recommends that the Council agrees to participate in a majority or outright disposal of the Airport Company and progresses with the appointment of consultants to project manage the disposal, subject to sufficient other shareholding authorities similarly agreeing to participate. In order to progress a majority disposal, either the other major shareholder (Bradford) or at least two of the minor shareholders would need to agree to participate. It is hoped that all authorities will agree to participate at least to the point that financial advice is received and a copy of this report has been provided to the other West Yorkshire authorities for their consideration. A final decision on the precise form of the disposal to be progressed will be determined following advice from the consultants to be retained to identify the potential financial benefits that might accrue through either a majority or outright disposal.

1.0 Purpose Of This Report

- 1.1 To update Executive Board on the progress made in determining the future of Leeds City Council's shareholding in the Airport and to obtain approval to Leeds City Council's participation in a majority or outright disposal of the Airport Company in partnership with other participating Shareholders.

2.0 Background Information

- 2.1 Members of Executive Board will recall that they considered a report concerning the Council's interest in the Airport in November 2005. The report considered the Council's shareholding in the Airport in the context of:

- the ownership profile of the Airport;
- the current and projected performance of the Airport Company;
- comparisons with other airports;
- an assessment of the main issues facing the aviation market.

- 2.2 For completeness and for the benefit of the other shareholders, the background information presented to Executive Board in November is represented below.

- 2.2.1 **Ownership** - the Airport is wholly owned by the five West Yorkshire local authorities. The share allocation is as follows:

Table 1: Share allocation of LBIA

Local Authority	Shareholding %
Bradford	40
Calderdale	6 $\frac{2}{3}$
Kirklees	6 $\frac{2}{3}$
Leeds	40
Wakefield	6 $\frac{2}{3}$
Total	100

Leeds and Bradford councils both have six directorships allocated, with Kirklees, Calderdale and Wakefield retaining one each. The chairmanship of the company alternates between Leeds and Bradford every two years.

- 2.2.2 **Performance** - Like many airports, the Airport has experienced strong growth in passenger numbers in recent years, notwithstanding the downturn experienced following the 11 September 2001 terrorist attack and its impact across the aviation industry.

Passenger numbers have grown from 0.6m per annum in 1991 to 2.4m per annum in 2004 and the Airport attracted 2.6m per annum in 2005. Moreover, over the last three years a growth in passenger numbers of 72% has been experienced. Growth in passenger numbers is forecast to continue, with the DfT forecasting 6.7m passengers per annum by 2030. Airport management is currently forecasting circa 8.2m passengers per annum by 2030. The recent growth experienced has been largely caused by the increased use of the Airport by low cost carriers, which is a general trend experienced by many regional airports across Europe.

Linked to the long term growth in passenger numbers, the airport has remained profitable. Table 2 below details the Airport's operating profit after tax from 2001/02 - 2004/05.

Table 2: LBIA operating profit after tax

Year	2001/02	2002/03	2003/04	2004/05
Operating Profit £000's	1,657	943	1,793	692

As can be seen from the information above, pre-tax profits have remained variable since 2001/02, after the September 2001 terrorist attack and changes in duty free legislation.

Dividend payments made to the Council as a major shareholder are detailed in Table 3 below.

Table 3: Dividend payments made to Leeds City Council

Year	2001/02	2002/03	2003/04	2004/05
Dividend payment £000's	156	90	168	78

The increased volume of low cost carriers using the Airport has impacted on the nature of the Airport's operation and the mix of revenue streams which support the business.

As a consequence of the above, the Airport's future profitability is largely dependent on its ability to continue to generate significant passenger growth and optimise its commercial revenue through secondary spend. Access to capital to invest across all service areas will be key to achieving this success.

2.2.3 Comparisons with other airports - The Civil Aviation Authority reported that in 2004 Leeds Bradford International Airport was ranked 15th in the UK in terms of passenger throughput, in contrast to the City being the fourth largest in the UK in terms of population. In terms of passenger numbers, the closest comparables are Aberdeen with 2.6m passengers per annum and Prestwick with 2.1m passengers per annum.

With regard to Core City comparisons Leeds Bradford International Airport is significantly smaller in terms of passenger throughput per annum than, Manchester (21m), Birmingham (8.8m), Newcastle (4.7m), Bristol (4.6m) and East Midlands (4.4m). Although it is noted that LBIA has developed a good spread of business routes and compares favorably with Bristol and East Midlands in this respect.

Passenger growth is expected to be strong across all regional airports in the North of England as detailed in Table 4 below.

Table 4: Passenger forecasts for regional airports in the North of England

Airport	Passenger Numbers (m) 2000	Passenger Forecast (m) 2015	Passenger Forecast (m) 2030
Teesside	0.7	2.0	3.0
Humberstone	0.4	0.8	1.6
LBIA	1.6	4.0	6.7
Liverpool	2.0	5.5	8.6
Newcastle	3.1	6.3	9.0
Finningley	0.0	7.0 ¹	-

Strong growth in the volume of passengers in regional airports in the North of England is expected to be replicated across the whole of the UK as regional airports increase their share of the total market from 31% in 1991 to 42% by 2015, at the expense of hub airports.

Within the UK, Leeds Bradford International Airport is the only airport that is both wholly in public ownership and also not part of a consortium.

2.2.4 The aviation market - As a consequence of relaxations in the European airline market it has already been highlighted that there has been a significant growth in low cost carriers. Low cost carriers carried less than 1% of European passengers in 1991 as opposed to 24% by 2004. This growth is expected to increase to beyond 40% by 2010.

Within the low cost sector greater consolidation has occurred with Ryanair and Easy Jet now accounting for 85% of low cost air traffic. This has resulted in an increase in their bargaining power in the industry and a greater ability to drive down landing fees.

In terms of airports, Leeds Bradford International Airport is expected to continue to compete for passengers in certain market sectors with Manchester. According to DfT figures there has been a significant leakage from the Yorkshire and Humber catchment with 75% of passengers using airports outside of the region. However, the Airport's management advises that this trend is beginning to be reversed due to the significant passenger growth over the past 3 years at LBIA and Finningley starting operations in April 2005.

In addition, the ownership of regional airports in the north of England has become more consolidated over time. Peel Holdings now own Liverpool, Teesside and Finningley. Also The Manchester Airport Group owns Humberstone and East Midlands (along with Bournemouth), whilst Newcastle Airport is operated by Copenhagen Airport, which in turn is now controlled by Maquarrie Bank who hold a majority stake and have holdings in Bristol and Birmingham Airports. As a consequence of this consolidation and in view of private investors seeking a return on their capital, the competition between airports is likely to increase.

¹ Source DfT's figures and Finningley's last known forecast

From the Government's perspective, the recent White Paper on the future of Air Transport in the UK, has acknowledged the role of regional airports and their potential to grow. Specifically for Leeds Bradford International Airport, the White Paper has supported the continued growth in the airport to 6.7m passengers per annum by 2030 and highlighted the potential for terminal expansion and a possible runway extension. Such growth is based on a continuation of the active intervention by airport companies, but the DfT did not include a forecast for Finningley in the White Paper. Peel Holdings has made clear their intentions to challenge the status quo through their ownership of Finningley.

In summary, it is apparent that, both in terms of carriers and airport operators, the industry is becoming increasingly dominated by larger players in the market, who are specialists in their sector and are investing capital for long term growth. In this context Leeds Bradford International Airport's future success will be dependent on its ability to maintain profitability over the longer term and invest in its infrastructure in an increasingly competitive marketplace.

3.0 Main Issues

3.1 Based on the background information presented it is evident that there are a number of issues to be addressed by the Airport Board and which are significant to the Council as a major shareholder. In summary form, the main issues to highlight are as follows:

- The need for the Airport to deliver sufficient capital investment to enable its commercial revenue to grow, to improve its passenger facilities and address runway maintenance issues over the medium term.
- The continued growth of low cost carriers and their impact on the aviation industry.
- The need for Leeds Bradford International Airport to increase its commercial revenue to offset any reduction in its landing fee income.
- The consolidation of regional airports in the marketplace and the possibility that Leeds Bradford International Airport may be exposed as a small player in the regional and national aviation markets.
- The need for the airport to have access to the right expertise in capital and project planning and execution to deliver the infrastructure changes required.
- The need to improve surface access, which may well become a constraint on growth in the future.
- The fact that Leeds Bradford International Airport is now one of a dwindling number of European airports operating as a sole player in the marketplace at a time when strategic investors are seeking long term opportunities in the airport sector.
- The increased competition between airports to attract new services and airlines.

3.2 In addition to the above, the Council also has to consider the implications of the European Commission's ruling in 2004 on the charges made by Charleroi Airport to Ryanair. In effect, the European Commission ruled that state aid was being received by Ryanair from the Belgian Government, which has a majority stake in the Airport, in the form of discounted landing fees. This ruling may have long term implications for other regional airports which are in majority public ownership.

3.3 In light of the issues identified above it is considered prudent at this time to examine the Council's aspirations for the airport, to assess the future of the Council's shareholding, and to explore the options available.

3.4 Before considering any future action with regard to the Council's shareholding, it is necessary to clarify the current and future motivation for maintaining an interest in the Airport. In considering this point, it is postulated that there are two reasons for the Council's involvement.

4.0 Rationale for Council involvement

4.1 Primary Objective - Firstly, the Airport has strategic importance to the economy of the sub region and is closely linked to the Council's strategic outcome to make Leeds a highly competitive International City and to the objective of 'Going up a League'. This objective will probably be similar for the other shareholders with respect to their local economies. Indeed, it is difficult to see how the Council's strategic outcome could be fully achieved without Leeds Bradford International Airport continuing to grow, thrive and exceed DfT expectations.

4.2 In considering the above it is noted that the West Yorkshire councils have not invested any flexible capital into the Airport in recent years. From an investment perspective they have acted as passive shareholders, with the Airport's capital programme being financed by the cash reserves and borrowing capacity of the Airport Company. Whilst the Airport Company has worked hard to achieve the step growth in passengers that have been achieved, in order for the Airport to maintain change in that performance, it is recognised that additional capital may need to be injected into to the Company over and above its existing borrowing capacity. Currently, Leeds City Council has no proposals to invest its flexible capital into the Airport Company and it is understood that this is the position of the other shareholders.

4.3 In view of this situation, officers conclude that an ownership model that is based wholly on the current five local authority shareholders is not the most appropriate model to optimise the Airport's future success and its contribution to the economy of the sub region.

4.4 Secondary Objective - The second area of the Council's interest is financial either in terms of the value of its shareholding, or in terms of dividend payments that support the annual revenue budget. The annual dividend payments to Leeds as a 40% shareholder since 2001/02 have been shown elsewhere in this report. However, the scale of the dividend payments received are not considered to reflect an appropriate rate of return relative to the shareholders funds in the Airport Company and indeed for many years the Airport's shareholders declined dividends so that all of the Airport's profits could be reinvested in the business. Dividend payments for 2004/05 amounted to £0.195m, which contrast to a net asset value of £36.45m in the 2004/05 accounts. The net asset value does not reflect the true worth of the company in terms of its future earning potential and is, therefore, considered to be an underestimate of the company's true worth. However, even using this low value, the annual return on investment being realised by the shareholders is only some 0.53%.

- 4.5 Given that the Airport is a going concern, its sale value would be considerably more than £36.45m. The officer conclusion is that the Council is currently realising a low return on its investment. In partnership with the other shareholders, Leeds City Council could seek a larger dividend each year that would better reflect an appropriate return on the capital employed. However, it has already been identified that the Council has no plans to invest capital into the Company and, therefore, any proposals to increase dividend payments would only serve to limit the capacity of the Airport Company to invest in its infrastructure. The shareholders would be limiting the growth potential of the Airport Company and effectively working against the primary reason for their involvement. In the short to medium term, even the low level of dividends received in recent years is unlikely to be paid as the Airport has an extensive programme of investment in new facilities such as apron extensions. Rather, it is likely that profits will need to be reinvested in the business.
- 4.6 Officers therefore conclude that the current financial return of the Airport is not sufficient on its own to merit a continued shareholding in the company as an investment asset.

5.0 Option Appraisal

- 5.1 In recognition of the issues identified above, a number of high level options have been identified for consideration by Executive Board. With particular regard to their ability to deliver the primary objective outlined. The options presented are:
- **Do nothing** – Under this scenario the Airport Company would continue to operate as it does currently and be responsible for generating and delivering its own capital investment. The Council would continue to take a dividend as determined by the Airport Board, although over the next few years it is unlikely that any dividend would be paid for the reasons outlined in paragraph 4.5.
 - **Increased Investment by the Shareholders** – This option is largely similar to the do nothing option, other than the local authority shareholders would invest their own capital into the Airport Company over and above any capital generated by LBIA.
 - **Concession** – A concession would result in the Airport Company ceding the operation of the Airport to a private operator for a defined period of time, probably in the region of 25 years. In return the private operator would make annual lease/concession payments, and/or pay an up front premium. The shareholders would still retain ownership of the airport's assets through the Airport Company.
 - **A minority disposal** – This would entail the disposal of shares up to 49% and might also include a technical services agreement, which would govern the provision of any facilities management type services by the strategic investor.
 - **A majority disposal** – In practice this would be a disposal of between 51% and 74% of the shares in the Airport Company. Under this scenario the minority shareholders (the councils), would still maintain some influence over the Company through a seat at the Board and by maintaining certain 'blocking rights' over changes to the constitution of the company. However, the control of the Company in terms of its day to day and strategic management would rest with the majority stakeholder.
 - **An outright disposal** – Under this scenario the shareholders would dispose of all of their shares in the Airport Company and Leeds City Council's influence over the future direction of the Airport would rest solely with its position as the Statutory Planning Authority.

5.2 In considering the options identified above the following factors have been identified as the primary criteria for evaluation:

- Economic impact
- Optimising any capital receipt over the long -term
- Value of future dividends/rent
- Financial stability of the company
- Ability to deliver a capital investment programme
- Ability to deliver route development

5.3 Each of the six criteria identified above have been evaluated on a seven point scale from -2 to +4, where -2 equals significant negative value and +4 equals significant positive value. The summary results of this initial evaluation of the non-quantifiable benefits are detailed in the table below.

Table 5: Option Appraisal Matrix

	Do Nothing	Council Investment	Concession	Minority disposal	Majority disposal	Outright disposal
Economic Impact	-1	1	1	1	2	2
Capital Receipt	0	0	2	2	3	3
Dividend	0	1	1	1	1	-1
Financial Stability	-1	0	1	1	2	2
Capital Investment	1	2	2	1	3	3
Route Development	2	2	2	2	3	3
Total	1	6	9	8	14	12

5.4 As can be seen from the assessment undertaken above, it would appear that either a majority or outright disposal of Leeds Bradford International Airport are the most appropriate options to progress to ensure that the Airport continues to meet the Council's objectives. However, officers recognise that further work is required on the value of the company and the merits of a majority disposal as opposed to an outright disposal. It is therefore proposed that either a majority, or an outright disposal of the Council's shares in the Airport Company be identified as the preferred options to consider at this stage. These two options are considered to have a number of advantages as outlined below:

- the ability to secure a strategic investor that will put capital into the Airport's infrastructure including its passenger facilities and commercial areas.
- the greater bargaining power that the Airport will have in the aviation market through its strategic investor.
- a majority or outright disposal will be attractive to the market.
- the likelihood that the sale of a majority/outright stake will maximise the value per share for the councils.

5.5 The decision on whether to progress with a majority or outright disposal will be determined in the context of:

- the views of the other shareholders and their willingness to participate.
- the financial advice from the retained consultants and the potential for an enhanced receipt, should any shareholder retain a 'golden share' for the medium term, which it may choose to dispose of at a later date.

5.6 In support of the assessment detailed above, a commentary is provided in Appendix 1.

5.7 In light of the above and to enable Members to properly consider the potential for a disposal of Airport shares, officers of Leeds City Council have held preliminary discussions with the other shareholding authorities. Based on these discussions, officers are able to advise that there is the potential to offer at least a majority disposal (greater than 50%) of the Airport Company to the market, with the possibility of a 100% disposal, if all authorities agree to participate.

6.0 Risk Assessment

6.1 In terms of the primary risks to the Council, they can be split into two areas, namely:

- Risks to the Council of not progressing with the disposal.
- Risks to the Council of progressing a majority or outright disposal.

6.2 **Risks to the Council of not progressing with the disposal** - In terms of the risk exposure to the Council from not progressing with a disposal, this needs to be considered in the context of the Airport as the Council's largest single investment. The assessment of the aviation market and the performance of the Airport Company in recent years, highlights the exposure to the Council of maintaining a shareholding in a wholly owned Airport Company. The Council and its fellow shareholders:

- have a weak position in the international aviation market and have insufficient influence and in-house expertise, in what is becoming an increasingly consolidated market place, dominated by a relatively small number of national and international players.
- are exposed to international events that can impact on the aviation market, which is not the core business of the Local Authority.
- will need to determine the extent to which they are willing to support the Airport's future investment in its infrastructure. If the shareholders are unwilling to invest in the Airport Company then there remains the risk that the Company will not optimise its performance and could, in relative terms, slip backwards in comparison to other regional airports with access to private capital. Without further investment, the Airport's ability to continue its rapid growth, thrive and exceed Dft expectations may be seriously restricted impacting negatively on the economic potential of the city, sub-region and wider region.
- will need to acknowledge that the Airport will remain exposed to the continuing pressure on landing fees and in turn its revenue flow, as a consequence of the increased dominance of low-cost carriers in the market. By retaining ownership, the shareholders will, ultimately, continue to own this risk to their investment

6.3 **Risks to the Council of progressing a majority or outright disposal** – With respect to this course of action there are a number of risks to consider which are summarised below:

- The Council may not receive sufficiently attractive offers to merit a disposal at this time.
- There is a downturn in the aviation market during the disposal process.

To mitigate the above risks, the disposal programme will be split into three phases so that it can be curtailed at key points in the process and any abortive fees limited as much as possible.

6.4 Should a disposal be progressed there are the following risks to consider:

- The sale to the preferred bidder is called in by the Competition Commission. Officers will need to be mindful of this risk during the selection process. As the aviation market becomes more consolidated, the prospect of intervention by the Competition Commission increases. The prospective purchase of Exeter Airport by Macquarie Bank was recently called in by the Competition Commission. To manage this risk, officers will seek guidance from the chosen consultants.
- The Airport is purchased by an organisation that wants to asset strip the company and not develop the Airport business. It is envisaged that, through a competitive process the end purchaser will have paid a sum in excess of the existing net asset worth of the Airport Company and the prospect of the Company being broken up and disposed of is therefore considered to be low risk. Established regional airports are understood to be highly sought after in the aviation industry and through soft market testing and unsolicited approaches to date, officers are aware of interest from established airport operators.
- The strategic investor fails to deliver the investment required to enable the Airport Company to optimise its potential for growth. To manage this risk, officers will seek to ensure that bidders submit robust business plans as part of the disposal process and, with the assistance of the chosen consultants, assess the capacity of bidders to finance their investment projections.

6.5 If Members are minded to move to the next stage, as recommended in this report there is a need to progress in a timely manner. The factors which support a timely disposal are:

- the impact that international events can have on the aviation industry. Members will be aware of the downturn in the aviation industry following the terrorist attacks of the 11 September 2001. Until a disposal is completed, the Council's shareholding will continue to be at risk of events outside of its control which might cause a downturn in the industry.
- the uncertainty placed over the future of the Airport during a disposal. As a going concern the Airport Company has development and investment decisions to make to enable its long term growth projections to be achieved. A protracted disposal process, during which time its future ownership is uncertain, is not considered to be in the best interest of the Airport Company and in turn its shareholders.

7.0 Proposal

7.1 In view of:

- the assessment presented of the merits of continuing to maintain a shareholding in Leeds Bradford International Airport;
- the outcome of preliminary discussions with the other shareholding authorities.
- the risks associated with maintaining a shareholding;

7.2 it is proposed that the City Council agrees to participate in a majority, or outright disposal of the Airport Company. A decision to progress with an outright or majority disposal will be finalised following financial advice from consultants appointed to project manage the disposal on the shareholders' behalf.

7.3 In order to progress this recommendation, it is proposed that, subject to a majority of shareholders making formal decisions to participate in a disposal, consultants are appointed to advise on the disposal and undertake the project management of the delivery of a capital receipt from this point forward. In order to optimise the potential receipt available, it is considered important to retain the services of a consultant who has past experience of airport disposals, knowledge of the aviation industry and the ability to package the Airport Company ready for disposal.

7.4 Given the relatively low volume of airport disposals that take place there are only a few consultancies with recent experience of airport disposals. It is therefore proposed that the shareholders initiate a procurement process to select an appropriately qualified consultant to act on their behalf. The cost of financial and legal consultancy for this exercise is likely to exceed the threshold of the European Services Directive, which currently stands at £145,000. The time scale for completing a procurement exercise through the OJEU process is estimated at 5 months, which in light of officer concerns about an extended disposal period, is considered to be too long.

7.5 In order to reduce the time taken to appoint consultants, officers propose to use the Office of Government Commerce's existing S-Cat framework which has already been subject to an OJEU process. This framework includes the five consultancies that have recent experience of UK airport disposals and it is anticipated that, by using this process, consultants could be appointed by April 2006. To ensure that the shareholders can curtail the disposal exercise at key points in the process, it is proposed that it is broken down into three phases as outlined below:

- financial advice (after which all participating authorities will be able to take a view on their inclusion in either a majority or outright disposal)
- Preparation and marketing up to the receipt of offers
- Acceptance of an offer through to completion

8.0 Implications For Council Policy And Governance

8.1 The proposals outlined in this report support the City Council's strategic outcome, to make Leeds a highly competitive, international city, including our priorities to create a leading city in Europe which has an international reputation.

9.0 Legal And Resource Implications

- 9.1 The disposal of shares in the Airport Company will deliver a capital receipt for the Council. In terms of the timing of the receipt, officers are unable at this stage to advise with any certainty whether the receipt will be received in 2006/07, or 2007/08 until a detailed timetable for disposal has been developed by the chosen consultants.

With regard to the size of the receipt forecast, again officers will be able to give detailed advice once the chosen consultants have completed their financial advice. Notwithstanding the above, the value of the Airport Company as a going concern is expected to be greater than the net value of the Company as stated in its published accounts 2005, (£36.45m).

- 9.2 The participating shareholders will need to finance the appointment of legal and financial consultants to project manage the disposal. It is proposed that the cost of this exercise will be charged as fees to the purchaser over and above the capital receipt. In order to give certainty over the eventual cost officers propose that a fixed fee should be sought for completing each stage of the disposal.
- 9.3 In addition to the above, given that there will be up to five shareholders participating in the disposal, it is recognised that there will be a requirement for a project co-ordination function. The project co-ordination role will ensure that the interface between the chosen consultants and the participating shareholders is effectively administered throughout the life time of the project. Subject to the agreement of the other shareholders Leeds City Council is able to fulfill this role. The estimated cost to the Council for undertaking this role is circa £25,000. It is proposed that this cost is charged to the purchaser as part of the disposal fee over and above the capital receipt.

10.0 Conclusions

- 10.1 Leeds Bradford International Airport constitutes one of Leeds City Council's most valuable investments. For a number of years the City Council, in partnership with the other West Yorkshire Districts and the Airport Company, has played an important role in the growth and success of the Airport resulting in it becoming a highly significant asset for the sub-region. It is felt, however, that there will be a number of issues to face in the coming years that call into question whether it can fulfill its full potential under the existing ownership structure. In terms of its ongoing success, this report concludes that the Airport would be best served by the introduction of a strategic investor who could optimise the potential for growth in an increasingly changing and international market and in this context, deliver the ongoing capital investment needed at the Airport. To achieve this outcome it is proposed that the Council participates in a majority or outright disposal of the Airport Company in partnership with one or more of the other shareholders.

11.0 Recommendations

11.1 Members of Executive Board are asked to approve that:

- Leeds City Council participates in a majority or outright disposal of its shares in the Leeds Bradford Airport Company;
- the decision to participate in a disposal be subject to a decision by one or more of the other shareholding authorities to dispose that enables at least 51% of the Company to be offered to the market;
- the City Council, in partnership with the other shareholding authorities, procures appropriate financial and legal advice to project manage the disposal;
- the precise form of the disposal to be progressed will be subject to financial advice from the retained financial consultants and will be reported back to Executive Board at a later date;
- the cost of financial and legal advice are charged to the purchaser as fees over and above the final capital receipt;
- subject to the agreement of the other participating shareholders, Leeds City Council undertakes the project co-ordination function for the disposal and charged to the purchaser as part of the disposal fees..

11.2 Executive Board is asked to note the proposal to procure financial and legal advisers through the Office of Government Commerce's existing S-Cat framework.

11.3 Executive Board is also asked to note that this report has been shared with the other shareholding authorities to aid them in their decision making on this matter.

Background documents:

1. Strategic advice on the Council's shareholding in Leeds Bradford International Airport by Price Waterhouse Coopers (Exempt/confidential under Access to Information Rules 10.4 (9))
2. Leeds Bradford International Airport Company Accounts 2004/05

Appendix 1

	DO NOTHING	COUNCIL INVESTMENT	CONCESSION	MINORITY DISPOSAL	MAJORITY DISPOSAL	OUTRIGHT DISPOSAL
ECONOMIC IMPACT	Growth in passenger numbers would continue, although may not be optimised in the absence of sufficient capital investment	Marginally better than 'do nothing' but West Yorkshire Council's ability to find capital limited.	Some potential to improve economic impact but reliant upon commitment of concessionaire to invest as opposed to setting low risk return on capital.	From a legal perspective still a public sector owned company. Therefore impact may be limited. Hybrid involving concession to private sector shareholder could offer advantages.	Offers the potential for optimised growth in the Airport and consequent impact on the local economy. Potential to improve league table placing more likely. Considered to be an attractive option by the market.	
CAPITAL RECEIPT	No disposal so no capital receipt.		Potential for premium but with the consequent reduction in annual concession payments to the districts. (Value of concession fixed – various capital receipt/rent combinations)	Capital receipt forthcoming but value per share would not be maximised (maximum value achieved when disposing of 51%+)	Optimised capital receipt value per share and the opportunity to gain a further receipt at a later stage by sharing in the Airport's future success	Initial capital receipt receivable, although no potential for a further receipt as part of a phased disposal which seeks to gain from the Airport's future success.
DIVIDEND	Need for Airport Company to generate its own funds for capital investment would mean that there may be no dividends in the short term.	Potential for a greater dividend over the longer term on the back of improved performance following capital investment.	Linkages to size of premium taken as per above. A higher premium would probably translate into buyer dividends	Limited dividend likely to continue to be payable	Dividend likely since private sector partner needs to declare dividend to take its financial return. May equal or exceed current dividends receivable.	No dividends receivable
FINANCIAL STABILITY	Airport Company would probably continue to deliver an operating profit over the longer term, but changes in the aviation market would remain a risk to the shareholders	Improved capital investment might give a pro-rata increase in operating profit to make the company more stable over the long term.	Input of third party investor likely to improve financial stability above the do nothing option		Strong growth potential most likely to combat external risk factors in aviation market	
CAPITAL INVESTMENT	Limited capital investment possible based upon Company's own resources. Borrowing complicated by public sector ownership issue.	Limited by 5 districts ability and appetite to invest	This would be a condition of the concession contract. The more onerous the demands by the districts the greater the impact upon the capital receipt/rent receivable	Potential for increase but enthusiasm of partner likely to be reduced since no control over dividend/financial return	Private sector investor most likely to be incentivised to make substantial investment given majority shareholding	
ROUTE DEVELOPMENT	The Airport's management would continue to develop new routes in consultation with airline operators	Some potential for improved route development on the back of capital invested.	Uncertain to what extent concessionaire could be incentivised to improve route development, but some improvement possible	Uncertain to what extent private sector partner could be incentivised to improve route development, but some improvement possible through group activity	Private sector needs to have a commitment to route development even when financial returns are strong. Some improvement possible through group activity	

Report of the Director of Development

Executive Board

Date: 17 February 2006

**Subject: LEEDS UDP REVIEW – RESPONSE TO THE INSPECTOR’S REPORT AND
PROPOSED MODIFICATIONS**

Electoral Wards Affected:

ALL

Specific Implications For:

Ethnic minorities

Women

Disabled people

Narrowing the Gap

Eligible for Call In

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

EXECUTIVE SUMMARY

1. The City Council’s Unitary Development Plan was adopted in 2001. Following changes to key areas of national planning policy (including housing), a selective review of the Plan (the UDP Review) has been undertaken.
2. A formal Public Inquiry into the UDP Review closed in June 2005 and the Inspectors Report (IR) was received by the City Council in November 2005.
3. In considering the Inspectors recommendations, a series of reports have been presented to the Development Plan Panel and the purpose of this report to Executive Board is to determine the Council’s response to the IR and where appropriate, to agree Modifications to the Plan.
4. Subject to Executive Board’s consideration and approval of the proposed Modifications, these will be subject to a 6 week period of formal consultation, commencing in February 2006.
5. Following consideration of any representations received to the Modifications, it is a key priority to adopt the UDP Review prior to the formal introduction of the Strategic Environmental Assessment (SEA) Directive and in order to continue to progress the Local Development Framework (the new style of Development Plan introduced by the Planning & Compulsory Purchase Act).

1.0 PURPOSE OF REPORT

- 1.1 Following the adoption of the Leeds Unitary Development Plan (UDP) in August 2001, the City Council embarked upon an early and selective review of the plan (the UDP Review). Following consultation and Public Examination of the UDP Review document, the purpose of

this report is to determine the Council's response to the UDP Inspector's Report (IR), and where appropriate, to agree Modifications to the Plan.

- 1.2 The report provides an overview of the main recommendations of the Inspector's Report and recommends how, in broad terms, the City Council should respond to these recommendations. The report also explains the legislative background to the UDP Review and outlines the remaining stages leading up to the Plan's adoption
- 1.3 **Appendix 1** of this report provides a schedule of the Modifications to the Plan which have arisen from consideration of the Inspector's Report and which are recommended to be placed on public deposit. **Appendix 2** lists those recommendations where the Council proposes to reject a recommendation of the Inspector. **The detailed schedule of amendments which comprise these appendices is available for inspection upon request from the clerk named on the front sheet of the agenda.** The schedule of Proposed Modifications will be placed on the Council's web site as part of the formal deposit period which will run from Monday 27th February to Monday 10th April (a six week period).
- 1.4 Due of legislative changes, to be formally introduced by the Strategic Environmental Assessment (SEA) Directive – July 2006, it is a key priority to adopt the UDP Review by this date. Failure to do so will mean that the UDP Review will need to undergo an assessment regarding its compliance with the SEA Directive. This is likely to cause further delays to adoption and frustrate efforts to move the Local Development Framework process forward in line with Local Development Scheme milestones and targets. Within this context and prior to adoption (and in meeting the Development Plan Regulations), it is necessary to consult on further Modifications to the UDP Review as detailed in the remainder of this report.

2.0 BACKGROUND

The Public Inquiry and receipt of the Inspector's Report

- 2.1 The UDP Review Inspector's Report (IR) considers objections made to the Leeds UDP Review First Deposit (placed on deposit in June 2003) and the Revised Deposit (which was placed on deposit in February 2004). The Public Inquiry into these objections was held between July 2004 and June 2005. The Inspector's Report was received on 23 November 2005.
- 2.2 In order to comply with Development Plan Regulations, the Council had to make the Inspector's Report available for public inspection within 8 weeks of its receipt. However, given the considerable interest in the outcome of Inquiry from Council Members, the development community and the public, the report was made available well within this deadline. The report was sent to Ward members on 29 Nov. 2005 and was placed on the Council's web-site on 30 November. Copies were also made available for inspection at those places where the proposals were placed on deposit, (including all local libraries). Complimentary copies of the Report were sent to Members of Parliament and all town/parish councils. In addition, everyone who had made earlier representations on the Plan was informed of the receipt of the Inspector's Report and advised where to see it or how to obtain a copy.

Relevant Development Plan Regulations

- 2.3 It is important to note that the UDP Review has been prepared under the 'old' Development Plan Regulations and not the 'new' regulations that were introduced by the Planning & Compulsory Purchase Act 2004.
- 2.4 Paragraph 4 of Schedule 8 of the Planning and Compulsory purchase Act 2004 provides that where an inspector was appointed to hold an Inquiry prior to the 28th September 2004, as in this case, Chapter 1 of Part 2 of the Town & Country Planning Act 1990 will continue to have effect.
- 2.5 The Town & Country Planning (Transitional Arrangements) (England) Regulations 2004 provides that, in those circumstances, the TCP (Development Plan) (England) Regulations 1999 continue to have effect without amendment. Further guidance is provided by Planning Policy Guidance Note 12 (PPG12).

- 2.6 Within this context, Members may reject recommendations made by the Inspector but it is important to note that there needs to be very sound planning reasons for doing so.
- 2.7 In essence the Council is now required to:
- a) consider the IR and prepare a statement setting out the Council's response to the Inspector's recommendations and in particular to give reasons for any recommendation that it is proposed to reject (Regulation 27 (1));
 - b) prepare a list of Modifications giving the reasons for the proposed changes (Regulation 29 (1)); and
 - c) make the statement available for public inspection (Regulation 27 (2)) and place the Modifications on deposit for formal representation (Regulation 29 (2)).
- 2.8 The Regulations also set out the arrangements for publicising the deposit of the modifications and for notifying individuals (the Council is required to write to all those who have made representations on the Plan).
- 2.9 The IR has been considered in detail by the Development Plan Panel, which has met on 4 occasions since December (6th Dec. 2005, 3rd & 24th Jan. and 7th February 2006). The outcome of the Panel's deliberations is reflected in the schedule detailed in **Appendix 1**, which covers each of the Inspector's recommendations, in Chapter order. The schedule comprises two columns. The left hand column sets out the Inspector's recommendation; the right hand column includes the Council's response and any consequent modification to the UDP Review (First & Revised Deposit). Also included are a small number of Proposed Modifications not related to the IR. These are derived from Inquiry Changes (IC) where there were either no objections or where objections were withdrawn as a result of the IC and were therefore not covered by the Inspector's Report. Plans are included where the Modification involves a change to the Proposals Map.

3.0 RESPONDING TO THE INSPECTOR'S RECOMMENDATIONS

- 3.1 This is a key responsibility as the Council's response to the recommendations will determine the scale and nature of any Modifications and the likelihood of a second Inquiry. At its meeting on 6th December 2005, the Development Plan Panel agreed that a guiding principle in the consideration of the Inspector's recommendations should be the aim to achieve an adopted plan as soon as possible and to minimise the prospect of a second inquiry. This reflects government guidance. Planning Policy Guidance Note 12 (PPG12) emphasises that local authorities should progress their plans to adoption as quickly as possible.
- 3.2 PPG12 (para.20) also states that where recommendations are rejected the Council "must provide clear and cogent reasons for not doing so." If this advice is not heeded, the Council's decision would be open to legal challenge. At the Modifications stage objections can also be made to the Council's failure to accept a recommendation (Regulation 27(4)). Consequently, although the Authority is not obliged to accept the Inspector's recommendations there is an expectation that the majority will be accepted.
- 3.3 In the event, the Panel has accepted the majority of the Inspector's recommendations. The areas where the Council has rejected one of the Inspector's recommendations are summarised in section 5.0 below. Section 4 below summarises the key headlines arising from his recommendations.

4.0 SUMMARY OF MAIN RECOMMENDATIONS

- 4.1 The main issues arising from the IR concern the amount and strategic location of land allocated for housing development; monitoring and phasing policies; affordable housing; student housing, PAS policy and the protection of employment land (Policy E7).

Housing Strategy

- a) The Inspector recommends a change to the phasing of housing development within the plan period to:
- 2003 to 2008 (it is currently was up to 2011)
 - 2008 to 2012
 - 20012 to 2016
- The Inspector recommends trigger mechanisms to determine when Phases 2 and 3 begin and when greenfield land will begin to be developed in Phase 2.
- b) His reasoning for reducing Phase 1 from 2011 to 2008 is that, as well as marking an earlier milestone at which to assess progress and the possible need for greenfield development, it relates better to likely adoption of the next Regional Spatial Strategy and the preparation of the new style development plans in the LDF.
- c) The Inspector does not support a major urban extension such as East Leeds Extension before using 'structural infill sites' or smaller, less obtrusive urban extensions. He comments that it would be a waste of resources to provide extensive new infrastructure and facilities in such a larger extension when existing facilities could be used first to cater for smaller allocated sites. He therefore, recommends that ELE be moved to the newly proposed Phase 3 and its release made subject to clear tests of need. However, he also concludes that land at Grimes Dyke and Red Hall, proposed for inclusion in ELE, can be considered independently of the larger proposal. He therefore recommends that these two sites form part of the new Phase 2.
- d) He recommends the deletion of Thorp Arch from the UDP and that East of Otley and Micklefield Strategic Housing sites should be included in Phase 3 and not Phase 1.
- e) As a consequence of this approach, it is recommended that 10 greenfield sites are brought forward from Phase 3 into Phase 2, for release if the supply of brownfield sites falls to an unacceptable level.
- f) The Inspector rejects the Council's policy H5B that accepted greenfield windfall development on small-scale 'infill' sites. In the Revised Deposit of the UDP Review, "small scale" was defined as up to 4 dwellings. He objects to the policy on the basis that no greenfield development should be accepted unless it is required owing to an insufficiency of brownfield land supply.

Affordable Housing

- 4.2 The Inspector rejects the proposition that Thorp Arch and East of Otley (EoO) would have an important role in providing higher levels of affordable housing in the Rural North of Leeds.
- 4.3 Instead, he recommends that a more comprehensive approach should be taken to the provision of affordable housing throughout the District and that a consistent and higher percentage target of 25% should be sought throughout the District on eligible sites.
- 4.4 This recommendation introduces a proposal which was not included at First or Second Deposit. Therefore, if the Council were to accept this recommendation it is likely to lead to a second Inquiry and a delay to the Plan's adoption. The Panel has therefore agreed that this recommendation should be rejected. The existing policy has a range of 15 – 25% so it is already possible to request 25% affordable housing where required.

Student Housing

- 4.5 The Inspector has rejected the concept of ASHORE (Area of Student Housing Restraint), arguing that the problems created by a concentration of students living in and around Headingley cannot be tackled through the planning system and would not ameliorate the problems encountered to any significant extent.
- 4.6 However, he does express support for the Council's aim of seeking to maintain a reasonable range of housing to meet different needs and thereby help sustain a balanced community. He therefore recommends that policy H15 is replaced by a criteria based policy on proposals for student accommodation that would seek to achieve a more balanced community, related to the ASHORE, but re-cast as an area of housing mix. The key element of this change however, is his recommendation that planning permission will be granted for housing intended for occupation by students', subject to defined criteria aimed at protecting the stock of family houses and residential amenity. His recommendation is predicated on a belief that this will also improve the quality and variety of student housing. The Inspector also recommends the area, (i.e. that proposed in ASHORE) be extended to include Kirkstall Hill, Beckett Park Campus, Lawnswood and Moor Grange. The Panel has recommended acceptance of these changes.
- 4.7 The Inspector endorses policy H15A in seeking to encourage provision of student housing more widely in the City but, recommends that it be re-drafted in a more proactive form, identifying specific areas suited to such housing and setting out criteria designed to maximise the benefits it would bring. The Panel has accepted the criteria suggested by the Inspector to identify suitable areas for student housing but has rejected that part of his recommendation which asked the Council to 'list' such areas. In order to comply with this recommendation the Council would have had to carry out extensive research and consultation and the 'list', once produced, is very likely to generate objections and demands for a second inquiry. It also seems unnecessary given the criteria-based policy.

Protected Areas of Search

- 4.8 This is perhaps one of the most controversial aspects of the IR is that associated with the Council's proposals to return 'Protected Areas of Search' (PAS) to the Green Belt or other open space designation. PAS was originally placed in the Plan to reserve land for possible use beyond the Plan period. With the exception of the sites which comprise East Leeds Extension, (now placed in Phase 3), the Inspector has rejected the Council's rationale for putting PAS sites back into the Green Belt. He has not accepted the Council's argument that changes to national guidance since the last Inquiry, together with a sufficiency of housing and employment land, comprise exceptional circumstances that justify the deletion of PAS policy. The Inspector's view is that PAS should be retained in its entirety in order to maintain the permanence of Greenbelt boundaries and to provide some flexibility for the City's long-term growth and development.
- 4.9 The Inspector therefore recommends that, subject to some detailed changes to the supporting text, policy N34 be carried forward unchanged so that the PAS strategy can be comprehensively reviewed as part of the LDF. The Development Plan Panel expressed disappointment and serious concern at the Inspector's recommendation. However, whilst disagreeing with the Inspector's reasons and conclusions, the Panel accepted his recommendations on PAS at both a strategic and site-specific level.

Policy E7 (Protection of Employment Land):

- 4.10 The Inspector has not supported the Council's proposals to tighten Policy E7 in order to stem the 'leakage' of employment land. He concluded that introducing into policy E7 the Council's proposed criteria on a mixed-use development would render it unreasonably restrictive compared with national guidance on re-use of surplus employment land for housing as advocated in PPG3, as amended. Development Plan Panel has accepted his recommendation that the policy is re-drafted to reflect the guidance in PPG3 and to give the policy a positive emphasis.
- 4.11 It is important to note that the Council can still exert control on the loss of employment land and premises with the existing Policy E7 and Clause 3 of PPG3 (para 42a) which states that

local planning authorities should consider favourably planning applications for housing or mixed use developments which concern “buildings in industrial or commercial use, but which is (or are) no longer needed for such use.”

5.0 REJECTED RECOMMENDATIONS

- 5.1 As might be expected given the approach outlined in para. 3.1, the Panel recommends acceptance of the great majority of the Inspector’s recommendations. Out of a total of 128 recommendations it is proposed to reject 7, (5.4%). However, in some of these, the Panel accepted the main gist of the Inspector’s recommendations but have rejected some of the detail, as explained in para 5.2 below.
- 5.2 Particular emphasis has been given in Panel reports and discussion on those recommendations that it is proposed to reject. A list of the Proposed Alterations where the Inspector’s recommendation is rejected (in whole or in part) is attached to this report as Appendix 2. Rejected recommendations may also be identified in the schedule attached as Appendix 1 as those which are shaded. However, it is important to note that a recommendation has been classified as rejected even where only one element of what may be a lengthy and complex recommendation is affected. The reasons for the rejections are fully set out in the schedule and vary according to the particular circumstances of the case. However, some rejected recommendations do have common elements:
- (i) Where acceptance of the Inspector’s recommendation would involve significant additional work which is impractical in the available timescale and would delay adoption of the Plan. For example, in relation to Policy H15A (student housing) and Policy R4 (Community Involvement).
 - (ii) Where acceptance of a recommendation would introduce matters that were not debated at the Inquiry and which, if published as a Modification, are likely to lead to calls for a second Inquiry.
- 5.3 It is considered that the Panel has identified valid and cogent planning reasons to support the rejections of the Inspector’s recommendations.

6.0 MODIFICATIONS PROCESS – THE NEXT STEPS

- 6.1 In summary, and subject to the approval of the Executive Board, the next steps are: **1)** production and deposit of Modifications for public comment; **2)** consideration of representations; and **3)** adoption the Plan. This last stage may involve further modifications and if necessary a second Inquiry. However, as noted above, the Council should seek to avoid the prospect of a second inquiry. The need for a second public inquiry will arise at this stage if, in response to the Proposed Modifications, objections raise issues that were not covered/debated at the original inquiry. This is not an opportunity for objections to be made to the original policies and proposals of the First or Revised Deposit UDP Review.
- 6.2 The Modifications have to be advertised and placed on deposit for a 6-week period to allow for representations to be made. The Council has a duty (Regulation 18(d)) to notify all those who have made representations on the Plan (that have not been withdrawn) and such other persons as the authority thinks fit.
- 6.3 As at earlier stages of the Plan process, a significant response to the modifications can be anticipated. The public’s response will need to be analysed and considered by the Council. There are then a number of outcomes:
- (i) publish further modifications in response to representations received;
 - (ii) hold a second public inquiry where representations raise significant new issues; and
 - (iii) proceed to adopt the Plan if either of the above is deemed unnecessary.

- 6.4 The decision as to whether to arrange a second inquiry rests with the Council. However, it needs to be noted that any person aggrieved by a plan who questions its validity can apply (on certain grounds) to the High Court under Section 287 of the 1990 Act to have the Plan (or a part of it) quashed. An application must be made within 6 weeks from the first advertisement of the notice that the Plan has been adopted. If the Council has unreasonably declined to hold a second inquiry, then this could form the basis of such a challenge.
- 6.5 The High Court has the power to wholly or in part suspend the operation of the Plan either generally or in so far as it affects the property of the applicant pending the challenge. It is unlikely, however that the Court would make an order suspending the operation of the whole of the Plan in the event that there is a site-specific challenge that does not raise fundamental issues going to the heart of the Plan.
- 6.6 Following adoption of UDP Review this will then need to be merged with the Adopted Plan (2001) to create a single Written Statement and Proposals Map. The aim is to succeed in securing the Plan's adoption by July 2006.

7.0 RECOMMENDATIONS

Executive Board is recommended to:

- i). Note the contents of this report,
- ii). Approve the schedule and plans referred to in paras. 2.9 & 2.10, as the Council's statement setting out its response to the Inspector's recommendations,
- iii). Agree that the Modifications to the UDP Review (First and Revised Deposit) contained in the schedule be placed on deposit for formal consultation.
- iv). Agree with the Development Plan Panel recommendation (made at the Panel meeting on 24 January), that officers be instructed to bring forward suggestions as to how the Authority can return PAS land to Green Belt prior to 2016 and suggest ways of safeguarding green field and PAS land from development generally.

Appendix 1

Schedule of Modifications

Appendix 2

List of UDP Review Inspector's Recommendations rejected by the City Council

Report of the Director of Development

Executive Board

Date: 17th February 2006

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

Electoral Wards Affected:

Armley, Farnley, and Wortley, Pusey, City and Hunslet, Burmantofts and Richmond Hill, Gipton and Harehills, Killingbeck and Seacroft, Crossgates and Whinmoor

Specific Implications For:

Ethnic minorities

Women

Disabled people

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In

(Details contained in the report)

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 Bus priority measures have been previously approved along Tong Road and Wellington Road (£651k) which will form part of this showcase Route. The proposed £2.5 million joint LCC/Metro funded redevelopment of Pudsey Bus Station will also cater for the FTR vehicle and take two existing stops off Church Lane
- 2.3 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).



- 2.4 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.
- 2.5 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). This is line with measures being progressively introduced more widely to facilitate level boarding of low floor buses.



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);
- iv) minor alterations to the existing carriageway alignment are required at the Pudsey Waterloo terminus to enable the FTR to turn round effectively. A detailed review of the longer term requirements will be undertaken once the FTR vehicles are in operation
- 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, Armley and City & Hunslet 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 54 bus stops. Approximately 230 addresses spread over four separate wards have been written to.

4.4 Bus Operators: First Group has written to LCC and confirmed to the Leader of the Council their commitment to the introduction of the FTR vehicle on this corridor

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.

Previous total Authority to Spend on this scheme	TOTAL	TO MARCH 2005	FORECAST				
			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 2005	FORECAST				
	£000's	£000's	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 2005	FORECAST				
	£000's	£000's	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.

9.3 Continuing consultation with First Group and Metro during the design stage of the highway works will reduce the risk of operational problems and promote the successful introduction of the FTR vehicle on this corridor.

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.

Not for Publication: Appendix 1 Exempt / Confidential under Access to Information
Procedure Rules 10.4 (7, 8 & 9)

Report of the Director of City Services

Executive Board

Date: 17th February 2006

**Subject: Leeds Street Lighting PFI Project – Submission of the Final Business Case
and Execution of the Contract**

Electoral Wards Affected:

All

Specific Implications For:

Ethnic minorities

Women

Disabled people

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In

(Details contained in the report)



EXECUTIVE SUMMARY

The report informs Members of the work of the Street Lighting PFI Project Board in securing the procurement of a PFI contract to maintain the entire stock and to replace approximately 80% of the street lighting columns in Leeds over a five year Capital Investment Period and undertake further replacements during the life of the Contract with a total capital value of over £100m. The Project will assist the City Council to deliver its strategic objectives in developing partnerships with the private sector to reduce crime and the fear of crime and improving road safety. The signing of this PFI Contract, programmed for mid-March 2006, will fulfil Activity Number 6 stated in the Corporate Plan in contributing to safe, clean, green and well maintained neighbourhoods.

This report also advises on the current status of this work, the financial implications for the Council, and recommends that Members support the decision of the PPP / PFI Co-ordination Board to submit the Final Business Case to the Department for Transport in advance of the meeting of this Executive Board. Members are also recommended to create the appropriate delegated arrangements for the approval and execution of the Contract, as set out in the recommendations contained in Section 6 of this report, subject to the satisfactory completion of the necessary negotiations; to a satisfactory report from the Council's Legal Advisers, and to the approval of the Department for Transport to the Final Business Case.

1.0 PURPOSE OF THE REPORT

- 1.1 To outline to Members the key features of the Street Lighting PFI Project and to seek approval to the proposed resolutions required to take the Project through to contract signature.

2.0 BACKGROUND

- 2.1 On 12th May 2004, Members of Executive Board endorsed the submission of an Outline Business Case for the replacement of street lighting columns and illuminated signs in Leeds. This Project is the largest Street Lighting procurement in the United Kingdom and the time taken to procure it from the approval the Outline Business Case through to Financial Close, programmed for mid-March 2006, some 18 months, is the shortest of any Street Lighting PFI Project to date. Members should be aware that the Project remains on programme and within budget.
- 2.2 Subject to the approval of Members, the Street Lighting PFI Project will be the sixth signed PFI Project within the City. The capital investment procured through these signed contracts and those currently in procurement is:

Education Sector	£m
Cardinal Heenan High School	9
Two Secondary and five Primary Schools	38
10 Primary Schools	36
Five Secondary and one Primary Schools	97
14 Secondary Schools in Wave 1 of the BSF Programme	249
	<hr/>
	429
Social Housing Sector	
Swarcliffe	113
Social Services	
Independent Living Accommodation for People with Learning Difficulties and People with Mental Health Problems	42
Access to Services	
Joint Service Centres	15
Transport	
Street Lighting	105
	<hr/>
	704
	<hr/>

In addition to these Projects, Members will be aware that Central Government has initially set aside PFI credits for the Little London Social Housing and the "New Leaf" Leisure Centres Projects that are anticipated to attract approximately £100m of further capital investment into the City.

- 2.3 The City Council submitted an Expression of Interest (EOI) to the Department for Transport on 30th July 2003 for £90.3m of PFI credits for the replacement and maintenance of street lighting in the City. The Department for Transport (DfT) gave initial approval and requested a detailed Outline Business Case to be submitted to them prior to any approval to commence procurement of the Project.
- 2.4 In May 2004, Members of Executive Board gave approval for the submission of the Outline Business Case (OBC) for the PFI Project. The Department for Transport formally approved the Outline Business Case on 28th September 2004 and reserved PFI Credits amounting to £94.6m for this Project.
- 2.5 At their meeting on 12th May 2004, Members also agreed the management arrangements for the procurement of the Project and Terms of Reference of the Street Lighting PFI Project Board. In addition Members also agreed to provide Delegated Powers to the Project Board which included all stages of the procurement through to the selection of the Preferred Bidder for this Project. These Terms of Reference and Delegations have been amended with the approval of the Governance arrangements for PPP / PFI Projects, approved by Executive Board on 9th March 2005 and 13th October 2005. The authority and powers to enter into a Contract with the Preferred Bidder is reserved to Members of Executive Board.
- 2.6 The following are the individual stages in the procurement process determined by the Project Board:

i)	OJEC Notice	20 th October 2004
ii)	Pre Qualification Questionnaire	10 th December 2004
iii)	Invitation to Negotiate Shortlist	26 th January 2005
iv)	Stage 1 of the ITN process	February to July 2005
v)	Stage 2 of the ITN process	August to November 2005
vi)	Preferred Bidder selection	2 nd December 2005.

All stages of the procurement are duly recorded, approved (and available for inspection) in the reports to and minutes of the Street Lighting PFI Project Board and the PPP / PFI Co-ordination Board and in accordance with the Constitution.

- 2.7 The outcome of the procurement process was that on 2nd December 2005, the Tay Valley Lighting Consortium was selected as the Preferred Bidder for this Project, subject to the agreement of a satisfactory Preferred Bidder letter, which was signed by the City Council and the Tay Valley Lighting parties on 19th December 2005.
- 2.8 The Project is now at the Final Business Case (FBC) stage. The Department for Transport must approve the FBC for the City Council to secure the release of the Notional Credit Approvals prior to financial close and contract signature. A copy of the FBC (which is Exempt / Confidential under Access to Information Procedure Rules 10.4 (7, 8 & 9)) can be obtained from the Clerk to this Executive Board.
- 2.9 The Tay Valley Lighting Consortium comprises:
- i) The PFI Contractor will be the company established specially for the Contract, to be known as Tay Valley Lighting (Leeds) Limited. The shareholders in this Special Purpose Vehicle will be the Royal Bank Leasing Limited and Scottish and Southern Energy PLC.
 - ii) Southern Electrical Contracting Limited, (a wholly owned subsidiary of Scottish and Southern Energy PLC) will be the sub-contractor to provide the design, installation, operation and maintenance services for the Project.
 - iii) Royal Bank Leasing Limited, a wholly owned subsidiary of the Royal Bank of Scotland, is the senior lender for the Project.

- 2.10 The programme for the Project is, in part due to the adverse financial implications for the City Council if Financial Close is not achieved by 31st March 2006 and as such it is necessary to report to Executive Board at a time when (at the point of writing this report), the negotiations with Tay Valley Lighting and the conclusion of contract documents are anticipated to take a further four to six weeks to complete. As a result of this, it is possible, but not anticipated, that matters may arise in the remaining negotiations that affect the positions as reported and recommended in this report.
- 2.11 It is proposed that the decisions recommended in this report are exempt from call in by reason of urgency, because any delay in implementing the decision would seriously prejudice the Council's interest. Entry into the contract is programmed for mid March and must take place before 31st March 2006 to avoid a significant reduction in the level of PFI Revenue Support Grant. If the report were called in for scrutiny and any issues were identified requiring further information this would resort in approval not being in place within the tight timetable. This would impact on the affordability of the Project to the City Council.

3.0 SUMMARY OF VARIATION IN THE REQUIRED WORK SINCE 12TH MAY 2004

- 3.1 The overall objectives of the Project since the approval and submission of the Outline Business Case in May 2004 have not changed in that the scope of the Project, as determined on the recommendation of the Director of City Services, involves a replacement programme of street lighting and to improve lighting levels and to replace illuminated traffic signage over an initial five year Capital Investment Period (CIP) and the lifecycle replacement (where required) of additional columns during the operational period of the Contract and the maintenance of all of the stock over the life of the Contract. The scope of the work specifically excludes public footpaths maintained by Learning and Leisure, all roads that are maintained by the Highways Agency, private roads and areas of land not in the ownership of the City Council. However, where public lighting on unadopted highways has already been adopted these will be maintained and replaced.
- 3.2 The detailed scope of the Project is influenced by the continued development of the inventory of the current lighting stock and the technical solution proposed by Tay Valley Lighting, and recognises that Street Lighting in the City will continue to be replaced on a rolling programme up to 31st March 2006.

The technical solution proposed by Tay Valley Lighting is based upon a white light approach for residential areas, which equates to approximately 80% of the Project, based predominately on the use of the new technology developed by Philips known as the "Cosmopolis" light source which produces near true light with low energy consumption. The Contractor is proposing to use a conventional High Pressure Sodium (SON) light solution on traffic routes; industrial and commercial areas and the lighting of urban centres and public amenity areas.

The table below compares the estimated position set out in the Outline Business Case, which assumed a traditional light solution to the more advanced technical solution known as "Cosmopolis". The "Cosmopolis" technical solution requires 6% less lighting columns to meet the City Council's Output Specification than are currently installed in Leeds and 20% less than assumed in the Outline Business Case. The solution needs higher capital and lifecycle costs per unit than for a more traditional lighting solution but gives rise to fewer lamp "outages" or failures, which should result in a more reliable service. Fewer columns produce less street clutter than has historically been necessary.

The Contract is structured so that the PFI Contractor takes the risk that energy consumption may be higher than estimated, whilst the price risk per kWh remains with the City Council. The provision of the electrical energy supply will be market tested should the City Council

decide that Tay Valley Lighting (Leeds) Limited is to be responsible for energy procurement following the completion of the existing energy supply contract in 2007.

EQUIPMENT	OUTLINE BUSINESS CASE		TAY VALLEY SOLUTION	
	Installed	Removed	Installed	Removed
Five Year CIP				
Lighting columns	94,955	79,130	73,694	79,734
Illuminated Traffic signs	10,735	10,735	11,161	11,161
Post Five Year CIP				
Lighting columns	6,265	6,265	6,137	6,139
Illuminated Traffic signs	6,676	6,676	-	-

4.0 MAIN ISSUES

- 4.1 This section of the report outlines some of the main issues covered within the PFI Project Agreement which is the Contract for this Project. The appendix referring to Finance is Exempt / Confidential under Access to Information Rules 10.4 (7,8 & 9).
- 4.2 **Project Outline:** The scope of the Project is outlined in paragraph 3.2, above. To achieve this requires a street lighting replacement programme, in partnership with the private sector, who will be required to design, install, maintain, operate and finance the new street lighting infrastructure from 1st July 2006 through to the completion of the Contract on 30th June 2031. The project will be delivered through the terms of the Private Finance Initiative and the private sector partner will be required to take on the associated risks and responsibilities inherent in this process.
- 4.3 **The works period.** The Contract is programmed to be signed before the end of March 2006. The three months to July 2006 will be utilised by Tay Valley Lighting (Leeds) Limited for the mobilisation of their sub-contractor prior to commencement of the installation and replacement programme, which is programmed from July 2006 through to the end of June 2011.
- 4.4 **The service period** will commence on 1st July 2006 and run until 30th June 2031. During this period Tay Valley Lighting (Leeds) Limited will be responsible for the operation of the service and the routine maintenance of all lighting columns, luminaires and illuminated traffic signs, apart from the exclusions outlined in paragraph 3.1, above.
- 4.5 **The Services** included within the contract are:
- Asset Management and supporting systems
 - Installations, operations and maintenance
 - Lifecycle Maintenance
 - Reinstatement and Change
 - Health and Safety and Security
 - Reactive Maintenance
 - Help Desk and Administration
 - Continuous Improvement
- 4.6 **Project Outcomes** - The key outcomes of the project as envisaged at project commencement were that:
- The quality of the street lighting apparatus is improved to provide a long life expectancy with reduced maintenance.

- That light output should achieve appropriate standards and that areas of poor lighting should be improved.
- The existing orange lights should be replaced with modern “white” lighting to improve the appearance of the City and allow colours to be seen outdoors at night.
- That the new lighting solution should have an energy efficient design.

The solution proposed by TVL requires the replacement of 80% of the lighting stock over the first five year of the contract with the remaining 20% being replaced during the contract as they become life expired. The new columns should last well beyond the 25 year contract period.

The lighting will be designed to the new European lighting standards on each street throughout the City which will provide a uniform solution eliminating poorly lit areas. In addition the new technology “Cosmopolis” lamps will provide near true white light across all residential areas with the high output lighting necessary on traffic routes being supplied using “SON” technology lighting giving a degree of colour rendition to these streets.

Historically energy efficiency with “white” lights has been poor with energy consumption increasing as more white light is provided. The new Cosmopolis lamp reverses this trend and whilst requiring slightly more energy than the existing orange lamps the combination of this lamp with the high level of lighting design efficiency provided within TVLs bid, results in the Council’s overall energy consumption remaining at current levels throughout the 25 year contract. An additional benefit of the efficient design is that some 6% less lighting columns will be needed in future reducing street clutter.

- 4.7 **Employment and TUPE** – The Contract will involve the transfer of 38 staff under TUPE from the City Council to the Service Provider, and also the transfer under TUPE of 15 staff currently employed by the existing contractor of the City Council. Drafting within the Contract includes requirements for the Service Provider to comply with the Code of Practice on Workforce Matters set out in the ODPM Circular 03/2003, which is aimed at avoiding a two tier workforce.
- 4.8 **Pensions** - The Contract provides for protection of pensions provision through admission of the Operating Sub-Contractor / any other relevant sub-contractor to the Local Government Pension Scheme. A “cap and collar” approach has been agreed with Tay Valley Lighting whereby the City Council takes the benefit / risk, within defined circumstances, of fluctuations in contribution rates to the Local Government Pension Scheme for those employees in the Scheme below and above specified percentages. If for any reason the employer cannot achieve or retain Admitted Body status for this purpose, then broadly comparable arrangements would have to be provided. This provision is primarily for the proper protection of existing Leeds City Council employees. However the pensions arrangements are also available to staff currently employed by the existing contractor to the City Council and to staff who join the PFI Contractor following the initial Capital Investment Period.
- 4.9 **Insurance** - The City Council’s requirements for insurance are limited to third party, public and products liability insurance. Material Damage insurance is considered not to provide value for money given the relatively low cost of individual column replacement (having regard to the likely deductible) and the low risk of any more than a small number of columns being affected by any relevant incident.

At the ITN Stage 2 of the procurement, Tay Valley Lighting provided a mandatory bid based upon Project specific insurance but offered a variant based upon Group insurance. The

Project Team has concluded, following advice from the Council's Insurance Adviser, and discussions with Partnerships UK, and an assessment of the risks in following such approach, that the Group insurance approach provides best value for money for the City Council.

4.10 Derogations from HM Treasury's Standardisation of PFI Contracts (V 3) (SoPC 3). Derogations, (which are changes or amendments to required standard drafting) have been sought by the City Council and Tay Valley Lighting in the Final Business Case from mandatory contract drafting contained in the Government Guidance document, SoPC 3:

- to follow the terms of the recent draft Street Lighting Model Contract;
- to enable the specific Tay Valley Lighting funding structure to be reflected in the Contract terms; and
- on a sector or project specific basis to better represent the City Council's objectives or provide value for money.

4.11 Communication and Consultation with Stakeholders

Stakeholders in this Project are identified as:

- i) Department for Transport
- ii) Executive Board
- iii) All Ward Members
- iv) Staff affected and their Trade Unions and representatives
- v) The current contractor to the City Council
- vi) Project Board
- vii) Project Team

Communication and consultation throughout the Project to date has also included

- i) monthly update reports to the Street Lighting Project Board,
- ii) provision of information to and regular meetings with trade unions and staff representatives
- iii) updates to and meetings with the DfT and Partnerships UK (PUK)

As the project moves from contract close towards service commencement the City Council will be undertaking further and final consultations with all affected staff, with input from Tay Valley as appropriate. The relevant staff representatives, including the trade unions will be included throughout this process.

4.12 The following areas (Financial, Legal and Payment Mechanism) are subject to ongoing negotiations with the Preferred Bidder.

4.13 Financial Issues: Attached at Appendix 1 is a detailed report covering the financial issues relating to the Project. In summary the main issues are:

- a) Value for Money.
- b) Affordability.
- c) Compliance with the Local Authority Accounting Code of Practice.
- d) Issues relating to the Preferred Bidder Funding structure.
- e) Termination of the Contract.

4.14 Legal implications and Powers. As the Highway Authority (and under, inter-alia, the Highways Act 1980 and the Traffic Regulation Act 1984) the City Council has powers to

install and remove lighting columns, and other apparatus and powers and duties to install traffic signs.

- 4.15 Once all negotiations and detailed contract preparation is finalised, the City Council will receive a detailed report from the Council's external legal advisers, DLA Piper Rudnick Gray Cary (DLA) in relation to this Project. This report is anticipated to:
- i) Confirm the Council's statutory powers to enter into the PFI Contract and related documents;
 - ii) Provide advice on the terms of that Contract and documents;
 - iii) Advise on the steps taken to check the terms of the financing documents and the sub-contracts, that they are satisfactory from the Council's point of view.

It is also anticipated that it will support the proposed certification of the PFI Contract and of the Direct Agreement between the City Council and the Contractor's Senior Lender under the Local Government (Contracts) Act 1997. These certificates provide protection to the PFI Contractor and Senior Lender against the consequences of the transactions being outside the City Council's statutory powers.

- 4.16 Because of the significance of the above, it is proposed that the Delegations to the Deputy Chief Executive in relation to the approval of the terms of the transaction and the execution of the Contracts be conditional on the outcome of the report from DLA, as outlined above.
- 4.17 Due to the atypical funding structure (described in Appendix 1) of the Project, PWC has produced a detailed report for the City Council that sets out the implications to the City Council of the funding structure, particularly relating to potential Contract Termination scenarios and Refinancing.
- 4.18 DLA have also produced letter of advice in connection with the Tay Valley Lighting structure and has advised the City Council Project Team at all stages of the Project. Although their final report on the legal issues relating to this Project will not be available until shortly before Financial Close, the main commercial terms are now agreed between the parties and it is not anticipated that there will be any additional issues of significance to those addressed in these reports.
- 4.19 The letters from PWC and DLA advising the City Council on the implications of the Tay Valley funding structure are attached as appendices to the Final Business Case.
- 4.20 The key commercial terms of the PFI contract and the Funders Direct Agreement are in accordance with HM Treasury required drafting in the Standardisation of PFI Contracts (Version 3) and substantially in accordance with the terms of the DfT Street Lighting Model Contract. To the extent that there are any departures or discrepancies from these, they will have to be sanctioned by the DfT and Partnerships UK (PUK), before the Final Business Case will be approved.
- 4.21 **Payment Mechanism:** The Payment Mechanism is based on the payment of a Unitary Charge for the delivery by the PFI Contractor of the City Council's Output Specification for this Project. The Contract describes each of the Performance Standards and provides for reductions to the Unitary Charge where there is a failure by the PFI Contractor to fulfil the performance standards set out in the Contract. The seven Performance Standards cover:
- Design, renewal or refurbishment of the street lighting apparatus;
 - Planned maintenance, inspection and testing;
 - Operational response;

- Customer interface and Contract management;
- Best Value;
- Working practices; and
- Monitoring and reporting

The Payment Mechanism regulates the calculation and payment of the invoices, including payment for the supply of electricity and addresses issues such as the impact of inflation.

5.0 CONCLUSION

- 5.1 In securing this very significant level of infrastructure investment in Street Lighting with a capital value in excess of £100m, this Project represents the largest in the Street Lighting sector in the United Kingdom and is one of the largest procurements undertaken by the City Council. Members should also note that the Project continues to remain on programme and within budget.
- 5.2 The final terms of the Project Agreement and related documents are currently being negotiated with Tay Valley Lighting and, subject to Members approval, a copy of this report and in due course the approved minutes of this meeting of the Executive Board will be submitted to the DfT. In order to ensure that the DfT has sufficient time to consider and grant final approval for the Project before the middle of March 2006, the Final Business Case (with the approval of the PPP / PFI Coordination Board, acting under delegated powers) was forwarded on to DfT at the beginning of February 2006, prior to the meeting of this Executive Board. Members of Executive Board are requested to support this action by officers. Once DfT have completed their review of the Final Business Case, and subject to their approval, it is anticipated they will issue a Promissory Note to the City Council which will provide the necessary written confirmation regarding credit cover and revenue support the Council requires before it can sign the contract with Tay Valley Lighting.
- 5.3 Contract signature will in turn lead to the phased start of installation work in line with the agreed programme which will see the replacement of approximately 80% of the City's street lighting infrastructure between July 2006 and June 2011.

6.0 RECOMMENDATIONS

Members of Executive Board are recommended to:

- 6.1 Note the information in this report and its appendices providing details of the process and negotiations undertaken and work carried out to date and to support the decision of the PPP / PFI Coordination Board, under Section 3.1 of the powers delegated to it by Executive Board on 13th October 2005 to submit the Final Business Case for this Project in advance of the meeting of this Executive Board.
- 6.2 Note the powers of the City Council to enter into this contract as referred to in paragraph 4.14 and that confirmation of the City Council's powers will be contained in the report from the City Council's legal advisers referred to in paragraph 4.15 of this report.
- 6.3 Note that the Project meets HM Treasury's value for money tests.
- 6.4 Note that based on the information provided in Appendix 1 officers have shown that the Project is affordable by the City Council.
- 6.5 Note that work is currently underway and is expected to lead to the assessment of the Director of Corporate Services that, based on the information and advice provided, and in

accordance with proper practices, no liabilities will arise which will result in the City Council being required to recognise a fixed asset in any balance sheet required to be prepared by the City Council in accordance with such proper practices, for the financial year in which the agreement will be entered, for the purposes of Regulation 3 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003.

- 6.6 Note that the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) will apply to transfer staff currently employed by the City Council and the current contractor to the City Council and that ongoing communication and consultation is taking place on this.
- 6.7 Note that an admission agreement will be entered into in connection with this Project to enable those transferring employees who are currently members of the West Yorkshire Pension Fund to retain active membership of that scheme and to permit new employees to have similar benefits.
- 6.8 Approve the financial implications for the City Council of entering into this contract as detailed in Appendix 1, and to confirm the maximum affordability threshold for the City Council, set out in Appendix 1.
- 6.9 Approve the award of the Contract to Tay Valley Lighting (Leeds) Limited for the provision and maintenance of public street lighting and illuminated traffic signage within the Metropolitan District of Leeds for a period of twenty five (25) years, in accordance with the terms of an agreement (the Project Agreement) to be entered into between the City Council and Tay Valley Lighting (Leeds) Limited, and, in connection therewith, subject to:
 - (a) DfT approval of the Final Business Case (FBC);
 - (b) to the Deputy Chief Executive (or in his absence the Director of Corporate Services) being satisfied that the Project remains within the affordability constraints set out in Appendix 1;
 - (c) receipt of a report satisfactory to the Deputy Chief Executive (or in his absence the Director of Corporate Services) from the Council's external legal advisers, as described in paragraph 4.15 of this report; and
 - (d) the Director of Corporate Service's (or in his absence the Chief Officer - Financial Management) assessment on the Balance Sheet treatment as set out in 6.5, above;
 - (1) Approve the Council's entry into the Project with Tay Valley Lighting (Leeds) Limited, the special purpose company of the Tay Valley Lighting consortium ;
 - (2) Grant delegated powers to the Deputy Chief Executive (or in his absence the Director of Corporate Services) to give final approval to the completion of the Project, including (but not by way of limitation) the terms of the following:
 - i) The Project Agreement;
 - ii) The Funders Direct Agreement;
 - iii) The pensions Admission Agreement.
 - iv) An agreement to appoint an Independent Certifier to assess the quality of the Contractor's work;
 - v) Direct agreement and Direct Indemnity Agreement with the Sub-contractor, Southern Electrical Contracting Limited;
 - vi) Appropriate Collateral warranties from other second tier subcontractors; together with any other documentation ancillary or additional to the above necessary for the completion of the Project (Project Documents).

- 6.10 Approve that the Director of Corporate Services, as the statutory officer under section 151 of the Local Government Act 1972, or in his absence the Chief Officer - Financial Management, be authorised to sign any necessary certificates under the Local Government (Contracts) Act 1997 in relation to this transaction.
- 6.11 Approve that, in respect of certification under 6.10, and subject to the advice of the Director of Legal and Democratic Services, a contractual indemnity be provided to the Director of Corporate Services, or the Chief Officer - Financial Management in respect of any personal liabilities arising from the certification.
- 6.12 Approve the execution of all necessary agreements, by affixing the Council's common seal and/or signature (in accordance with Articles 14.4 and 14.5 of Part 2 of the City Council's Constitution), and to approve that the Director of Legal and Democratic Services (or any other officer of the City Council authorised by her) take any necessary further action to complete the Project including any final amendments to the Project Documents and give effect to Members' resolutions and delegated decisions referred to in these recommendations.
- 6.13 Request and authorise the Director of City Services to implement any post completion arrangements necessary to monitor and administer the contract documentation (subject to the approval of the PPP / PFI Co-ordination Board under the Council's governance arrangements for PPP / PFI contracts).
- 6.14 Approve the submission of this report, the minutes of this meeting of the Executive Board and such other information, and including any necessary amendments as the Deputy Chief Executive may approve to the Final Business Case, to the Department for Transport.

Report of the Director of Neighbourhoods and Housing

Executive Board

Date: 17th February 2006

Subject: Neighbourhoods and Housing Lettings Policy revision

Electoral Wards Affected:
All

Specific Implications For:

Ethnic minorities

Women

Disabled people

Narrowing the Gap

Eligible for Call In Yes

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

Executive Summary

This report seeks approval to implement a limited revision of the Council's Lettings Policy.

The overall structure of the Lettings Policy has not been changed. There are still three Housing Need bands: Priority Extra, Priority and General Needs. Direct offers will continue to be made to customers in prescribed groups.

The proposed changes to the policy are:

- Increased incentives to make better use of the stock for council tenants who are under occupying their home.
- Improved measures to assist customers from clearance sites to be rehoused.
- Clarification of a range of procedural issues.
- Renaming offers currently called 'Management lets' to 'Direct Lettings'.
- Reduced preference for customers applying from outside Leeds without a local connection to the area.
- Minor amendments to the priority criteria (further details are in the report).

It is recommended that the Council approve the proposed Lettings Policy. Subject to agreement the policy will take effect from 6th March 2006.

1.0 **Purpose of the Report**

1.1 The purpose of the report is to seek Executive Board approval to implement a revised Lettings Policy from 6th March 2006.

1.2 A full copy of the Policy is available via the internet or upon request from the author.

2.0 **Background Information**

2.1 The current Lettings Policy was approved by Executive Board in January 2005. That report confirmed the intentions of the Department to undertake annual revision to ensure that the policy dealt with outstanding and emerging issues.

2.2 The key drivers for change in this revision are:

- a) A continual process improvement approach to developing the Lettings Policy,
- b) To enable the successful rehousing of customers living in the areas where regeneration programs are taking place across Leeds,
- c) Results from customer consultation and feedback from stakeholders, and especially both tenants and applicants,
- d) Implementing recommendations raised at the Thriving Communities Scrutiny Board regarding under occupancy,
- e) Best practice implemented in other local authorities,
- f) Internal Audit investigations into the Lettings Policy,

The Lettings Policy must comply with the Housing Act (1996).

2.3 The Department of Neighbourhoods and Housing has conducted a review of the Policy, involving all the Arms Length Management Organisations (ALMOs), Belle Isle Tenants Management Organisation (BITMO) and other key stakeholders such as the Leeds Tenants Federation, Registered Social Landlords (RSLs) and voluntary sector partners. In addition, during the consultation period, the draft policy was placed on the council's internet site, and summarised in the Leeds Homes Flyer.

3.0 **Main Issues**

3.1 The key policy amendments and drivers for the proposed changes are outlined below

4.0 **Under occupancy**

4.1 The Thriving Communities Scrutiny board inquiry into the Lettings Policy in 2005, recommended better use of council homes was made through a more robust under occupation strategy. Between 1999/2000 and 2004/5, council house lettings fell by 52%. This is due to increased tenancy sustainment, the impact of the right to buy scheme and selective demolition. In 2004/5 1,284 three bedroom or larger properties were let, and yet there were 4,404 customers registered on the housing register needing such accommodation.

4.2 In 2004/5, only 63 tenants under occupying a three bedroom or larger property, moved to smaller accommodation. The majority of those lettings were made as a result of medical needs of the customer, rather than specifically to make better use of the stock.

4.3 As a result, a number of incentives are being proposed:

- Priority Extra to be given where the move will achieve better use of the stock;
- Discretion is given to adjust bedroom requirements to encourage customers to consider a move i.e. research has found whilst a customer may strictly be eligible only for a 1 bedroom property, they are more likely to consider a move to a two

bedroom property

- A direct offer can be made if the customer has been unsuccessful in making expressions of interest through the Choice Based Lettings (CBL) process.
- ALMOs and BITMO will be encouraged to not only undertake more detailed research to assess who is under occupying homes in stock that they manage, but to be pro active in assisting those customers if they wish to move. This could be through support, or financial incentives, such as changing utility providers or by paying for a removal firm.

5.0 **Clearance**

5.1 Within the next few years, a number of flagship regeneration schemes, such as the East and South East Leeds Regeneration scheme (EASEL) and Little London PFI, will come on line. This will result in widescale demolition to create the space for the new homes. As a result, the Lettings Policy needs to be revised to meet these challenges.

5.2 Leeds City Council has a contractual obligation to rehouse its tenants affected by demolition. However, so that the Lettings Policy meets its statutory obligations, customers whose properties are being demolished cannot have greater preference than other customers in housing need. For customers whose homes are to be demolished as part of such schemes, the following policy is proposed:

- Priority Extra will be given to tenants,
- ALMOs will be able to ring fence certain areas to give preference to such over others in housing need, based on the production of a business plan, and approval by the Strategic Landlord Group.
- Discretion will be given to adjust the bedroom requirements for such customers, so that they can be rehoused quickly, for example where a spare bedroom is required.

Recognising the need, however, for the timely release of properties, the following offer process will be introduced:

- After one reasonable offer is refused through CBL and a Direct Offer made and refused, the ALMO could undertake possession proceedings for that property.

In introducing this process, it is expected that in making a reasonable offer, lettings officers will ensure that a tenants needs are fully met. The process will be monitored by the Strategic Landlord Group and will be subject to appeal.

5.3 The Strategic Landlord will continue to monitor lettings to ensure that they are balanced between rehousing those in statutory preference groups and tenants and other residents affected by the clearance programs.

6.0 **Procedural Clarifications**

6.1 Greater clarification has been provided in the policy to confirm existing practice in several areas:

- Clarity on what is a reasonable/ unreasonable refusal of an offer.
- Confirmation that any customer in a priority band, or who is eligible for a direct offer can be considered as a nomination if rehoused by a Registered Social Landlord.
- Clarification that preference for lettings to level access properties, such as bungalows, should be given to customers assessed as requiring a level access property.

7.0 **Direct Lettings**

7.1 From customer feedback, the term 'management lets' has been wrongly interpreted, such

lettings are of the discretion of the local housing manager, rather than being made in accordance with policy. As a result, it will be renamed as 'Direct Letting'.

7.2 Following consultation with Education Leeds and the Social Services Department, two new categories of direct lets have been created:

- Lettings to customers leaving Extra Care schemes, and
- Lettings to council service employees, with tied tenancies, leaving employment upon retirement.

8.0 **Reduced Preference from Customers Applying From Outside Leeds**

8.1 Local authorities have the power to give reduced preference to customers applying to them without a local connection. Most authorities in West Yorkshire already give reduced preference to customers from outside their administrative boundary. A national scheme sponsored by the ODPM, called MoveUK, is being introduced in 2006 aiming to promote mobility between regions. Due, however, to the housing need pressures in Leeds, there is a need to ensure customers living within the city, or with a local connection, are given preference for housing. The definition of local connection is that used in homelessness legislation i.e.

- Living 6 out of the last 12 months in Leeds
- Living 3 out of the last 5 years in Leeds
- Family association
- Employment
- Other special reasons

8.2 In future, if a customer living outside Leeds does not qualify through these criteria, then they will be placed in the General Needs band.

9.0 **Amendments to Priority Criteria**

9.1 Through customer consultation and responding to Corporate Complaints, it is clear some groups in need are not being considered for additional priority. It is proposed that the following groups of customers may be placed in the Priority Extra or Priority housing needs band:

- Customers in Supporting People commissioned accommodation needing to be rehoused who fall outside the homeless criteria.

10.0 **Implications for Council Policy and Governance**

10.1 The Lettings Policy has been written to take into account a number of Council Policies and strategies, including the Leeds Housing Strategy and the Black and Minority Ethnic Housing Strategy.

10.2 A large number of stakeholders have been consulted with during the initial development of the proposed policy and during an 8 week consultation period from November 2005 to January 2006. A list of those invited to respond to the draft policy are stated in Appendix 1.

11.0 **Legal And Resource Implications**

11.1 The Lettings Policy has been approved by a representative of the Council's Legal Services Division and counsel.

12.0 **Conclusions**

12.1 The lettings policy is being continually improved as a result of strategic, operational and housing market changes. The policy changes outlined above are being made in light of the changing environment and will be continually reviewed.

12.2 There are a range of emerging issues that will be considered during 2006 that will lead to the need for further changes to the policy . These include

- Scrutiny Board investigation into the needs of children:
- Improving the interface between the adaptations service and the lettings policy:
- Overcrowding:
- A review of the suitability test.

13.0 **Recommendations**

13.1 That the Executive Board approves the implementation of the Lettings Policy with effect from 6th March 2006.

Appendix 1 Organisations invited to respond to the Lettings Policy Consultation

Leeds City Council Neighbourhoods and Housing Department:

- Housing Strategy Team
- Supporting People Team
- Modernisation Team
- Adaptations Agency
- Environmental Health – Private Landlord Accreditation Team
- Leeds Refugee and Asylum Support Team
- Right to Buy Team
- Community Safety Team
- Antisocial Behaviour Unit

Leeds East Homes

Leeds North East Homes

Leeds North West Homes

Leeds South Homes

Leeds South East Homes

Leeds West Homes

Belle Isle Tenant Management Organisation

Leeds East Homes Allocations and Lettings Service Review Group

Leeds City Council Social Services Department:

- Joint Commissioning Service
- Children and Families
- Disability Service Team

Leeds City Council – Chief Executive’s Department:

- Leeds Equality Team
- Housing Contact Centre

Registered Social Landlords

Anchor Trust

Chevin Housing Association

English Churches Housing Group

Habinteg Housing Association

Headrow Housing Group

Home Group

Housing 21

Leeds and Yorkshire Housing Association

Leeds Federated Housing Association

Leeds Jewish Housing Association

Jephson Housing Association

North British Housing Association

Sanctuary Housing Association

The Ridings Housing Association

Unity Housing Association

York Housing Association

Yorkshire Housing

Leeds Tenants Federation

Leeds Law Centre

Citizens Advice Bureau

Shelter

Leeds Interagency Project

Re’new

Supporting People Providers Forum (made up of approximately 80 Supporting People funded providers)

[Click Here](#)



**Report of the Chief Executive Leeds East Homes/Director of Neighbourhoods and Housing
Executive Board**

Date: 17th February 2006

Subject: GIPTON LOW COST HOME OWNERSHIP 'HOMEBUY' SCHEME

Electoral Wards Affected:

Gipton and Harehills

Specific Implications For:

Ethnic minorities
Women
Disabled people
Narrowing the Gap

Eligible for Call In

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

EXECUTIVE SUMMARY

This report seeks approval from Executive Board on a variation of a previous approval for a Low Cost Home Ownership Scheme in Gipton.

The original scheme which was agreed by Executive Board was for the land sale receipt to be used to fund grants to purchasers on low incomes to enable them to buy a new home. The proposal followed the Cash Incentive Scheme model used by Registered Social Landlords. As the Scheme is grant assistance the receipt is usable only on one occasion and affordability is not preserved for future generations of home buyers.

Recently a new HomeBuy model has been introduced which is a loan funded shared equity type scheme but without a rental contribution from the purchaser. An interest free secured loan of up to fifty percent of the value of the property is available to support purchase of a new property, with the loan being repayable upon future sale. As the loan is fixed as a percentage of the property value then the Council share in any value uplift and the receipt can be re-used for future home buyers.

Around 25% of the 92 properties for sale on the site will be able to benefit from a loan under the scheme.

The Scheme falls within the EASEL Regeneration area and the Gipton Mixed Communities Initiative.

It is proposed that the previous decision is varied to an approval for a HomeBuy scheme.

1 PURPOSE OF THE REPORT

- 1.1 To consider amendments to the proposed Gipton Low Cost Home Ownership Scheme to convert it to a 'HomeBuy' Scheme.

2 INFORMATION ON HOMEBUY

- 2.1 Executive Board have previously considered a number of reports on proposals for Low Cost Home Ownership in Gipton and approved the development of a scheme based on the RSL Cash Incentive Scheme which recycled land sale receipts into grants to purchasers to bridge the gap between affordability and the Developer's sale price. The scheme was to be targeted to residents within the Gipton Renewal Area and those affected by clearance for the EASEL programme, with eligible applicants being given a grant of up to £12,000 towards the cost of a new home. There were to be conditions attached to the scheme to prevent 'profiteering' and delays in the development.
- 2.2 Since the initial concept for the scheme the housing market within Leeds has moved upwards considerably and property values potentially risen beyond the reach of the target client group for the Low Cost Home Ownership Scheme. Concerns have also been expressed about whether the Scheme continues to demonstrate value for money and will effectively preserve affordable homes for future generations of house buyers. As a result of this, consideration has been given to how the objectives of securing affordable homes might be met through a HomeBuy Scheme, similar to one which the Government has recently introduced to address issues of affordability in the housing market. With 'HomeBuy', the Council becomes an equity shareholder in partnership with the purchaser, with each having an agreed share in the property, provided that the purchasers share is not less than fifty percent of the total. Schemes of this type have been run successfully by Councils and RSLs for a number of years as Shared Ownership Schemes but the difference with HomeBuy is that no charge is made to the purchaser in relation to the Council's share and the equity stake is registered as a land charge against the property repayable on future sale and linked to a percentage of the value. Purchasers can buy an increased stake from the Council over the years as their financial circumstances improve, as with other types of Shared Ownership Scheme.
- 2.3 The basic proposition is that a potential purchaser determines what proportion of the value of a property they can afford to fund, either through a mortgage or by existing equity. This has to be at least 50% of the purchase price of the property, although purchasers can increase this if that is financially viable. The remaining proportion of the cost of the property is then funded through an equity partner (the Council) and purchased from the developer. The equity partners interest in the property is secured through a charge against the property with the Land Registry, which is repayable upon future sale of the property. Discussions have taken place with Legal and Democratic Services to determine the most appropriate method to secure the Council's financial interest in the property. A charge against the property, with the freehold held by the purchaser, is seen as the simplest method by which to deliver the scheme. This would mean that the financial institution used to finance the remainder of the purchase would want a first charge on the property and there is a risk to the Council if any sale proceeds are insufficient to discharge this as well as the Council's interest.
- 2.4 As property values increase over time both equity partners share increases proportionally, so that the Council's initial contribution is always the same percentage value of the property. However, should property values fall then conversely the Council's equity stake would reduce.
- 2.5 With a HomeBuy Scheme no weekly/monthly charge is made to the purchaser and the Equity Partner's contribution is secured against the property as a percentage of the value, unlike a traditional Shared Ownership Scheme where the purchaser has to pay a rent to the Council as well as their mortgage payment. HomeBuy is therefore technically more affordable to families on low income. Over time, as the purchasers financial circumstances improve, further shares can be purchased from the Equity Partner. Homebuy is being operated successfully in North Leeds by an RSL to deliver affordable housing as a member of the Golden Triangle Partnership (Harrogate, York and Leeds Councils).

3 THE GIPTON SCHEME

- 3.1 The indicative net land receipt for the site earmarked for the initial Low Cost Home Scheme is approximately £1.3m with 92 properties approved for development. Property sale prices have been obtained and these range between £81,000 for a two-bed semi-detached up to £149,000 for a four-bed detached after the developer's discounts. Using the land receipt for a HomeBuy Scheme would allow a minimum mix of 23 properties across the range of property types, assuming a fifty percent contribution and an even distribution of the property mix across the different types of property to be built. This equates to 25% of the total properties offered – this is equivalent to the affordable property benchmark that is proposed for the EASEL regeneration initiative. If purchasers do not require a fifty percent contribution, or more people wanted lower value properties, than the mix that has been assumed, then the number that could be assisted would increase.
- 3.2 As an example, if a purchaser on the minimum wage of £15,000 opted for a £95,000, 3 bed semi detached property with a 50% equity share, then they would have to finance £47,500. This would result in a mortgage payment of roughly £275 a month (5% APR Repayment mortgage) or £63 a week which is roughly equivalent to a typical RSL(Housing Association) rent. If that property were to be sold in five years time with an increase in value to £127,000 (6% growth per annum) then both the Council's and the Purchaser's share would have increased to £63,500.

On a 4 bed detached property, selling at £150,000, with a 50% share, the purchaser(s) would require a income of around £22,000 to finance a mortgage of £75,000 with repayments of £435 (5% APR Repayment).

However, if the Purchasers had an income of £34,000 which enables them to raise a mortgage of £120,000, they would only require a 20% contribution of £30,000 from the Council. At these levels more people could benefit from HomeBuy – forty three families across almost fifty percent of the properties, could be assisted with this level of contribution.

- 3.3 Moving to a HomeBuy Scheme will preserve the Council's land sale receipt for future use and, as it is linked to a percentage share in the property rather than a cash value, would preserve levels of affordability for future generations of house purchasers if the Council agreed that the equity released on sale would be re-used. However there is a fundamental difference between the proposed scheme and the original concept of a Cash Incentive Scheme in that the purchasers would not own their home outright but would be joint owners with the Council.
- 3.4 Adopting a scheme, as suggested, is consistent with the approach being proposed by Bellway within the EASEL Regeneration Initiative. They have established a Housing Trust in other areas of the Country where they are operating, where shared ownership is linked to affordability with owners paying more mortgage and less rent in times when their finances allow them to do so, but less mortgage and more rent should they have an adverse financial position. The scheme has potential to be applied in other areas of the city, subject to the availability of land receipts.

4 RECOMMENDATION

- 4.1 Executive Board is asked to approve the conversion of the agreed Gipton Low Cost Home Ownership Scheme from a Cash Incentive Scheme to a HomeBuy Scheme;
- 4.2 The Directors of Neighbourhoods and Housing and Legal and Democratic Services to be given delegated powers to agree the final details of the operation of the Scheme;
- 4.3 It is proposed that the Scheme continues to be administered by Leeds East Homes as part of the EASEL Regeneration Initiative with the same criteria applied for participation in the HomeBuy Scheme as was proposed for the Low Cost Home Ownership Scheme, namely prioritising local people affected by demolition.

Report of the Director of Neighbourhoods and Housing

Executive Board

Date: 17 February 2006

Subject: REGIONAL HOME LOANS FUND

Electoral Wards Affected:

City Wide

Specific Implications For:

Ethnic minorities

Women

Disabled people

Narrowing the Gap

Eligible for Call In

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

EXECUTIVE SUMMARY

Leeds City Council has introduced equity secured loan assistance for vulnerable private homeowners living in non decent housing to carry out essential repairs and improvements. The scheme is funded through the capital programme.

The Regional Housing Board has given financial support for a separate scheme whereby Sheffield City Council act as banker and administrator and individual local authorities nominate applicants for loan support to the scheme.

This report seeks Executive Board approval for the delegation of the Council's function to approve loans for this particular scheme to be discharged by Sheffield City Council

1.00 PURPOSE OF THE REPORT

BACKGROUND

1.01 This report recommends that Leeds City Council delegate the function of administering Home Appreciation Loans (HALs) to Sheffield City Council to enable eligible vulnerable owner-occupiers in Leeds City Council area to access regional funding, via the Regional Housing Board, for private sector housing improvement.

- 1.02 The Council adopted a revised private sector housing renewal policy, set out in a report approved by Executive Board on 09 July 2003, which introduced new ways of supporting private sector housing investment and regeneration. In essence the new policy introduced proposals for the replacement of grants with loans, with assistance targeted at the most vulnerable residents .
- 1.03 Initially, in the absence of other alternatives, officers developed a local loan scheme to be administered by Leeds City Council. The proposal made use of equity in a property to secure a property appreciation loan repayable on transfer of title and funded through Housing General Fund Capital programme. This has become known as a Home Improvement Assistance (HIA) Loan.
- 1.04 At the same time, work has been undertaken, primarily by officers in Sheffield City Council but also in conjunction with other local authorities, to develop a regional loan scheme with funding support from the Regional Housing Board.
- 1.05 Both schemes are at early stages of development and in order to maximise the amount of capital resources available to assist local vulnerable people, it is proposed that Leeds City Council supports both schemes. This requires formal agreement between the two local authorities in respect of the Home Appreciation Loans.

2.00 LOCAL DEVELOPMENTS

- 2.01 Officers have developed the Home Improvement Assistance loan package to support Private Sector Renewal assistance to vulnerable home owners in the Leeds area. Currently there are in the region of 150 live enquiries.
- 2.02 As this Authority has set up its Home Improvement Assistance loan in advance of the regional scheme, applications are proceeding through the local Leeds system. Available capital resources are, of course, limited and there are potential home improvement projects emerging which could benefit from access to additional funding. For example, there are blocks of properties where the ALMOs are renovating some of their non-traditionally built homes through group repair processes. Home owners who have previously bought their council home and are in such blocks ideally need to be included in those schemes to enable the ALMO to make the whole block comply with the Decent Homes Standard. It is applications from vulnerable householders in these situations without access to alternative sources of funding which are intended to be processed through the regional HAL scheme initially. There are likely to be other homes and schemes, such as estate gas connections, which could benefit from this loan process in the future.

3.00 REGIONAL DEVELOPMENTS

- 3.01 The South and West Yorkshire Housing Officers Loan Group has developed the Home Appreciation Loan to support low income home owners. A joint bid for funding was approved by the Regional Housing Board in late 2003.
- 3.02 Under these arrangements Sheffield would act as banker and administrator and partner local authorities would nominate individual applicants selected on the basis of local eligibility for loan assistance. Thus, Leeds City Council would still be in a position of selecting loan applicants to receive Regional Housing Board funding

which would otherwise be unavailable to the authority. The loan is similarly secured against the property, to be known as a Home Appreciation Loan (HAL).

- 3.03 Initial funding of £1.2 million as a “single pot” across the 9 authorities (now 17) was approved for 2004/5 to fund initial set-up and development costs, administration and support costs, and a modest initial loan fund. Subject to the successful operation of the scheme, it is envisaged that further funding will be made available.
- 3.04 The contractual RHB fund is to be administered by Sheffield City Council. Development work is taking place on the following:
- Confirmation of client loan capability / telephone and written advice to client
 - Telephone and written advice to Local Authorities / staff training
 - Valuations of property / Calculation of loan amount
 - Provision of loan legal agreement and associated documentation
 - Provision and payment of loan direct to contractor on completion of work
 - Management of total loan fund
- 3.05 HALs are now available and, subject to formal agreements, and availability of suitable applications, this Authority and the other participating authorities can now submit applications to Sheffield City Council.
- 3.06 Before the formal agreement can be finalised, Leeds City Council will need to delegate authority to Sheffield City Council to administer the loans in order to access funds from the Regional Housing Board by resolution under the provisions of the Local Government Act 2000 and Local Authorities (Arrangement for the Discharge of Functions) (England) Regulations 2000.

4.00 RECOMMENDATION

- 4.01 It is recommended that Leeds City Council resolves that under the provisions of the Local Government Act 2000 and Local Authorities(Arrangement for the Discharge of Functions) (England) Regulations 2000, the Leeds City Council’s function of making payments of Home Appreciation Loans approved under the Leeds City Council Private Sector Renewal Policy in accordance with the Regulatory Reform (Housing Assistance) Order 2002, be discharged by the Executive of Sheffield City Council. This delegation will enable eligible vulnerable owner-occupiers in Leeds CC to access regional funding, for private sector housing improvement, from the Regional Housing Board.

**THE YORKSHIRE AND HUMBER REGIONAL HOME LOANS
SERVICE**

The Executive Board of Leeds City Council (the “Executive”) hereby gives notice that the Executive resolve that under the provisions of the Local Government Act 2000 and Local Authorities (Arrangement for the Discharge of Functions) (England) Regulations 2000, the Leeds City Council’s function of making payments of Home Appreciation Loans approved under Leeds City Council Private Sector Renewal Policy in accordance with the Regulatory Reform (Housing Assistance) Order 2002 be discharged by the Executive of Sheffield City Council. This delegation will enable vulnerable owner-occupiers in Leeds CC to access regional funding for private sector improvement from the Regional Housing Board. A certified copy of the minute of the meeting referred to above is attached.

The exercise of the function to be in terms to be agreed by:

The Executive Board of Leeds City Council.

Signature.....

Date.....

REPORT OF THE CHIEF EXECUTIVE OF EDUCATION LEEDS

TO EXECUTIVE BOARD: 17 February 2006

SUBJECT: SCHOOL FUNDING 2006/07 & 2007/08

EXECUTIVE SUMMARY

1. The school funding settlement in December 2005 covered the financial years 2006/07 and 2007/08. The most significant funding impact for schools is defined by the government in that all primary schools will receive a guaranteed increase per pupil in 2006/07 of 4.0% (3.7% in 2007/08) and secondary and special schools will receive an increase of 3.4% (3.7% in 2007/08). The difference for primary in 2006/07 is to reflect the ongoing cost of implementing planning, preparation and assessment time in primary.
2. Schools were asked to respond in accordance with a proforma which covered the main issues for consultation after implementing the Minimum Funding Guarantee. This paper gives details of the results of consultation with schools in January and subsequent recommendations made by the Leeds Schools Forum at its meeting on 26 January 2006.
3. A number of the proposals are of a technical nature to comply with school funding regulations.
4. However, the main policy-related recommendations are:-
 - i) that the level of the general Schools Contingency for 2006/07 be set at £2.1m;
 - ii) that in 2006/07 only a further £1.3m be included within contingency to assist individual schools in meeting the cost of any Equal Pay Compensation settlement;
 - iii) that the cost of the Headteacher Support Service (£70k in 2005/06) be met from centrally retained funds;
 - iv) to retain £550k in 2006/07 and £950k in 2007/08 to develop more practical learning pathways at KS4;
 - v) to continue to retain £570k in support of services for vulnerable children;
 - vi) to allocate £1m of anticipated growth in 2007/08 to Area Management Boards to promote the No Child Left Behind agenda.
 - i) the introduction of a factor to target funding at key stage 2 and 3 personalisation;

- ii) the introduction of a factor to protect schools with April admissions to Nursery;
- iii) that the priorities for the use of any real terms growth in 2007/08 be secondary achievement and workforce reform;

Agenda Item:

Originator:

Telephone:

REPORT OF THE CHIEF EXECUTIVE OF EDUCATION LEEDS

EXECUTIVE BOARD: 17 February

SUBJECT: : SCHOOL FUNDING 2006/07 & 2007/08

Electoral wards Affected:

Specific Implications For:

Ethnic Minorities

Women

Disabled People

Narrowing the Gap

Eligible for Call-in

Not Eligible for Call-in

1.0 PURPOSE OF THE REPORT

To advise members of the Executive Board of the results of the budget consultation and decisions and recommendations arising from the meeting of the Schools Forum held on 26 January 2006.

2.0 BACKGROUND INFORMATION

A letter outlining changes to the funding system, detailing possible areas of change and inviting schools to a series of briefing sessions was sent out to schools in October. Following Government funding announcements a full briefing and consultation document was drawn up and published on the schools intranet site "Infobase" and a summary of the proposals was circulated to all schools.

To support and inform the consultation process a series of six briefing sessions were held around the city. These meetings were attended by approximately 150 headteachers and governors. Schools were asked to respond to the proposals by 25th January, in order that their views could be reported to the Schools Forum on 26th January. Six written responses were received from secondary schools, five

from primary schools and a response was sent on behalf of Leeds High School Heads.

Under the new arrangements for school funding the Schools Forum now has statutory powers to approve specific issues. Other matters require the approval of the local authority. The matters approved by the Schools Forum are set out in para 6.2 below and those issues which require the approval of Executive Board are set out in para 6.3.

3.0 **MAIN ISSUES**

The most significant funding impact for schools is defined by the government in that all primary schools will receive a guaranteed increase per pupil in 2006/07 of 4.0% (3.7% in 2007/08) and secondary and special schools will receive an increase of 3.4% (3.7%) in 2007/08). The difference for primary in 2006/07 is to reflect the ongoing cost of implementing planning, preparation and assessment time in primary.

Schools were asked to respond in accordance with a proforma which covered the main issues for consultation after implementing the Minimum Funding Guarantee. These issues were:-

3.1

Central Contingency

One of the new powers of the Schools Forum is to agree the level of Schools Contingency retained centrally to be allocated during the Financial Year to individual schools for funding adjustments and emergencies. Schools were asked to say whether they agreed that a figure of £2.1m should be retained.

3.2

Equal Pay Compensation

Schools were also asked whether they were in agreement with the proposal to retain a further £1.3m in contingency in 2006/07 to assist schools that have to meet the cost of any Equal Pay Compensation as a result of Job Evaluation.

3.3

Central retention above the DfES Central Expenditure Limit

Having funded any increase in the school contingency and payments for nursery education other than in schools the funding regulations assume that all budget growth is split proportionately between central services and the individual schools budget. The Schools Forum has new powers to approve the retention centrally of additional resources above the DfES limit. It is proposed to retain funding under five expenditure headings

3.3.1 Headteacher Support Service

Following the discussion at the last Schools Forum schools were asked to comment on the proposal to meet the £70,000 cost of the Headteacher Support Service from centrally retained funds.

3.3.2 More Practical Learning Pathways 14 to 16

The notification of the funding settlement made provision for targeting part of

the allocation towards developing more practical learning pathways at KS4. The consultation paper proposed that an amount of £550k in 2006/07 and £950k in 2007/08 be retained to be devolved to schools for this purpose either directly or via the Area Management Boards.

3.3.3 Teacher pay reform for Centrally Employed Staff

The previous grant for Teacher pay reform costs has been added into the dedicated schools grant. The new regulations require the agreement of Schools Forum for this funding for centrally retained staff to be retained. The funding required is £209k.

3.3.4 Vulnerable Children Services

This service is currently funded through a 50% contributory Standards Fund Grant in 2005/06, but the grant element transfers to the Social Services Childrens Service in 2006/07. The regulations do not allow for the continuation of the local authority contribution within the central expenditure limit. It is proposed that the cost of the local authority contribution of £570k continues to be met from the central schools budget.

3.3.5 No Child Left Behind

Current funding projections suggest that the £1.3m identified as required to fund the Equal Pay Compensation Settlement in 2006/07 should be available in 2007/08 to provide additional real terms growth. The consultation paper suggested that £1m should be allocated to Area Management Boards in 2007/08 to support the No Child Left Behind developments.

3.4

Excluded Pupils

It currently costs an average of £13,000 per place to make provision centrally for an excluded pupil. Schools were consulted on a proposal that the excluding school be charged the full cost (less any statutory deduction already made).

3.5

Teachers' Pay Reform Grant

The grant that was previously provided for Teachers' Pay Reform is now included within the Dedicated Schools Grant. Schools were asked to comment on whether this funding should be incorporated within the general funding formula through the Age Weighted Pupil Unit (AWPU).

3.6

Key Stage 2 and 3 Personalisation

The Government wish local authorities to introduce a factor within the formula to meet this priority, and to target funding on low attainment and social deprivation.

3.7

April Admissions to Nursery

School funding must be based on a single pupil count from 2006/07. It is proposed to introduce a factor to protect schools with an April intake to nursery.

3.8

Use of any Remaining Real Terms Growth

- 3.9 Although schools will be fully funded for inflationary pressures in 2006/07 through the Minimum Funding Guarantee there is not likely to be any significant growth after funding the above pressures. However there may be some growth available in 2007/08. Schools were asked for their views on the priorities for any growth being secondary achievement and workforce reform.

Updating of Formula Factors

Schools were invited to make comments on which data to be used in the formula should be updated annually and which should be updated only at the start of each multi-year budget period.

4.0 IMPLICATIONS FOR COUNCIL POLICY AND GOVERNANCE

As was stated in a previous report to the Executive Board on 19 October 2005 the new funding arrangements grant new powers to the Schools Forum in each local authority. These powers include agreeing:-

minor changes to the calculation of the minimum funding guarantee;

the level of schools contingency retained each year;

the combination of elements of the Schools Budget with other budgets to create a combined children's services budget in circumstances where there is a clear benefit for schools and pupils in doing so;

in exceptional circumstances the amounts that can be retained for central services above that provided for in the regulations.

5.0 LEGAL AND RESOURCE IMPLICATIONS

As a result of implementing the recommendations within this report the value of the Individual Schools budget (ISB) for 2006/07 will be £332,025K which is an increase of £9,060K (2.8%).

6.0 CONCLUSIONS

- 6.1 Members of the Schools Forum accepted all the proposals with the exception of the suggestion that schools be charged with the full cost of making provision for excluded pupils. They felt that further consultation with schools was required on this issue. They also felt that the roles and responsibilities of the Area Management Boards for No Child Left Behind needed to be clarified and developed.

- 6.2 In respect of those issues where they have statutory powers Members of the Forum agreed:-

- i) that the level of the general Schools Contingency for 2006/07 be set

- at £2.1m;
- ii) that in 2006/07 only a further £1.3m be included within the Schools Contingency to assist individual schools in meeting the cost of any Equal Pay Compensation settlement;
- iii) that the cost of the Headteacher Support Service (£70k in 2005/06) be met from centrally retained funds;
- iv) to retain £550k in 2006/07 and £950k in 2007/08 to develop more practical learning pathways at KS4;
- v) to retain £209k to replace the loss of teacher pay reform grant in support of centrally employed staff;
- vi) to continue to retain £570k in support of services for vulnerable children;
- vii) to allocate £1m of anticipated growth in 2007/08 to Area Management Boards to promote the No Child Left Behind agenda.

6.3

The Forum also supported that the following proposals be put to the Executive Board:-

- i) to run the funding for Teachers' Pay Reform through the Age Weighted Pupil Unit (AWPU) factor;
- ii) the introduction of a factor to target funding at key stage 2 and 3 personalisation using low attainment and social deprivation as indicators;
- iii) the introduction of a factor to protect schools with April admissions to Nursery;
- iv) that the priorities for the use of any real terms growth in 2007/08 be secondary achievement and workforce reform;
- v) that where possible all formula factors should be updated annually.

7.0

RECOMMENDATIONS

Members of the Executive Board are asked to agree:-

- i) to run the funding for Teachers' Pay Reform through the AWPU factor;
- ii) the introduction of a factor to target funding at key stage 2 and 3 personalisation using low attainment and social deprivation as indicators;
- iii) the introduction of a factor to protect schools with April admissions to Nursery;
- iv) that the priorities for the use of any real terms growth in 2007/08 be secondary achievement and workforce reform;
- v) that where possible all formula factors should be updated annually.



REPORT TO THE CHIEF EXECUTIVE OF EDUCATION LEEDS

EXECUTIVE BOARD: 17 FEBRUARY 2006

SUBJECT: GREAT PRESTON CE PRIMARY SCHOOL DEPUTATION TO FULL COUNCIL

EXECUTIVE SUMMARY

1 The Issue

1.1 Representatives from Great Preston CE Primary School were granted a deputation to the Council on 11 January 2006.

1.2 The deputation from Great Preston CE Primary School asked that the Council show a commitment to the school by providing the necessary capital funding to bring the school onto one site as a matter of urgency. The Council has received a petition with more than 100 signatures in support of this deputation. Specific concerns that the deputation raised were:

- That a commitment to deliver the building scheme has not been forthcoming
- That there are serious issues with the suitability of the current accommodation, which are impacting on the morale of staff and families served by the school.

2. Recommendations

2.1 Executive Board is asked to note:

a) the concerns expressed in the deputation from Great Preston CE Primary School

b) that Education Leeds has been working with the school to develop a building scheme with a view to delivery in the future when funds are available.

Agenda Item:

Originator: Richard Stiff

Telephone: 224 3749

REPORT TO THE CHIEF EXECUTIVE OF EDUCATION LEEDS

EXECUTIVE BOARD: 17 FEBRUARY 2006

SUBJECT: GREAT PRESTON CE PRIMARY SCHOOL DEPUTATION TO FULL COUNCIL

Electoral wards Affected:

Garforth and Swillington

Specific Implications For:

Ethnic Minorities

Women

Disabled People

Narrowing the Gap

Eligible for Call-in

Not Eligible for Call-in

1.0 PURPOSE OF THE REPORT

1.1 Representatives from Great Preston CE Primary School were granted a deputation to the Council on 11 January 2006. The deputation was in relation to the split site arrangements at the school and the current state of the buildings. Copies of the deputations are attached.

2.0 BACKGROUND INFORMATION

2.1 The statutory process for the reorganisation of primary provision in the Allerton Bywater Planning Area was initiated in January 2003, as a result of which a proposal was pursued to amalgamate Great and Little Preston Infant and Junior Schools. At its meeting on 15 December 2004, Executive Board received a report which summarised the statutory representation period for the proposal to close Great and Little Preston Infant CE (Voluntary Controlled) School and Great and Little Preston Junior School and to establish a one form of entry Church of England Voluntary Controlled primary school in September 2005. The School Organisation Committee subsequently met in January 2005 and determined the proposal, which was implemented in September 2005.

2.1 Education Leeds explained in reports to the Executive Board in September and December 2004 that funds to consolidate provision onto one site were not

currently available, and that, therefore, the new school would have to operate a split site arrangement for an indefinite period of time. A building programme would be delivered through the Asset Management Plan and the Capital Programme. This was also discussed at length at the School Organisation Committee, which encouraged Education Leeds to identify funds at the earliest opportunity to support delivery of an appropriate building scheme.

3.0 MAIN ISSUES

3.1 The deputation from Great Preston CE Primary School asked that the Council show a commitment to the school by providing the necessary capital funding to bring the school onto one site as a matter of urgency. The Council has received a petition with more than 100 signatures in support of this deputation. Specific concerns that the deputation raised were:

- That a commitment to deliver the building scheme has not been forthcoming

That that are serious issues with the suitability of the current accommodation, which are impacting on the morale of staff and families served by the school.

3.2 Education Leeds Response

Education Leeds is currently working on site to deliver a first phase project on the former junior school site costing £400,000. This project, which has been fully consulted on and agreed with staff and governors at the school, is planned to be completed by Easter 2006. It will significantly improve the Junior school building by building a new kitchen and extending staff and library facilities.

Simultaneously, a second phase project is also being investigated which would enable the former Infants site to be closed. A capital receipt from this site would generate investment potential on the Junior school site. This receipt would be supplemented from our main Education Capital Programme to provide an estimated further £1million investment in the school. There are complicated issues of ownership with the Infant site involving the Diocese and a private trust; however these are expected to be resolved. Subject to this resolution, it is anticipated that a phase II scheme could be planned to go on site in 2007.

4.0 IMPLICATIONS FOR COUNCIL POLICY AND GOVERNANCE

4.1 The school has concerns about the unequal education provision offered in the area and their ability to compete fairly with neighbouring schools which are operating out of new school buildings with Nursery provision.

4.2 The review of provision referred to in the deputations is relevant to a number of key priorities identified in the Education Development Plan (1.3), the Asset Management Plan and the Corporate Plan, in terms of managing the supply and demand of school places and school improvement.

5.0 LEGAL AND RESOURCE IMPLICATIONS

5.1 This report provides information on a deputation to the full Council linked to a reorganisation of provision in line with the statutory responsibility of the LEA to manage the supply and demand of school places.

5.2 There are at present no funds identified to provide all of the new accommodation required to extend the current Junior school site as a primary school, although potential sources have been identified as outlined in 3.2.

6.0 RECOMMENDATIONS

6.1 Executive Board is asked to note:

- a) the concerns expressed in the deputation from Great Preston CE Primary School
- b) that Education Leeds has been working with the school to develop a building scheme with a view to delivery in the future when funds are available.



Agenda Item:

Originator: Jackie Green

Telephone: 77163

REPORT OF THE CHIEF EXECUTIVE OF EDUCATION LEEDS

EXECUTIVE BOARD: 17 FEBRUARY 2006

SUBJECT: PROCUREMENT OF A STRATEGIC PARTNER – ICT FOR EDUCATION IN LEEDS

EXECUTIVE SUMMARY

1 Purpose of Report

- 1.1 The purpose of this report is to inform the Board of the progress made in the procurement of an ICT Strategic Partner to support the Building Schools for the Future (BSF) programme and to seek approval for the shortlist of bidders to be taken through to the Invitation to Negotiate (ITN) 2 stage of the process.

2 Background

- 2.1 The model for delivery of ICT in BSF schools adopted by Education Leeds ensures that the all partners will deliver the education transformation envisaged by the initiative and that the greatest degree of choice is offered to schools. In the model ICT related service delivery will be through Education Leeds, the ICT Strategic Partner, the LEP, LCC IT Services and schools.
- 2.3 The procurement commenced on 16th December 2005 with an open advert in Official Journal of the European Union. Following an open bidders day held in January, 7 bids were made at the Pre-qualification Questionnaire (PQQ) stage. The evaluation team agreed to consider 5 of the bids against the Pre-Invitation to Tender (PITN) requirements. A final shortlist was agreed by the team to take forward to the final ITN2 stage, in line with the procurement timetable. The shortlist is tabled to the Board.

3 Recommendations

- 3.1 Executive Board is asked to:
- I. note the progress made with the procurement, inline with the timetable; and
 - II. approve the shortlist of bidders for the final ITN2 stage of the procurement of a Strategic Partner for IT.

REPORT OF THE CHIEF EXECUTIVE OF EDUCATION LEEDS

EXECUTIVE BOARD: 17 FEBRUARY 2006

SUBJECT: PROCUREMENT OF A STRATEGIC PARTNER – ICT FOR EDUCATION IN LEEDS

Electoral wards Affected:

All

Specific Implications For:

Ethnic Minorities

Women

Disabled People

Narrowing the Gap

Eligible for Call-in

Not Eligible for Call-in

1 Purpose of the Report

1.1 At its meeting in December 2005, the Board approved the procurement of an ICT Strategic Partner to support the Building Schools for the Future (BSF) programme. The purpose of this report is to inform the Board of the progress made in the procurement process and to seek approval for the shortlist of bidders to be taken through to the Invitation to Negotiate (ITN) 2 stage of the process.

2 Background

2.1 The model for delivery of ICT in BSF schools adopted by Education Leeds ensures that the all partners will deliver the education transformation envisaged by the initiative and that the greatest degree of choice is offered to schools. In the model ICT related service delivery will be through Education Leeds, the ICT Strategic Partner, the LEP, LCC IT Services and schools. Details of the model and the particular responsibilities of all the partners were reported to the Board at its meeting on 14th December 2005. In summary, the roles of the partners will be:

- **Strategic partner:** developing the use of ICT as a tool to effect a step change in educational performance of the schools in Leeds, ensuring the technology does not act as a barrier in this process and providing key technical support services to the BSF schools and to other Leeds schools as a traded service. In

addition, the strategic partner has the responsibility for maximising the potential of the LLN learning platform with Education Leeds and schools;

- **Local Education Partner (LEP):** physical installation of ICT into the new buildings and all hardware purchases and maintenance within the BSF schools;
- **LCC IT Services:** the wide area network (WAN), the delivery of email and internet access and associated services, in particular a citywide learning platform.
- **Education Leeds:** strategic direction for all aspects of ICT in education in the city; and
- **Schools:** key deliverers of transformational education under the BSF programme, ensuring that ICT investment is used as effectively as possible to engage pupils and enhance achievement and inclusion.

2.2 It is expected that the ICT strategic partner will support the local authority in its futures thinking for new technologies in learning and its development of strategies; and in particular to promote best practice across the whole school estate. In this way it is intended that the innovation developed through the BSF programmes will benefit the whole Leeds school community and support the continuous improvement in all pupils and students learning.

2.3 The procurement timetable for the ICT Strategic Partner is summarised in the table below and will enable the Strategic Partner to advise LCC on the final stages of procurement for Local Education Partnership.

Activity	Key Milestone	Date
1	Issue Pre Qualification Questionnaire (PQQ) ,Memorandum of Information and pre invitation to negotiate (PITN)	16 th December 2005
2	Open half day *	10 th January 2006
3	Deadline for PQQ and PITN	25 th January 2006
4	Evaluation of PQQ and PITN and negotiate with bidders.	26 th January to 17 th February 2006
5	Obtain approval of shortlist	17 th February
6	Notify successful and unsuccessful bidders	17 th February 2006
7	Issue ITN 2 Documents to selected bidders	20 th February 2006
8	Receipt of ITN 2	15 th March 2006
9	Evaluate ITN submissions and negotiate with bidders	16 th March 2006 to 15 th April 2006
10	Selection Of Preferred Bidder	15 th April 2006
11	Transition and contract management strategies	17 th April to 12 th May 2006
12	Commencement Of Contract	15 th May 2006

2.4 The evaluation team for the procurement has been drawn from the key partners in the BSF programme and beyond. It comprises representatives from primary schools and secondary BSF schools, LCC IT Services, Education Leeds and LCC Corporate Services.

2.5 The advert was placed in the Official Journal of the European Union on 19th December 2005 and followed by an open bidders' day held on 10th January 2006 at

which over forty companies were represented. Seven bids were subsequently made at the Pre-qualification Questionnaire (PQQ) stage from the following companies:

Appendix 1 (Confidential Item)

3 The Issue

- 3.1 The first stages of the procurement of the ICT Strategic Partner have been successfully completed on schedule. The evaluation team has considered the long list of 5 bids against the PITN2 requirements and has recommended a shortlist to take through to the final stage of ITN, commencing on 20th February 2006. The shortlist will be tabled to the Board for its consideration.

4 Implications for Council Policy and Governance

- 4.1 This proposal through the delivery of excellent ICT services to schools will be critical to meet the output targets of the EDP in meeting the transformation agenda and key e-government priorities.

5 Legal and Resource Implications

- 5.1 As part of the overall funding for the Leeds Wave One BSF programme, £24 million is available for the development and provision of ICT in the 14 Phase One BSF schools. It is proposed that this funding is appointed in a ratio of approximately 70:30 for the Local Education Partnership and for the Strategic Partner-ICT. Schools within the BSF programme will purchase services from the Strategic Partner from their revenue funding. It is anticipated that the Strategic Partner-ICT contract will be worth a total of approximately £2m per year averaged over an initial 5 year term, plus the potential income from services to schools outside the BSF programme and Education Leeds and the City Council.

6 Comments of the Chief Education Officer

The contents of this report have been discussed with the Chief Education Officer. The Chief Education Officer feels that the report includes all the analysis and considerations that he would wish to be drawn to the Executive Board's attention in considering this matter.

7 Recommendation

- 7.1 Executive Board is asked to:

- I. approve the procurement of a Strategic Partner for IT
- II. note the approach taken by LCC and Education Leeds in relation to the procurement of a Strategic Partner.

REPORT OF THE DIRECTOR OF LEARNING AND LEISURE

REPORT TO EXECUTIVE BOARD

DATE: 17TH FEBRUARY 2006

Subject: THE LEEDS PALS

Electoral Wards Affected:

Specific Implications For:

Ethnic minorities

Women

Disabled people

Narrowing the Gap

Eligible for Call In

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

EXECUTIVE SUMMARY

The report describes the history of The Leeds Pals – the 15th Service Battalion (1st Leeds) The Prince of Wales Own (West Yorkshire Regiment), and describes the work undertaken at the Colsterdale Memorial in North Yorkshire, together with details of possible future work. The report also proposes a new Memorial in the City Centre adjacent to the Victoria Cross Holders Memorial in Victoria Gardens, and proposes assistance to the Parish Church with restoration of the Leeds Pals Memorial situated in the Lady Chapel. Also outlined are details of a proposed Heritage Lottery Bid for Beckett Street Cemetery which could accommodate a future Memorial for the Leeds Pals.

1.0 BACKGROUND – THE CONTRIBUTION OF THE LEEDS PALS

1.1 The Pals were a series of military units formed in the First World War as a way of encouraging recruitment at a time when losses in the battlefields of Europe were very high. Many Northern towns and cities were encouraged to form such units and amongst these were the Leeds Pals. Consisting entirely of business men (age 19-35) from Leeds, the Pals were formed at short notice and their training was undertaken on a site at Colsterdale in North Yorkshire, owned by Leeds City Council, the land had originally been intended for a reservoir. The conditions in the camp were very basic, with men being accommodated initially under canvas despite harsh weather conditions.

- 1.2 The Pals suffered very high casualties in France in their action at Serre on the 1st July 1916 in the Battle of the Somme. Many of the Pals did not return from France. The losses were very high and contemporary reports of that action record that there were only 72 survivors out of the 900 in the Battalion. ("Leeds Pals" Laurie Milner; Sword Books 1998)

From this action the Pals went on to further action in the First World War and a list of all their actions is on the Memorial in Leeds Parish Church. These are Egypt 1915-1916; Somme 1916; Ancre 1916; Gavrelle 1917; Scarpe 1918; Arras 1918; Ypres 1918; Hazebrouck 1918.

2.0 MAIN ISSUES

The main issues and proposals involve:

- The Colsterdale Memorial
- A City Centre Memorial
- The Parish Church Memorial

The Colsterdale Memorial

- 2.1 After the end of the war the survivors and the relatives of those who had died, saw to it that a fitting memorial was created at the site of the Pals training ground in Colsterdale. The Memorial takes the form of a tall granite "cairn" (12m.) with bronze inscription plaques. The cairn sits on moorland surrounded by a small area of York stone paving. Around the York stone paving there is a small area of tended grass and on the boundary is a line of sheep proof fencing. Sheep graze on the area of the former camp which protects the site by stopping tree weed invasion, so keeping the archaeology of the camp intact.
- 2.2 The City Council's interest in this memorial began when Lt. Col. Crossland, whose father served in the Pals, highlighted his concerns for the future maintenance of the Memorial at a commemorative service held in Colsterdale attended by the Deputy Lord Mayor. As someone with a deep interest in the Pals, Lt. Col. Crossland was concerned that there should be an ongoing maintenance arrangement for the Memorial to protect the Pals memory. Historically the Council owned the site but with a change in organisational duties ownership was transferred to Yorkshire Water and subsequently Yorkshire Water transferred the land to the Earl of Swinton's estate in whose ownership it now remains.
- 2.3 Following the White Paper to Council in 2005 maintenance arrangements have been put in hand with the Earl of Swinton's Estate for this to be effected through their estate office. The current Earl of Swinton is much in favour of the Memorial and is delighted that the City of Leeds, from whom the Leeds Pals were drawn has entered into an arrangement for its ongoing maintenance. The annual grounds maintenance for the Memorial in its present layout is budgeted at £1,000 per annum which includes grass cutting for 38 weeks a year. This also includes the care of the fence surrounding the Memorial and the Estate Office administers this arrangement without charge to the Council.
- 2.4 Since adopting the Memorial for ongoing maintenance Learning and Leisure staff, under the guidance of a conservation architect, have undertaken the full repointing of the Cairn and the re-patination of the bronze commemorative plaque. This work was accomplished in time for the 70th anniversary of the Memorial's creation on the 28th September 2005.

Joint working between officers of Learning and Leisure, and those in the North Yorkshire Council, Highways Department has ensured that local sign-posting and brown signs are now in place so that the site of the Memorial and training camp is properly marked for visitors.

Future Development of the Colsterdale Memorial

- 2.5 The Memorial has no disabled access and is only accessible via a set of steep steps directly from grass which is close to the roadside. Additionally there is no provision for wreaths or commemorative wooden crosses although these are always placed at the Memorial each year. Neither is the setting of the Memorial in keeping with its social significance. While the stock proof fence protects the Memorial it does not underline the significance of the site or the Memorial. In terms of enhancement of the Memorial, initial contact with officers from the Nidd Area of Outstanding Beauty suggests that a request for funding for an enhancement of the Memorial's surroundings would be looked upon favourably and application could also be made to the Friends of War Memorials for additional funding.
- 2.6 Whilst the Memorial is now in good condition there should be a Conservation Management Plan in place for its ongoing care. Such a document would allow for a conservation architect's input into the determining of proper repairs, and for ongoing repair and care. Maintenance costs for the Memorial would depend on the outcome of quinquennial surveying undertaken by a conservation architect but it is anticipated that this would be included with the development of the scheme to improve the setting of the Memorial.
- 2.7 The development of a scheme for the Memorial would include issues raised by Lt. Col. Crossland and Friends of the Leeds Pals. There would be DDA access and the Memorial would be surrounded with a dry stone wall with an oak gate to the entrance. Within the area of the wall the grass would be levelled to provide a "memorial lawn" into which commemorative crosses could be inserted.

It is estimated that this scheme would cost in the region of £40,000 and could be completed by the middle of June 2006, in time for the commemoration of the 90th anniversary of the action at Serre.

A City Centre Recognition Memorial

- 2.8 A Memorial dedicated to the Leeds Pals in a public space in Leeds would emphasise their contribution to the history of the City. Within Victoria Gardens there are currently two Memorials – the Cenotaph itself, and the Victoria Cross Holders monument located at the eastern end of Victoria Gardens.
- 2.9 It is proposed that a small monument similar to the Victoria Cross one, be placed in the same space. The wording on the plaque would be agreed with the Friends and Lt. Col. Crossland and the monument would cost in the region of £5,000.

The Parish Church Memorial

- 2.10 The Memorial in Leeds Parish Church to the Leeds Pals is situated in the Lady Chapel, which is home to all of the service related memorials in the church. This was placed there by the Pals Association in 1931, 15 years after the action in Serre during the battle of the Somme. The Memorial is of a marble like stone with a niche for a statue and panels around this showing the actions that the Pals were involved in. Some time ago the original statue was torn from the Memorial which resulted in damage to the stone surrounds. The figure was of St. George resting on a two handled sword.

Replacement of the statue can only be undertaken with the authority of the Diocesan Advisory Committee, and with the support of the Rector. The creation of a statue would take several months and the outline cost is estimated at £5,000 by a leading stone/bronze restoration company.

3.0 LEGAL AND RESOURCE IMPLICATIONS

3.1 The costs of repair to the Parish Church Memorial are £5,000 and the provision of a memorial stone and plaque in the City Centre £5,000. The enhancement of the Colsterdale Memorial is estimated at £40,000 with the possibility of funds being made available towards this sum from other sources. The maximum contribution from the City Council would therefore be £50,000, and could be less depending on funding from those bodies referred to in paragraph 2.5.

4.0 CONCLUSIONS

4.1 The report outlines the measures already taken to commemorate the Leeds Pals and to conserve the monument at Colsterdale and outlines proposals to enhance the Colsterdale monument, commemoration of the Pals in Victoria Gardens and restoration of the Parish Church memorial.

5.0 RECOMMENDATIONS

5.1 It is recommended that:

- i) The commemorative stone and plaque in Victoria Gardens is commissioned and in place for 1st July 2006.
- ii) The landscaping scheme for the Colsterdale Memorial is further developed and funding sought to contribute to the scheme cost of c £40,000.
- iii) Permission is sought and costings obtained for the replacement statue in the Parish Church.
- iv) The costs of the repair to the Parish Council Memorial, the provision of a memorial stone and plaque, and a contribution to the Colsterdale Memorial are injected to the 2006/07 Capital Programme at a maximum cost of £50,000.

Appendix 1

Photograph of Parish Church Memorial



Report of the Director of Social Services

Executive Board

Date: 17th February 2006

Subject: Local Safeguarding Children Board

Electoral Wards Affected:

Specific Implications For:

Ethnic minorities

Women

Disabled people

Narrowing the Gap

Eligible for Call In

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

EXECUTIVE SUMMARY

This report details the requirements for the Local Authority to establish a Local Safeguarding Children Board by 1st April 2006, and progress made toward this in Leeds. The Department for Education and Skills issued guidance for all parties entitled, Working Together to Safeguard Children in 2006 and the relevant section is attached to Members' agenda papers and can be obtained from the clerk named on the front of the agenda sheet.

Executive Board is asked to agree the actions being taken to meet the requirements of the Children Act 2004 as it refers to safeguarding.

1. Purpose of this Report

1.1 To inform Executive Board regarding the progress in setting up a Local Safeguarding Children's Board in Leeds.

2.0 Background Information

2.1 The Children Act 2004 requires that in each local authority area a Local Safeguarding Children's Board is established by 1 April 2006. This is to replace the previous Area Child Protection Committee, but with a broadened remit.

3.0 Main Changes

- 3.1 Area Child Protection Committees have had a narrow focus in co-ordinating child protection work undertaken by all relevant agencies in the local area.
- 3.2 Local Safeguarding Children's Boards are given a wider role in safeguarding the welfare of children. This encompasses three broad areas of activity:
- Activity that affects all children and aims to identify and prevent maltreatment, and ensure children are growing up in circumstances consistent with safe and effective care, e.g. by promoting an understanding of safeguarding issues in the community, and by ensuring safe recruitment practices.
 - Proactive work that aims to target particular groups e.g. children who are potentially more vulnerable than the general population, such as children living away from home, or running away from home.
 - Responsive work to protect children who have suffered, or are at risk of suffering harm.
- 3.3 However the guidance also emphasises that work to protect children is the key goal of Local Safeguarding Children Boards(LSCB), and that they should ensure that this core work business is secure, before expanding to their wider remit, including preventative work.
- 3.4 Work has been proceeding over the past year to prepare for the introduction of the LSCB in Leeds. The last meeting of the Area Child Protection Committee (ACPC) will take place in January 2006, and the Safeguarding Board will meet for the first time in April 2006.
- 3.5 Membership of the LSCB is broadly similar to that of the ACPC encompassing all statutory agencies involved in work with young people and families, and representatives of the voluntary sector.

Statutory members are:

Local Authority; representatives of Departments working directly with children and families;
The Police;
The Probation Service;
The Youth Offending Service;
The Strategic Health Authority;
Primary Care Trusts;
NHS Trusts and NHS Foundation Trusts;
The Connexions Service;
CAFCASS;
Any prison which ordinarily detains children;

As a result of this the Governor of Wetherby Young Offenders Institution has been invited to join the LSCB, and has agreed to this.

- 3.6 The core functions of the LSCB are set out in regulations, and are as follows:

- Production of Policies and Procedures

Comprehensive Inter Agency Child Protection Procedures are already in place in

Leeds. These will be revised, in the context of the Children Act 2004 and associated guidance, by 31.3.07, led by the LSCB Manager.

- Training of Persons Working with Children and Families

A full time LSCB Trainer is currently being recruited and will take the lead on developing the current Inter Agency Child Protection Training Programme.

- Recruitment and Supervision of Persons who work with Children

Each agency is responsible for ensuring that it has appropriate recruitment policies and procedures in accordance with the recommendations of the Bichard Inquiry. The LSCB is charged with ensuring the consistency of such policies across all relevant agencies.

- Instigation of Allegations concerns Persons working with Children

Leeds already has a robust system in place to deal with allegations against staff and volunteers. These will need to be reviewed in the light of further national guidance expected later in 2006.

- Safety and Welfare of Children who are Privately Fostered

This is a new responsibility, introduced in the light of the experiences of Victoria Climbié, and the subsequent report of Lord Laming. The introduction of procedures regarding notification and investigation will form part of the Business Plan for the Board in 2006/7.

- Communication and Awareness Raising

This relates both to professionals and to members of the community. Leeds ACPC established a website in 2005, which will become the website of the LSCB, but further developments in this area will be necessary.

- Monitoring and Evaluation

The LSCB is charged with monitoring and evaluating work done by Board partners individually and collectively to safeguard and promote the welfare of children. Joint audit of child protection work is currently being piloted between the Social Services Department and the Police, and Social Services and Health. A full programme of joint audit will be developed by the LSCB Manager as part of the LSCB Business Plan for 2006/7. The LSCB will be expected to monitor the work of the Children and Young People's Strategic Partnership to ensure that safeguarding issues are fully incorporated.

- Participating in Planning and Commissioning

The LSCB is responsible for ensuring that the planning and commissioning of children's services in Leeds always takes account of safeguarding and promoting the welfare of children, eg by contributing to the Children and Young People's Plan.

- Functions relating to Child Deaths

The LSCB is charged with maintaining the existing system of Serious Case Reviews currently undertaken whenever a child has died in circumstances where abuse or neglect is known or suspected.

In addition from 1.4.08 the LSCB is charged with collecting and analysing information about the deaths of all children in Leeds with a view to identifying issues affecting the safety and welfare of children, and any wide general public health or safety concerns. A process for examining such cases is already being piloted in Leeds between the Police, Health and Social Services Department, with a view to

establishing a permanent and robust system well in advance of the national deadline.

4.0 Implications For Council Policy And Governance

- 4.1 Guidance (*Working Together to Safeguard Children – DfES 2006*) emphasises that LSCBs must have a clear and distinct identity within governance arrangements, and should not be an operational sub-committee of the Children and Young Persons Strategic Partnership, or subsequent Children’s Trust Board.
- 4.2 The guidance states that ‘the LSCB and the wider Children’s Trust arrangements need to establish and maintain an ongoing and direct relationship, communicating regularly. They need to ensure action taken by one body does not duplicate that taken by another and work together to ensure there are no unhelpful strategic or operational gaps in policies, protocols, services or practice.’
- 4.3 Discussions have already taken place between ACPC and the Children and Young People’s Strategic Partnership (CYPSP), and the CYPSP has received a presentation on the LSCB. Further work will be needed before the LSCB is fully operational to ensure clarity of purpose between the two bodies and that safeguarding is a priority for the CYPSP.
- 4.4 The guidance states that Local Authority Elected Members should not be members of a LSCB, but through their membership of governance bodies should hold the organisation and its officers to account for their contribution to the effective functioning of the LSCB.

5.0 Legal And Resource Implications

- 5.1 In order to effectively undertake the role of the LSCB, particularly with regard to performance management it has been agreed that the Board needs to be serviced by a full time Manager and Trainer, and administrative support for these two roles.
- 5.2 The guidance states that the core financial contribution should be provided by the Local Authority, Health (through the Primary Care Trusts), and the Police. Funding for the 2006/7 budget has been secured from the Local Authority and Health, and confirmation of the Police contribution is expected in February.

6.0 Conclusions

- 6.1 Progress toward establishment of a LSCB for Leeds is well advanced. The LSCB will develop a work plan, and produce an annual report including management information on activity in the previous year, and a review of its work. This will enable the work of the LSCB to continue to be scrutinised by the Local Authority.

7.0 Recommendations

- 7.1 The Executive Board is asked to agree the actions being taken to progress the setting up of a Local Safeguarding Children Board in Leeds.

Local Safeguarding Children Board Guidance – Covering Note

This guidance document on Local Safeguarding Children Boards (LSCBs) will be incorporated as chapter 3 into the final version of *Working Together to Safeguard Children*, due to be published early in 2006. This guidance will replace the previous version of *Working Together*, which was published in 1999.

Chapter 3 is being published in advance in order to help Local Authorities and their partners set up LSCBs, which will need to be in place by 1 April 2006, replacing Area Child Protection Committees. The chapter sets out the role, functions, governance and operational arrangements of LSCBs. It replaces Chapter 4 in the 1999 version of *Working Together*, which contained guidance on Area Child Protection Committees.

This document is one of a suite of five which give guidance on children's trust governance and strategic planning, and on the cross cutting issue of safeguarding and promoting the welfare of children. All these documents are accessible through www.everychildmatters.gov.uk/strategy/guidance.

The other four key documents also support provisions in the Children Act 2004 and underpin Every Child Matters: Change for Children:

(1) Inter-Agency Co-operation to Improve Wellbeing of Children: Children's Trusts describes the duties placed on Local Authorities and other key partners to co-operate to improve the wellbeing of children and young people. The guidance sets out the features of cooperation through children's trusts and provides a strategic framework within which all children's services in an area will operate.

Statutory guidance on the (2) Duty to Make arrangements to Safeguard and Promote the Welfare of Children sets out the key arrangements agencies should make to safeguard and promote the welfare of children in the course of discharging their normal functions.

Guidance on the (3) Children and Young People's Plan supports the fulfilment of both the co-operation and safeguarding and promoting welfare duties. The regulations to which this guidance refers require Local Authorities to work with partners to produce a strategic plan describing the actions and provisions by which they will achieve the five outcomes for children and young people.

Guidance on the governance, leadership and structures required within the new strategic framework is provided by (4) The Role and Responsibilities of the Director of Children's Services and the Lead Member for Children's Services

Chapter 3 contains some cross-references to other parts of *Working Together to Safeguard Children*, but the essential guidance on the set-up and operation

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of LSCBs is all contained in this chapter. This covering note is accompanied by a glossary which provides definitions of some key terms used in the guidance.

Chapter 3 will be incorporated into Part 1 of the final version of Working Together. Like the rest of Part 1 this chapter is statutory guidance issued under Section 7 of the Local Authority Social Services Act 1970, which requires Local Authorities, in exercising their social services functions, to act under the general guidance of the Secretary of State. It should be complied with by Local Authorities unless local circumstances indicate exceptional reasons which justify a variation. Chapter 3 is also issued under section 16 of the Children Act 2004, which says that Children's Services Authorities (county level and unitary Local Authorities, see glossary) and each of the statutory partners must, in exercising their functions relating to an LSCB, have regard to any guidance given to them for the purpose of the Secretary of State.

Glossary

Term used in this document	Means
Abuse and neglect	Forms of maltreatment of a child.
Child protection	Process of protecting individual children identified as either suffering, or at risk of suffering, significant harm as a result of abuse or neglect.
'children's social care' or 'Local Authority children's social care'	The work of Local Authorities exercising their social services functions with regard to children. This is not meant to imply a separate 'children's social services' department.
Local Authorities	In this guidance this generally means Local Authorities that are Children's Services Authorities – effectively, Local Authorities that are responsible for social services and education. Section 63 of the Children Act 2004 defines a Children's Services Authority in England as: a county council in England; a metropolitan district council; a non-metropolitan district council for an area where there is no county council; a London borough council; the Common Council of the City of London and the Council of the Isles of Scilly.
Safeguarding and promoting the welfare of children	The process of protecting children from abuse or neglect, preventing impairment of their health and development, and ensuring they are growing up in circumstances consistent with the provision of safe and effective care which is undertaken so as to enable children to have optimum life chances and enter

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	adulthood successfully.
Well-being	Section 10 of the Children Act 2004 requires Local Authorities and other specified agencies to co-operate with a view to improving the well being of children in relation to the 5 outcomes first set out in "Every Child Matters".

CHAPTER 3 – Local Safeguarding Children Boards

3.1 Safeguarding and promoting the welfare of children requires effective co-ordination in every local area. For this reason, the Children Act 2004 requires each Local Authority to establish a Local Safeguarding Children Board (LSCB).

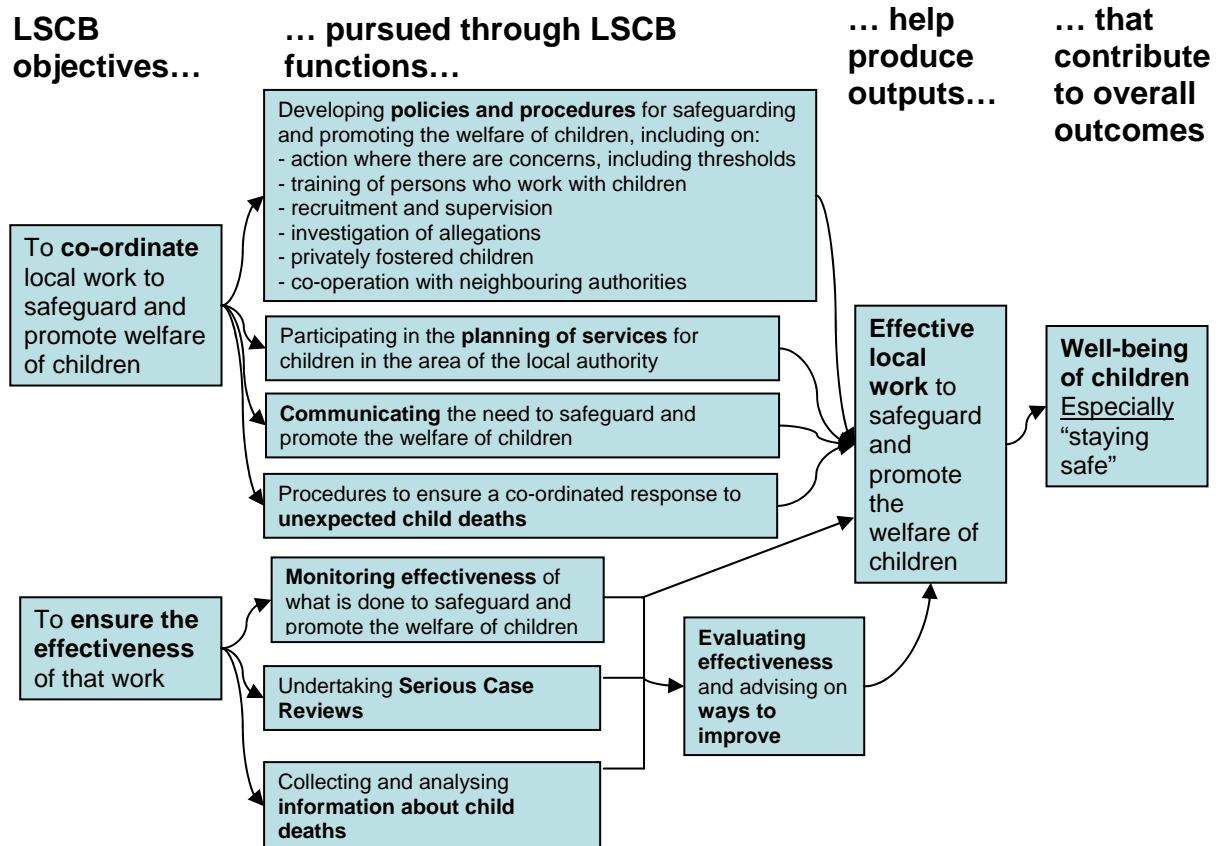
3.2 The LSCB is the key statutory mechanism for agreeing how the relevant organisations in each local area will co-operate to safeguard and promote the welfare of children in that locality, and for ensuring the effectiveness of what they do.

LSCB Role

The LSCB’s relationship with wider arrangements to improve outcomes for children

3.3 The work of LSCBs is part of the wider context of children’s trust arrangements that aim to improve the overall wellbeing (i.e. the five Every Child Matters outcomes) of all children in the local area.

3.4 Whilst the work of LSCBs contributes to the wider goals of improving the wellbeing of all children, it has a particular focus on aspects of the ‘staying safe’ outcome.



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3.5 Whereas the children's trust has a wider role in planning and delivery of services, LSCB objectives are about co-ordinating and ensuring the effectiveness of what their member organisations do individually and together. They will contribute to delivery and commissioning through the Children and Young People's Plan and the children's trust arrangements.

3.6 There is flexibility for a local area to decide that an LSCB should have an extended role or further functions in addition to those set out in this chapter. Those must of course still be related to its objectives. The decision should be taken as part of the scope of the wider children's trust. However, the Local Authority and its partners should make sure that any extended role does not lessen the LSCB's ability to perform its core role effectively.

Objectives

3.7 The core objectives of the LSCB are set out in section 14(1) of the Children Act 2004 as follows:

- a) to co-ordinate what is done by each person or body represented on the Board for the purposes of safeguarding and promoting the welfare of children in the area of the authority; and,
- b) to ensure the effectiveness of what is done by each such person or body for that purpose.

3.8 As explained in chapter 1, safeguarding and promoting the welfare of children is defined for the purposes of this guidance as:

- protecting children from maltreatment;
 - preventing impairment of children's health or development;
 - ensuring that children are growing up in circumstances consistent with the provision of safe and effective care;
- ...and undertaking that role so as to enable those children to have optimum life chances and enter adulthood successfully.

3.9 The LSCB will therefore ensure that the duty to safeguard and promote the welfare of children will be carried out in such a way as to improve all five outcomes which are of importance to children.

3.10 Safeguarding and promoting the welfare of children includes protecting children from harm. Ensuring that work to protect children is properly co-ordinated and effective remains a key goal of LSCBs and they should not focus on their wider role if the standard of this core business is inadequate. However, when this core business is secure, LSCBs should go beyond it to work to their wider remit, which includes preventative work to avoid harm being suffered in the first place.

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Scope of the role

3.11 The scope of LSCBs' role includes safeguarding and promoting the welfare of children in three broad areas of activity.

3.12 First, activity that affects all children and aims to identify and prevent maltreatment, or impairment of health or development, and ensure children are growing up in circumstances consistent with safe and effective care. For example:

- mechanisms to identify abuse and neglect wherever they may occur;
- work to increase understanding of safeguarding children issues in the professional and wider community, promoting the message that safeguarding is everybody's responsibility;
- work to ensure that organisations working, or in contact with children, operate recruitment and HR practices that take account of the need to safeguard and promote the welfare of children;
- monitoring the effectiveness of organisations' implementation of their duties under section 11 of the Children Act 2004;
- ensuring children know who they can contact when they have concerns about their own or others' safety and welfare;
- ensuring that adults (including those who are harming children) know who they can contact if they have a concern about a child or young person.

3.13 Second, proactive work that aims to target particular groups. For example:

- developing / evaluating thresholds and procedures for work with children and families where a child has been identified as 'in need' under the Children Act 1989, but where the child is not suffering or at risk of suffering significant harm.
- work to safeguard and promote the welfare of groups of children who are potentially more vulnerable than the general population, for example children living away from home, children who have run away from home, children in custody, or disabled children.

3.14 Thirdly, responsive work to protect children who are suffering, or at risk of suffering harm, including:

- children abused and neglected within families, including those harmed:
 - in the context of domestic violence
 - as a consequence of the impact of substance misuse;
- children abused outside families by adults known to them;
- children abused and neglected by professional carers, within institutional settings, or anywhere else where children are cared for away from home;
- children abused by strangers;

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- children abused by other young people;
- young perpetrators of abuse; and
- children abused through prostitution.

3.15 Where particular children are the subject of interventions then that safeguarding work should aim to help them to achieve all five outcomes, to have optimum life chances. It is within the remit of LSCBs to check the extent to which this has been achieved as part of their monitoring and evaluation work.

Accountability for operational work

3.16 Whilst the LSCB has a role in co-ordinating and ensuring the effectiveness of local individuals' and organisations' work to safeguard and promote the welfare of children, it is not accountable for their operational work. Each Board partner retains their own existing lines of accountability for safeguarding and promoting the welfare of children by their services. The LSCB does not have a power to direct other organisations.

LSCB Functions

3.17 The core functions of an LSCB are set out in regulations. This guidance gives further detail on what is required as well as examples of how the functions can be carried out. In all their activities, LSCBs should take account of the need to promote equality of opportunity and to meet the diverse needs of children.

Policies and procedures function

3.18 This general function has a number of specific applications set out in regulations.

a) Developing policies and procedures for safeguarding and promoting the welfare of children in the area of the authority, including policies and procedures in relation to:

(i) The action to be taken where there are concerns about a child's safety or welfare, including thresholds for intervention

3.19 This includes concerns under both s17 and s47 of the Children Act 1989. It may mean for example:

- setting out thresholds for referrals to children's social care of children who may be in need, and processes for robust multi-agency assessment of children in need.
- agreeing inter-agency procedures for s47 enquiries and developing local protocols on key issues of concern such as children abused through prostitution; children living with domestic violence, substance abuse, or parental mental illness; female genital mutilation; forced marriage; children missing from school; children who may have been trafficked, and safeguarding looked after children who are away from home.

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- setting out how s47 enquiries and associated police investigations should be conducted, and in particular, in what circumstances joint enquiries are necessary and/or appropriate.

3.20 Chapter 4 includes some further key points on which LSCBs should ensure that they have policies and procedures in place.

3.21 Clear thresholds and processes and a common understanding of them across local partners may help to reduce the number of inappropriate referrals and to improve the effectiveness of joint work, leading to a more efficient use of resources.

(ii) Training of persons who work with children or in services affecting the safety and welfare of children

3.22 It is the responsibility of the LSCB to ensure that single agency and multi-agency training on safeguarding and promoting welfare is provided in order to meet local needs. This covers both the training provided by single agencies to their own staff, and multi-agency training where staff from more than one agency train together.

3.23 LSCBs may wish to carry out their function by taking a view as to the priorities for multi-agency and single-agency child protection training in the local area and feeding those priorities into the local Workforce Strategy. LSCBs will also wish to evaluate the quality of this training, ensuring that relevant training is provided by individual organisations, and checking that the training is reaching the relevant staff within organisations.

3.24 In some areas it may be decided that the LSCB should also organise or deliver multi-agency training. As explained in Chapter 8 of *Working Together to Safeguard Children*, this is not part of the core requirement for LSCBs.

(iii) Recruitment and supervision of persons who work with children

3.25 For example by establishing effective policies and procedures, based on national guidance, for checking the suitability of people applying for work with children and ensuring that the children's workforce is properly supervised, with any concerns acted on appropriately.

(iv) Investigation of allegations concerning persons working with children

3.26 For example policies and procedures, based on national guidance, to ensure that allegations are dealt with properly and quickly.

(v) Safety and welfare of children who are privately fostered

3.27 For example, by ensuring the co-ordination and effective implementation of measures designed to strengthen private fostering notification arrangements. These measures were amendments to the Children Act 1989 made by section 44 of the Children Act 2004, the Children (Private Arrangements for Fostering) Regulations 2005, and National Minimum Standards (NMS) for private fostering, which came into effect in July 2005. LSCBs may also want to consider how they raise awareness in the community of the requirements and issues around private fostering.

(vi) Co-operation with neighbouring children's services authorities (i.e. Local Authorities) and their Board partners

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3.28 For example, by establishing procedures to safeguard and promote the welfare of children who move between Local Authority areas, in line with the requirements in Chapters 4 and 5 of *Working Together to Safeguard Children*. This might include harmonising procedures, where appropriate, to bring coherence to liaison with an organisation (such as a police force) which spans more than one LSCB area. This could be relevant to geographically mobile families such as: asylum seeking children; traveller children; children in migrant families; and children of families in temporary accommodation.

Other policies and procedures

3.29 LSCBs should consider the need for other local protocols under this function, beyond those specifically set out in regulations, including:

- quick and straightforward means of resolving professional differences of view in a specific case, for example, on whether a child protection conference should be convened;
- attendance at child protection conferences, including quora;
- attendance at family group conferences;
- involving children and family members in child protection conferences, the role of advocates, criteria for excluding parents in exceptional circumstances;
- a decision-making process for the need for a child protection plan based upon the views of the agencies present at the child protection conference; and
- handling complaints from families about the functioning of child protection conferences.

Communicating and raising awareness function

b) Communicating to persons and bodies in the area of the authority the need to safeguard and promote the welfare of children, raising their awareness of how this can best be done, and encouraging them to do so

3.30 For example, by contributing to a public campaign to raise awareness in the wider community, including faith and minority communities, and among statutory and independent agencies, including employers, about how everybody can contribute to safeguarding and promoting the welfare of children. By listening to and consulting children and young people and ensuring that their views and opinions are taken into account in planning and delivering safeguarding and promoting welfare services.

Monitoring and evaluation function

a) Monitor and evaluate the effectiveness of what is done by the Local Authority and board partners individually and collectively to safeguard and promote the welfare of children and advise them on ways to improve

3.31 The LSCB has a key role in achieving high standards in safeguarding and promoting welfare, not just through co-ordinating but by evaluation and continuous improvement.

3.32 For example, by asking individual organisations to self evaluate under an

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agreed framework of benchmarks or indicators and then sharing results with the Board. It might also involve leading multi-agency arrangements to contribute to self evaluation reports.

3.33 To evaluate multi-agency working they could perform joint audits of case files, looking at the involvement of the different agencies, and identifying the quality of practice and lessons to be learned in terms of both multi-agency and multi-disciplinary practice.

3.34 The LSCB should have a particular focus on ensuring that those key people and organisations that have a duty under section 11 of the Children Act 2004 or section 175 or 157 of the Education Act 2002 are fulfilling their statutory obligations about safeguarding and promoting the welfare of children.

3.35 The function also includes advising the Local Authority and Board partners on ways to improve. The LSCB might do this by making recommendations (such as the need for further resources), by helping organisations to develop new procedures, by spreading best practice, by bringing together expertise in different bodies, or by supporting capacity building and training. Where there are concerns about the work of partners and these cannot be addressed locally, the LSCB should raise these concerns with others, as explained further in paragraph 3.86 below.

Function of participating in planning and commissioning

b) Participating in the local planning and commissioning of children's services to ensure that they take safeguarding and promoting the welfare of children into account

3.36 For example, by contributing to the Children and Young People's plan, and ensuring in discussion with the children's trust partnership that all planning and commissioning of services for children within the Local Authority area take account of the need to safeguard and promote children's welfare.

3.37 Where it is agreed locally that the LSCB is the 'responsible authority' for 'matters relating to the protection of children from harm' under the Licensing Act 2003, it must be notified of all licence variations and new applications for the sale and supply of alcohol and public entertainment.

Functions relating to child deaths

3.38 From 1 April 2008 each LSCB will have the functions set out in regulations relating to child deaths. They become compulsory on LSCBs by that date, but can be carried out by any LSCB from 1 April 2006.

c) Collecting and analysing information about the deaths of all children in their area with a view to identifying:

i) any matters of concern affecting the safety and welfare of children in the area of the authority, including any case giving rise to the need for a serious case review;

ii) any general public health or safety concerns arising from deaths of children.

d) Putting in place procedures for ensuring that there is a co-ordinated

response by the authority, their Board partners and other relevant persons to an unexpected death of a child.

3.39 Chapter 7 of *Working Together to Safeguard Children* explains how these functions should be implemented.

Serious case review function

e) Undertaking reviews of cases where a child has died or has been seriously harmed in circumstances where abuse or neglect is known or suspected and advising on lessons that can be learned

3.40 By developing procedures and the detail of organisations' and individuals' roles in accordance with Chapter 8 of *Working Together to Safeguard Children*, and ensuring that organisations undertake those roles. All relevant staff should be aware of when Serious Case Reviews are required or should be considered.

3.41 By defining terms of reference, commissioning organisational and management reviews and an independent person to compile the overview report, receiving and endorsing the report, agreeing recommendations and an action plan, ensuring the action plan is carried out and that learning is disseminated, lessons acted on and local policy and practice improved.

Other activities

3.42 The regulations make clear that in addition to the functions set out above:

An LSCB may also engage in any other activity that facilitates, or is conducive to, the achievement of its objective.

3.43 These further activities should be discussed and agreed as part of wider children's trust planning.

3.44 For example, the LSCB could agree to take the lead within a children's trust on work to tackle bullying, or could lead an initiative on domestic violence.

3.45 The LSCB will not in general be an operational body or one which delivers services to children, young people and their families. Its role is co-ordinating and ensuring the effectiveness of what its member organisations do, and contributing to broader planning, commissioning and delivery. It may however take on operational and delivery roles under this part of the regulations.

LSCB Governance and Operational Arrangements

3.46 County level and unitary local authorities are responsible for establishing an LSCB in their area and ensuring that it is run effectively.

3.47 An LSCB can cover more than one Local Authority area. Local Authorities and their partners will wish to consider whether this is desirable, perhaps to ensure a better fit with the areas covered by other bodies, or because issues are common to different areas.

Independence

3.48 It is important that, whilst operating in the context of the children's trust and developing a strong working relationship with the wider strategic partnerships within a local authority area, LSCBs exercise their unique statutory role effectively. They must be able to form a view of the quality of local activity, to challenge organisations as necessary, and to speak with an independent voice. To ensure that this is possible LSCBs must have a clear and distinct identity within local children's trust governance arrangements. They should not be an operational sub-committee of the children's trust board.

Chair

3.49 It is the responsibility of the Local Authority, after consultation with the Board partners, to appoint the chair. The chair may be a local authority employee, such as the Director of Children's Services (DCS) or the Local Authority Chief Executive, a senior employee of one of the Board partners, or another person contracted with or employed specifically to fulfil this role. Where the chair is not a senior person from the Local Authority, such as the DCS or Chief Executive, they will be accountable to the Local Authority, via the DCS, for the effectiveness of their work as LSCB chair. The Chair should not be an Elected Member – for more detail on the role of Elected Members, see paragraphs 3.56 – 3.57 below.

3.50 The chair will have a crucial role in making certain that the board operates effectively and secures an independent voice for the LSCB. He or she should be of sufficient standing and expertise to command the respect and support of all partners. The chair should act objectively and distinguish their role as LSCB chair from any day to day role, for example, as an employee of the Local Authority.

Relationship between the LSCB and the children's trust

3.51 The LSCB and its activities are part of the wider context of children's trust arrangements. The work of LSCBs contributes to the wider goals of improving the wellbeing of all children. Within the wider governance arrangements its role is to ensure the effectiveness of the arrangements made by individual agencies and the wider partnership to safeguard and promote the welfare of children.

3.52 The LSCB should not be subordinate to or subsumed within the children's trust arrangements in a way that might compromise its separate identity and independent voice. The LSCB should expect to be consulted by the partnership on issues which affect how children are safeguarded and their welfare promoted. The LSCB is a formal consultee during the development of the Children and Young People's Plan.

3.53 The LSCB and the wider children's trust arrangements need to establish and maintain an ongoing and direct relationship, communicating regularly. They need to ensure action taken by one body does not duplicate that taken by another and work together to ensure there are no unhelpful strategic or operational gaps in policies, protocols, services or practice.

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Membership

The nature of members

3.54 As far as possible, organisations should designate particular, named people as their LSCB member, so that there is consistency and continuity in the membership of the LSCB.

3.55 Members will need to be people with a strategic role in relation to safeguarding and promoting welfare of children within their organisation. They should be able to:

- speak for their organisation with authority
- commit their organisation on policy and practice matters
- hold their organisation to account.

Role of Elected Members

3.56 Local Authority Elected Members and non-executive directors of other board partners should not be members of a LSCB. Their role, through their membership of governance bodies such as the cabinet of the local authority or a scrutiny committee or a governance board, is to hold their organisation and its officers to account for their contribution to the effective functioning of the LSCB.

3.57 The Lead Member for Children's Services within the Local Authority will have a particular focus on how the Local Authority is fulfilling its responsibilities to safeguard and promote the welfare of children and will hold the DCS to account for the work of the LSCB.

Statutory Members

3.58 The LSCB should include representatives of the Local Authority and its Board partners, the statutory organisations which are required to co-operate with the local authority in the establishment and operation of the board and have shared responsibility for the effective discharge of its functions. These are the Board partners set out in section 13(3) of the Children Act (2004):

- District Councils in local government areas which have them;
- the Chief Officer of Police for a police area any part of which falls within the area of the local authority;
- the Local Probation Board for an area any part of which falls within the area of the local authority;
- the Youth Offending Team for an area any part of which falls within the area of the local authority;
- Strategic Health Authorities and Primary Care Trusts for an area any part of which falls within the area of the local authority;
- NHS Trusts and NHS Foundation Trusts all or most of whose hospitals or establishments and facilities are situated in the local authority area;

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- the Connexions Service providing services in any part of the area of the local authority;
- CAFCASS (Children and Family Courts Advisory and Support Service);
- the governor or director of any Secure Training Centre in the area of the local authority; and
- the governor or director of any prison in the local authority area which ordinarily detains children.

3.59 The Local Authority should ensure that those responsible for adult social services functions are represented on the LSCB, because of the importance of adult social care in safeguarding and promoting the welfare of children. Similarly health organisations should ensure that adult health services and in particular adult mental health and adult disability services are represented on the LSCB.

3.60 It will also be important to ensure that the LSCB has access to appropriate expertise and advice from all the relevant sectors, including a designated doctor and nurse.

3.61 The Children Act 2004 says that the Local Authority and its partners must co-operate in the establishment and operation of an LSCB. This places an obligation on Local Authorities and statutory LSCB partners to support the operation of the LSCB.

Other Members

3.62 The Local Authority should also secure the involvement of other relevant local organisations and the NSPCC where a representative is made available. The knowledge and experience of the NSPCC is an important national resource on which LSCBs will want to draw. At a minimum local organisations should include faith groups, state and independent schools, Further Education Colleges including 6th Form Colleges, children's centres, GPs, independent healthcare organisations, and voluntary and community sector organisations including bodies providing specialist care to children with severe disabilities and complex health needs. In areas where they have significant local activity, the armed forces (in relation both to the families of service men and women and those personnel that are under the age of 18), the Immigration Service, and National Asylum Support Service should also be included. Where the number or size of similar organisations precludes individual representation on the LSCB, for example in the case of schools or voluntary youth bodies, the LA should seek to involve them via existing networks or forums, or by encouraging and developing suitable networks or forums to facilitate communication between organisations and with the LSCB.

Involvement of other agencies and groups

3.63 The LSCB should make appropriate arrangements at a strategic management level to involve others in its work as needed. For example, there may be some organisations or individuals which are in theory represented by the statutory board partners but which need to be engaged because of their particular role in service provision to children and families or role in public protection. There will be other organisations which the LSCB needs to link to, either through inviting them to join the LSCB, or through some other mechanism. For example:

- the coronial service;

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- Dental health services;
- Domestic Violence Forums;
- Drug and alcohol misuse services;
- Drug Action Teams
- Housing, culture and leisure services;
- housing providers;
- Local Authority legal services;
- Local MAPPA;
- Local sports bodies and services;
- Local Family Justice Council;
- Local Criminal Justice Board;
- other health providers such as pharmacists;
- representatives of service users;
- Sexual health services.
- the Crown Prosecution Service;
- witness support services.

3.64 LSCBs will also need to draw on the work of key national organisations and liaise with them when necessary, for example, the new Child Exploitation and On-Line Protection Centre.

The Role of Members

3.65 The individual members of LSCBs have a duty as members to contribute to the effective work of the LSCB, for example, in making the LSCBs' assessment of performance as objective as possible, and in recommending or deciding upon the necessary steps to put right any problems. This should take precedence, if necessary, over their role as a representative of their organisation. Members of each LSCB should have a clear written statement of their roles and responsibilities.

Ways of Working

3.66 The working practices of LSCB members need to be considered locally with a view to securing effective operation of LSCB functions and ensuring that all member organisations are effectively engaged.

3.67 Where there are multiple organisations of a particular kind in the Local Authority area, for example NHS Trusts or District Councils, they may decide to share attendance at meetings. Organisations pooling representation in this way need to agree how they will be consulted and how their views will be fed in to Board

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discussions.

3.68 It may be appropriate for the LSCB to set up working groups or sub-groups, on a short-term or a standing basis to:

- carry out specific tasks, for example: maintaining and updating procedures and protocols; reviewing serious cases; and identifying multi-agency training needs;
- provide specialist advice, for example: in respect of working with specific ethnic and cultural groups, or with disabled children and/or parents;
- bring together representatives of a sector to discuss relevant issues and to provide a contribution from that sector to LSCB work, for example: schools, the voluntary and community sector, faith groups; and,
- focus on defined geographical areas within the LSCBs boundaries.

3.69 It is possible to form a 'core group' or 'executive group' of LSCB members to carry out some of the day-to-day business by local agreement.

3.70 When LSCBs begin to operate the new child death review processes set out in chapter 7 of *Working Together to Safeguard Children*, they will need to set up a Child Death Overview Panel which has a standing membership and whose Chair is a member of the LSCB. This panel can be set up by two or more LSCBs to cover their combined area.

3.71 All groups working under the LSCB should be established by the LSCB, and should work to agreed terms of reference, with explicit lines of reporting, communication and accountability to the LSCB. This may take the form of a written constitution detailing a job description for all members and service level agreements between the LSCB, agencies and other partnerships. Chairs of sub groups should be LSCB members.

3.72 Where boundaries between LSCBs and their partner organisations such as the health service and the police are not co-terminous, there can be problems for some member organisations in having to work to different procedures and protocols according to the area involved, or having to participate in several LSCBs. It may be helpful in these circumstances for adjoining LSCBs to collaborate as far as possible on establishing common policies and procedures, and joint ways of working, under the function around "Co-operation with neighbouring children's services authorities and their Board partners".

3.73 LSCBs should consider how to put in place arrangements to ascertain views of parents and carers and the wishes and feelings of children (including children who might not ordinarily be heard) about the priorities and the effectiveness of local safeguarding work, including issues of access to services and contact points for children to safeguard and promote welfare. LSCBs should also consider how children, parents and carers can be given a measure of choice and control in the development of services.

Financing and Staffing

3.74 To function effectively LSCBs need to be supported by their member organisations with adequate and reliable resource.

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3.75 Section 15 of the Children Act 2004 sets out that statutory Board partners (or in the case of prisons, either the Secretary of State or the contractor) may:

- make payments towards expenditure incurred by, or for purposes connected with, an LSCB, either directly, or by contributing to a fund out of which payments may be made;
- provide staff, goods, services, accommodation or other resources for purposes connected with an LSCB.

3.76 The budget for each LSCB and the contribution made by each member organisation should be agreed locally. The member organisations' shared responsibility for the discharge of the LSCB's functions includes shared responsibility for determining how the necessary resources are to be provided to support it.

3.77 The core contributions should be provided by the responsible Local Authority, the Primary Care Trusts, and the police. Other organisations' contributions will vary to reflect their resources and local circumstances. For some, taking part in LSCB work may be the appropriate extent of their contribution. Other organisations may wish to contribute by committing resources in kind, rather than funds, as provided for in the legislation.

3.78 Where an LSCB member organisation provides funding, this should be committed in advance, usually into a pooled budget.

3.79 The board may choose to use some of its funding to support the participation of some organisations, such as local voluntary or community sector groups, for example, if they cannot otherwise afford to take part.

3.80 The funding requirement of the LSCB will depend on its circumstances and the work which it plans to undertake (which will in turn depend on the division of responsibilities between the LSCB and other parts of the wider children's trust). However, each LSCB will have a core minimum of work.

3.81 The LSCB's resources will need to enable it to have staff to take forward its business, whether those are paid for from a common fund, or seconded as part of a contribution in kind. The particular staffing of each LSCB should be agreed locally by the Board partners. An effective LSCB needs to be staffed so that it has the capacity to:

- drive forward the LSCB's day to day business in achieving its objectives, including its co-ordination and monitoring / evaluating work;
- take forward any training and staff development work carried out by the LSCB, in the context of the local workforce strategy;
- provide administrative and organisational support for the Board and its sub-committees, and those involved in policy and training.

Planning

3.82 On the basis of a new statutory duty, and building on best local planning practice, the Government intends that all local areas should produce a single, strategic, overarching plan for all services affecting children and young people. The

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Children and Young People's Plan (CYPP) and the process of joint planning should support local authorities and their partners as they work together, with the local authority taking the lead, to agree clear targets and priorities for all services to children and young people. It will also identify the actions and activities needed to achieve the targets and priorities and ensure delivery. Guidance on the CYPP was published in July 2005.

3.83 On the basis of the CYPP, children's trusts will develop joint commissioning arrangements. These will be based on assessment of local needs; agreeing priorities, planning provision and identifying the resources available across the partner agencies and the contribution each will make. LSCBs should contribute to, and work within, the framework established by the CYPP.

3.84 LSCBs' work needs to be properly planned. The LSCB's own activities would ordinarily be part of the overall CYPP. If not, LSCB planning should nevertheless fit clearly within the framework of priorities and action set out in the CYPP, or if there is no CYPP, within the authority's strategic planning framework. The LSCB should have a clear work programme, including measurable objectives; and a budget. It should include in any plan or annual report relevant management information on activity in the course of the previous year; and a review of its work in the previous year, for example, progress against objectives. This will enable the LSCB's work to be scrutinised by the Local Authority (perhaps by the overview and scrutiny committees), by other local partners, and by other key stakeholders as well as by the inspectorates. Local authorities and their partners may wish to take an overview of LSCB work jointly as part of the children's trust governance arrangements. It is recommended that any LSCB plan or report is endorsed by all the Board members and made publicly available.

Monitoring and Inspection

3.85 The LSCB's work to ensure the effectiveness of work to safeguard and promote the welfare of children by member organisations will be a peer review process based on self evaluation, performance indicators, and joint audit. Its aim is to promote high standards of safeguarding work and to foster a culture of continuous improvement. It will also identify and act on identified weaknesses in services. To avoid unnecessary duplication of work the LSCB should ensure that its monitoring role complements and contributes to the work of both the children's trust and the inspectorates.

3.86 Where it is found that a Board partner is not performing effectively in safeguarding and promoting the welfare of children, and the LSCB is not convinced that any planned action to improve performance will be adequate, the LSCB chair or a member or employee designated by the chair should explain these concerns to those individuals and organisations that need to be aware of the failing and may be able to take action. For example, to the most senior individual(s) in the partner organisation, to the relevant inspectorate, and, if necessary, to the relevant Government Department.

3.87 The local inspection framework will play an important role in reinforcing the ongoing monitoring work of the LSCB. A joint area review of children's services (JAR) will take place in each local authority area between 2005 and December 2008. JARs assess how children's services, taken together, contribute to improving outcomes for children and young people.

3.88 Individual services will be assessed through their own quality regimes.

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Annual performance assessment of council children's services (APA), by Ofsted and CSCI, looks at the contribution of local authorities to outcomes for children, with an overall judgement supported by separate judgements on social care services for children and on education services. It draws on performance information, inspection evidence, other documents and self assessment. These inspectorates in their other work, plus other inspectorates such as the Healthcare Commission, and Her Majesty's Inspectorates of Constabulary, Prisons, and Probation, will have as part of their remit considering the effectiveness of their agencies' role in safeguarding and promoting the welfare of children. The LSCB should draw on their work.

3.89 The LSCB will be able to feed its views about the quality of work to safeguard and promote the welfare of children into these processes.

3.90 The effectiveness of the LSCB itself should also form part of the judgement of the Inspectorates, particularly through the JAR. This may be done, for example, by examining the quality of the LSCB's planning and determining whether key objectives have been met. It will be for the Local Authority to lead in taking action, if intervention in the LSCB's own processes is necessary.