



EXECUTIVE BOARD

Meeting to be held in Civic Hall, Leeds on
Wednesday, 25th August, 2010 at 1.00 pm

MEMBERSHIP

Councillors

K Wakefield (Chair)	A Carter	S Golton	A Blackburn
J Blake			
P Gruen			
R Lewis			
T Murray			
A Ogilvie			
L Yeadon			
J Dowson*			

*non voting advisory member

CONFIDENTIAL AND EXEMPT ITEMS

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

9.0 Confidential information – requirement to exclude public access

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

9.2 Confidential information means

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

10.0 Exempt information – discretion to exclude public access

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

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

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

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

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

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

A G E N D A

Item No K=Key Decision	Ward	Item Not Open		Page No
1			<p>APPEALS AGAINST REFUSAL OF INSPECTION OF DOCUMENTS</p> <p>To consider any appeals in accordance with Procedure Rule 25 of the Access to Information Procedure Rules (in the event of an Appeal the press and public will be excluded)</p> <p>(*In accordance with Procedure Rule 25, written notice of an appeal must be received by the Chief Democratic Services Officer at least 24 hours before the meeting)</p>	
2			<p>EXEMPT INFORMATION - POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC</p> <p>1 To highlight reports or appendices which officers have identified as containing exempt information, and where officers consider that the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons outlined in the report.</p> <p>2 To consider whether or not to accept the officers recommendation in respect of the above information.</p> <p>3 If so, to formally pass the following resolution:-</p> <p>RESOLVED – That the press and public be excluded from the meeting during consideration of those parts of the agenda designated as exempt information on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information.</p>	

Item No K=Key Decision	Ward	Item Not Open		Page No
3			<p>LATE ITEMS</p> <p>To identify items which have been admitted to the agenda by the Chair for consideration</p> <p>(The special circumstances shall be specified in the minutes)</p>	
4			<p>DECLARATION OF INTERESTS</p> <p>To declare any personal/prejudicial interests for the purpose of Section 81(3) of the Local Government Act 2000 and paragraphs 8 to 12 of the Members Code of Conduct</p>	
5			<p>MINUTES</p> <p>To confirm as a correct record the minutes of the meeting held on 21st July 2010.</p> <p><u>NEIGHBOURHOODS AND HOUSING</u></p>	1 - 12
6 K	Adel and Wharfedale; Alwoodley; Armley; Burmantofts and Richmond Hill; Calverley and Farsley; Chapel Allerton; City and Hunslet; Killingbeck and Seacroft; Middleton Park; Otley and Yeadon; Temple Newsam;	10.4(3) (Appendices 1 and 4 only)	<p>ROUND 6 PFI OUTLINE BUSINESS CASE: LIFETIME NEIGHBOURHOODS FOR LEEDS</p> <p>To consider the report of the Director of Environment and Neighbourhoods proposing the submission of the Lifetime Neighbourhoods for Leeds Outline Business Case to the Homes and Communities Agency under the national Round 6 PFI Housing programme. The report also seeks approval of revisions to the project's scope, sites and affordability position.</p> <p>Appendix 1 to this report is designated as exempt under Access to Information Procedure Rule 10.4(3). Appendix 4 to the report, which has been placed within the Members' Library for inspection, is also designated as exempt under Access to Information Procedure Rule 10.4(3).</p>	13 - 46

Item No K=Key Decision	Ward	Item Not Open		Page No
7 K	Beeston and Holbeck; Burmantofts and Richmond Hill; City and Hunslet;		<p>REGIONAL HOUSING BOARD PROGRAMME 2008-2011: ACQUISITION AND DEMOLITION SCHEMES UPDATE</p> <p>To consider the report of the Regional Housing Programme Board outlining proposals to rescind approvals previously approved in respect of the Holbeck Phase 4 acquisition and demolition scheme for the purposes of transferring funding to other acquisition and demolition schemes, in order to enable the remaining demolitions to take place before March 2011.</p> <p><u>CHILDREN'S SERVICES</u></p>	47 - 56
8			<p>CHILDREN'S SERVICES IMPROVEMENT UPDATE REPORT</p> <p>To consider the report of the Interim Director of Children's Services providing an update on the implementation of Leeds' Improvement Plan for Children's Services and the work of the Improvement Board which oversees this, the transformation programme aimed at providing an integrated delivery model for children's services and the development of a new Children and Young People's Plan for the city by spring 2011.</p>	57 - 68
9 K	Burmantofts and Richmond Hill; Farnley and Wortley; Garforth and Swillington; Guiseley and Rawdon; Morley North; Rothwell;		<p>PRIMARY CAPITAL PROGRAMME: WORKS AT RICHMOND HILL, SWILLINGTON, SAINTS PETER AND PAUL, GILDERSOME, GREENHILL AND OULTON PRIMARY SCHOOLS</p> <p>To consider the report of the Chief Executive of Education Leeds on proposals to build three new primary schools at Richmond Hill, Swillington and Saints Peter and Paul, Yeadon, and to extend and refurbish schools at Gildersome, Greenhill and Oulton.</p>	69 - 78

Item No K=Key Decision	Ward	Item Not Open		Page No
10 K	Temple Newsam;		<p>DESIGN AND COST REPORT AND FINAL BUSINESS CASE: BUILDING SCHOOLS FOR THE FUTURE PHASE 3: CORPUS CHRISTI CATHOLIC COLLEGE</p> <p>To consider the report of the Chief Executive of Education Leeds presenting for approval and submission to Partnerships for Schools the Final Business Case for the Corpus Christi Catholic College project.</p> <p><u>LEISURE</u></p>	79 - 86
11 K	Adel and Wharfedale; Beeston and Holbeck; Horsforth;		<p>CREMATORIA MERCURY ABATEMENT</p> <p>To consider the report of the Director of City Development outlining proposals regarding how the Council meets Government legislation targets on mercury emissions abatement during the cremation process, and detailing requirements to renew its cremation facilities on a phased basis.</p>	87 - 94
12 K	Beeston and Holbeck; Middleton Park;		<p>DESIGN AND COST REPORT: THE DEVELOPMENT OF MIDDLETON PARK THROUGH A HERITAGE LOTTERY FUND PARKS FOR PEOPLE GRANT</p> <p>To consider the report of the Director of City Development seeking authority to spend the £1,797,929 injected into the capital programme in December 2009, providing details of the proposed capital development works and the cost profile of the scheme, in addition to seeking authority to accept the grant of £1,465,000 from the Heritage Lottery Fund and delegate approval to the Chief Recreation Officer.</p>	95 - 100

Item No K=Key Decision	Ward	Item Not Open		Page No
15 K			<p>CAPITAL PROGRAMME UPDATE 2010-2014</p> <p>To consider the report of the Director of Resources providing an updated financial position on the 2010-2014 Capital Programme, detailing the implications of the recent cuts to capital grants announced by Government, reporting on a review of uncommitted schemes which has taken place and detailing a small number of capital projects for which specific approvals are sought.</p>	141 - 148
16			<p>SHARED BUSINESS RATES SERVICE</p> <p>To consider the report of the Director of Resources on a proposal to establish a shared service for the billing and collection of Business Rates for Leeds and Calderdale businesses which will be delivered by Leeds City Council.</p>	149 - 154
17 K		10.4(3) (Appendix 2 only)	<p>TRANSFORMING LEEDS: PHASE 1 CHANGING THE WORKPLACE</p> <p>To consider the report of the Director of Resources/Deputy Chief Executive providing an update on the Changing the Workplace programme, particularly focussing upon proposals to rationalise and modernise the Council's city centre office portfolio, in order to support the delivery of further long term efficiencies.</p> <p>Appendix 2 to the report is designated as exempt under Access to Information Procedure Rule 10.4(3).</p>	155 - 178
18			<p>REGULATION OF INVESTIGATORY POWERS ACT 2000 - ADOPTION OF A NEW COUNCIL POLICY</p> <p>To consider the joint report of the Chief Officer (Legal, Licensing and Registration Services) and the Director of Environment and Neighbourhoods proposing the adoption of a Council policy in respect of the Regulation of Investigatory Powers Act (RIPA) 2000.</p> <p><u>DEVELOPMENT AND REGENERATION</u></p>	179 - 188

Item No K=Key Decision	Ward	Item Not Open		Page No
19 K	Garforth and Swillington; Kippax and Methley; Rothwell;		<p>LEASE OF THE ST. AIDAN'S TRUST LAND TO THE ROYAL SOCIETY FOR THE PROTECTION OF BIRDS</p> <p>To consider the report of the Director of City Development seeking approval to complete the lease of the Trust Land to the Royal Society for the Protection of Birds.</p>	189 - 206

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EXECUTIVE BOARD

WEDNESDAY, 21ST JULY, 2010

PRESENT: Councillor K Wakefield in the Chair

Councillors S Golton, J Blake, P Gruen, R Lewis,
T Murray, A Ogilvie, L Yeadon, J Dowson and
A Blackburn

Councillor J Dowson – Non-Voting Advisory Member

29 Substitute Member

Under the terms of Executive procedure Rule 2.3 Councillor J L Carter was invited to attend the meeting on behalf of Councillor A Carter.

30 Exclusion of the Public

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

- a) The appended report to the report referred to in minute 47 under the terms of Access to Information Procedure Rule 10.4(3) and on the grounds that the information contained therein relates to the financial and business affairs of a particular person, and of the Council. This information need not be registered under statutes such as the Companies Acts, or the Charities Acts. The disclosure of this information would, or would be likely to prejudice the commercial interests of the particular person, as they are a major business and disclosing the information would reveal their future intentions to their competitors. In turn, this would be likely to jeopardise the Council's ability to pursue a phased delivery of the scheme. Whilst there is always some public interest in disclosure, there will be future reports to the Executive Board, placing more information in the public domain, as and when the phased delivery of the site progresses, and there will be further publicity for the scheme via the planning process. Therefore in all the circumstances of the case, it is considered that the public interest in maintaining this exemption outweighs the public interest in disclosing this information at this point in time.
- b) The report appended to the report referred to in minute 48 under the terms of Access to Information Procedure Rule 10.4(5) and on the grounds that the public interest in maintaining the exemption outweighs the public interest in disclosure as the contents refer to proceedings before the Courts, and in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

Draft minutes to be approved at the meeting
to be held on Wednesday, 25th August, 2010

31 Late Items

There were no late items as such but it was noted that supplementary information had been circulated subsequent to despatch of the agenda as follows:-

- a) With regard to the item relating to Neighbourhood Network Services (minute 34) revised recommendations had been circulated on 19th July and the minute of the Scrutiny Board (Adult Social Care) commenting on the report had been circulated on 20th July.
- b) With regard to the items relating to school proposals referred to in minutes 35, 36 and 37 succinct reasons for the recommended decisions had been circulated on 20th July 2010.

32 Declaration of Interests

- a) Councillors Wakefield, Murray, Yeadon, Ogilvie, Dowson, Blake and R Lewis declared personal interests in the item relating to Primrose High School (minute 35) as members of the Co-op.
- b) Councillor Murray also declared a personal interest in the item relating to the Aire Valley Leeds (minute 47) as a member of the Aire Valley Regeneration Board and a personal and prejudicial interest in the item relating to Scrutiny Board recommendations (minute 46) as the Chief Executive of Learning Partnerships.
- c) Councillors Ogilvie and Blake also declared personal and prejudicial interests in the item relating to Neighbourhood Network Services (minute 34) as members of organisations involved in the bidding process.
- d) Councillor A Blackburn declared personal interests in the item relating to expansion of primary provision (minute 38) as a governor of Ryecroft Primary School and in the item relating to ALMO annual reports (minute 50) as a member of West North West Homes.

33 Minutes

RESOLVED – That the minutes of the meeting held on 22nd June 2010 be approved as a correct record subject to the addition of the following words at the end of resolution a) in minute 5:- “but that a more detailed report, which also refers to further concerns expressed by market traders, be brought to a future meeting of the Board.”

ADULT HEALTH AND SOCIAL CARE

34 Neighbourhood Network Services

The Director of Adult Social Services submitted a report presenting an independent review of the commissioning process for the awards of contracts for Neighbourhood Network services, on options for the future development of such services and contracts to support them and on proposals for the award

Draft minutes to be approved at the meeting
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of contracts. A page containing revised recommendations and the minute of the Scrutiny Board (Adult Social Care) had been circulated subsequent to the despatch of the agenda.

RESOLVED –

- a) That contracts be awarded in the areas listed in para 5.2 of the report (1,2,5,6,7,8,9,10,11,12,14,16,17,19,21,22,23,24,26,27,28,29,31,32,33,36,37).
- b) That contracts be awarded in areas 18,20,30,25 and 35 for one year and that officers seek to resolve the award of long term contracts as soon as possible.
- c) That negotiations be held with Irish Health & Homes and the five existing providers in the east area, with a view to concluding an appropriate partnership or other similar arrangement as outlined in para 5.7 through 5.10 above.
- d) That action to ensure continuity of service as outlined in para 5.3 above in respect of areas 1 and 7 be supported.
- e) That the actions that will be taken in relation to learning from the procurement process be noted and that a further report on the integration of those actions into the Council's wider procurement processes be brought to this Board.
- f) That the operational links to Neighbourhood Networks be strengthened and that the implementation of the funding formula be reviewed annually.

(Under the provisions of Council Procedure Rule 16.5 Councillor Golton required it to be recorded that he abstained from voting in respect of part c) of the resolution.)

(Councillors Blake and Ogilvie, having declared personal and prejudicial interests, left the meeting.)

CHILDREN'S SERVICES

35 Outcome of Statutory Notices for Proposal to Close Primrose High School in 2011, Conditional upon Establishing an Academy

Further to minute 221 of the meeting held on 7th April 2010 the Chief Executive of Education Leeds submitted a report detailing the representations received in response to the statutory notices previously published with respect to Primrose High School and proposing the closure of the school and its replacement with an academy sponsored by the Co-operative Group of Companies (the Co-op) in September 2011.

RESOLVED –

- a) That the responses to the statutory notices be noted.
- b) That the views of School Organisation Advisory Board in regard to the proposal be noted.
- c) That, having considered the future of Primrose High as part of the national challenge, the Board judged that closure of the school and replacing it with an academy sponsored by the Co-Operative Group would deliver sustainable change and improvement in governance, leadership, the quality of teaching, and ultimately the outcomes achieved by young people attending the school.
- d) That approval be given to the discontinuance of Primrose High School on 31 August 2011 conditional upon the making of an agreement between the Secretary of State and the Co-op to establish an Academy on the same site on 1 September 2011.

36 Outcome of Statutory Notices for Proposal to Close City of Leeds School in September 2011

Further to minute 223 of the meeting held on 7th April 2010 the Chief Executive of Education Leeds submitted a report detailing the representations received in response to the statutory notices previously published with respect to City of Leeds School and proposing the retention of an 11-16 school on the site, supported by a collaborative trust.

RESOLVED –

- a) That the closure of City of Leeds School be not proceeded with.
- b) That an 11-16 school be retained on the site.
- c) That, having proposed to close City of Leeds as no other viable structural solutions had been identified as part of the response to the national challenge, during the course of the consultation process, wider partners, who were committed to the school, developed compelling alternative proposals and having asked a project team to explore and develop options, the Board is minded to accept the recommendation of this project team to retain a school on the site and build a new governing body comprising strong partners who are committed to delivering a fresh vision for the school.
- d) That new governance arrangements be established by September 2011 at the latest, with a refreshed vision which fuses the contribution of key partners and which is focused on maximising the progression of learners.

37 Outcome of Statutory Notices For Proposal to Close Parklands Girls High School in 2011, Conditional Upon Establishing an Academy

Draft minutes to be approved at the meeting to be held on Wednesday, 25th August, 2010

Further to minute 222 of the meeting held on 7th April 2010 the Chief Executive of Education Leeds submitted a report detailing the representations received in response to the statutory notices previously published with respect to Parklands Girls High School and proposing the closure of the school and replacing it with a co-educational academy sponsored by E-ACT in September 2011.

RESOLVED –

- a) That the responses to the statutory notices be noted.
- b) That the views of the School Organisation Advisory Board in regard to the proposal be noted.
- c) That, having considered the future of Parklands girls High school as part of the national challenge, the Board judged that closure of the school and replacing it with a co-educational academy sponsored by the E-ACT would deliver sustainable change and improvement in governance, leadership, the quality of teaching, and ultimately the outcomes achieved by young people attending the school.
- d) That approval be given to the discontinuance Parklands Girls High School on 31 August 2011, conditional upon the making of an agreement between the Secretary of State and E-ACT to establish an academy on the same site on 1 September 2011.

38 Outcome of Statutory Notices for Proposals for Expansion of Primary Provision for September 2011

Further to minute 218 of the meeting held on 7th April 2010 the Chief Executive of Education Leeds submitted a report on the outcome of consultations on prescribed alterations to change the admission limits of Blackgates, Clapgate, Ryecroft and Windmill Primary Schools and proposing that the alterations be progressed.

RESOLVED –

- a) That it be noted that there were no responses to the statutory notice
- b) That the following proposed alterations be approved:-
 - i) increase the admission limit of Blackgates Primary School from 45 to 60 and overall capacity from 300 to 420 and
 - ii) increase the admission limit of Clapgate Primary School from 45 to 60 and overall capacity from 315 to 420 and
 - iii) increase the admission limit of Windmill Primary School from 45 to 60 and overall capacity from 315 to 420 and

- iv) increase the admission limit of Ryecroft Primary School from 30 to 60 and overall capacity from 210 to 420.

39 Outcome of Statutory Notices for Changes to Primary Age Provision in Horsforth for September 2011

Further to minute 217 of the meeting held on 7th April 2010 The Chief Executive of Education Leeds submitted a report on the outcome of consultations on prescribed alterations to change the age ranges and admission limits of Horsforth Featherbank Infant School and Horsforth Newlaithes Junior School from September 2011 and proposing that the changes be progressed.

RESOLVED –

- a) That the response to the statutory notices be noted
- b) That the views of School Organisation Advisory Board in regard of the proposals be noted
- c) That the following proposed alterations be approved:-
 - i) decrease the lower age range of Horsforth Newlaithes Junior School from 7-11 to 4-11, with an admission limit of 60, and with an overall capacity of 420 children and
 - ii) increase the age range of Horsforth Featherbank Infant School from 4-7 to 4-11, and decrease the admissions number from 60 to 30, with an overall capacity of 210 children.

40 Provision of New Sports Facilities at St Mary's School, Menston

The Chief Executive of Education Leeds submitted a report on the proposed implementation of the scheme at St Mary's Catholic Comprehensive School to provide a new fenced and floodlit artificial surface football pitch and drainage works to existing grass pitches.

RESOLVED –

- a) That approval be given to the proposed scheme at St. Mary's Catholic Comprehensive School to provide a new fenced and floodlit 3G artificial surface football pitch with drainage works to existing pitches.
- b) That approval be given to the injection of a DCSF Specialist Sports Colleges Facilities grant in the sum of £350,000, and a Football Foundation grant in the sum of £325,000 into the approved capital programme.
- c) That expenditure from capital scheme number 16126/000/000 in the sum of £675,000 be authorised.

DEVELOPMENT AND REGENERATION

41 Housing Appeals

(a) Housing Appeals – High Court Decision

The Director of City Development submitted a report providing an update on the progress made in relation to a number of appeals against the Council's refusal of planning permission for housing on Greenfield sites, with specific reference to the recent outcome of a High Court case regarding land at Greenlea, Yeadon.

Following consideration of the appendix to the report designated as exempt under Access to Information Procedure Rule 10.4(5) which was considered in private at the conclusion of the meeting it was

RESOLVED –

- a) That the decision not to challenge the Court's judgement on Greenlea, Yeadon be endorsed.
- b) That the legal challenges on the cases at Pudsey Road, Swinnow; Milner Lane, Robin Hood; Selby Road, Garforth and Bagley Lane, Farsley be withdrawn.
- c) That this decision is exempt from the provisions of Call In because of the need to advise the Court of the Council's stance on these matters at the earliest opportunity.

(b) Housing Appeals – Issues arising from the Proposed Abolition of the Regional Spatial Strategy and Regional Housing Budgets

The Director of City Development submitted a report outlining a proposed approach towards those planning appeals which remain in the system, still to be determined, in light of the new coalition government's proposals to abolish the Regional Spatial Strategy (RSS) and its associated housing targets.

Copies of a letter from the Home Builders Federation were circulated in the meeting. The letter submitted for the Board's consideration a counter position to the one contained in the submitted report and extended to some ten pages in length. The Board were not able to give proper consideration to the proposals contained in the letter and agreed to therefore express a provisional view based on the submitted report pending the submission of a further report to the Board.

RESOLVED – That, in the absence of a Regional Spatial Strategy and in the context of the latest government advice, the Council's provisional view on land supply and the 5-year requirement be based on the annual requirement of 2,260 p.a. net set out in the Draft Regional Spatial Strategy.

ADULT HEALTH AND SOCIAL CARE

42 Personalisation of Adult Social Care: Update on Implementation of Self Directed Support

The Director of Adult Social Services submitted a report on ongoing work in developing and implementing self directed support, a key element of the Putting People First agenda around increasing choice and control for service users and on proposals for the adoption of new assessment and care management processes to enable new customers to be offered a personal budget from August 2010.

RESOLVED –

- a) That the Board notes the good progress made in Leeds ,towards the development of a more personalised system of social care through the Self Directed Support project and other initiatives, having met and exceeded the Government Office target for SDS for 2009/10.
- b) That the Board acknowledges the scale and scope of the transformation agenda, the challenge it represents and endorses the approach taken in Leeds to deliver successful change and roll out the SDS model to existing and new service users.
- c) That the Board notes the impact SDS will have on existing service provision including directly provided services and commissioned services in Leeds, and the need to accelerate the transformation of these services to meet the challenges and impact of personalisation and customer choice.
- d) That further progress reports be brought to this Board in support of the continuing direct engagement of elected members in these developments, together with member involvement in workshops, seminars and conferences.
- e) That the adoption of new business processes from July 2010, that will enable all new customers and those requesting reassessment following a review to be offered a Personal Budget, be endorsed.

RESOURCES AND CORPORATE FUNCTIONS

43 Treasury Management Annual Report 2009/2010

The Director of Resources submitted a report on a review of treasury management strategy and operations 2009/10

RESOLVED – That the treasury management outturn position for 2009/10 be noted.

44 Financial Support to Leeds City Credit Union

Prior to consideration of this matter the Assistant Chief Executive (Corporate Governance) offered advice as to the nature of the interests of those

members of the Board who were members of the Credit Union. Upon receipt of the advice Councillors Blake, Dowson, R Lewis, Murray and Ogilvie declared personal and prejudicial interests as members of Leeds City Credit Union and left the meeting during the consideration of this matter.

The Deputy Chief Executive submitted a report on the support given by the Council to the Credit Union, on a proposal to use Yorkshire Forward financial inclusion funding to reduce the Council loan commitment to the Union and proposed further work in relation to branch network requirements.

RESOLVED -

- a) That the continued support being provided by officers of the Council to the credit union be noted.
- b) That the further information in the report in relation to LCCU and the promotion of financial inclusion be noted.
- c) That the intention for LCCU to maintain a 7 branch cash network for the rest of the year and the financial support package which has been developed for this purpose be noted.
- d) That approval be given to the use of Yorkshire Forward financial inclusion funding to reduce the £2m Council loan commitment to LCCU by £900,000 to £1,100,000.
- e) That the intention to undertake further work which will consider the branch network requirements post March 2011 (including potential funding), taking into account both LCCU's future vision and the Council's financial inclusion objectives, be noted.

45 Marketing Leeds - Annual Report 2009

The Assistant Chief Executive (Planning, Policy and Improvement) submitted a report on progress of the work of Marketing Leeds and its contribution to the city's priorities.

Deborah Green, the Chief Executive of Marketing Leeds attended the meeting and presented the report.

RESOLVED – That the report be noted.

46 Scrutiny Board Recommendations

The Chief Democratic Services Officer submitted a report providing a summary of responses to Scrutiny Board recommendations received since the last Executive Board meeting.

RESOLVED – That the responses to Scrutiny Board recommendations be noted and that the one recommendation addressed specifically to this Board be agreed.

(Councillor Murray, having declared a personal and prejudicial interest, left the meeting during consideration of this matter.)

DEVELOPMENT AND REGENERATION

47 Update Report on Aire Valley Leeds and Accelerated Development Zone

The Directors of Resources, City Development and of Environment and Neighbourhoods submitted a report outlining the progress made with respect to proposals promoting the sustainable development of the Aire Valley Leeds area (AVL) and seeking support of the Board to the principle of an urban-eco settlement.

RESOLVED –

- a) That the impact the Urban Eco Settlement proposals have for the Area Action Plan be noted and that approval be given to the proposed revisions to the boundary for the Aire Valley Leeds AAP area.
- b) That the proposed Leeds City Region Urban Eco Settlement programme and the opportunity to deliver an Urban Eco Settlement in the Aire Valley Leeds area be noted.
- c) That the Directors of City Development and Environment and Neighbourhoods be authorised to undertake development work on the Urban Eco Settlement in the Aire Valley Leeds.
- d) That the Board notes the funding that may be provided to the Council through the Leeds City Region from the department for Communities and Local Government for the low carbon retrofit testing, which should prove to be a high priority capital investment for Leeds City Region, which also needs revenue support for appropriate monitoring.
- e) That the key funding, risk and governance issues associated with Accelerated Development Zones be noted.
- f) That the Director of Resources be authorised to develop and submit proposals for a pilot Accelerated Development Zone in the Aire Valley Leeds subject to a further report to this Board at the outline business case stage for the project.

48 Leeds South Bank Planning Statement and City Centre Park

The Director of City Development submitted a report on the preparation of a Planning Framework for the redevelopment of the Leeds South Bank and on progress made to date on the proposal for a new City Centre Park.

RESOLVED –

- a) That the content of the report be noted.

- b) That approval be given to the Draft South Bank Planning Statement as a basis for public consultation and that the outcome, including any changes to the statement, be reported back to this Board.
- c) That officers continue to liaise with the principal landowners concerning their specific development proposals to ensure that they are complementary to the City's aspiration for a City Centre Park.
- d) That officers open discussions with land owners in relation to the development of these proposals.
- e) That an Outline Business Case for the City Centre Park based on a phased implementation plan be developed.

49 Development Proposals for the Sovereign Street Site

The Director of City Development submitted a report providing an update on the work undertaken on the potential redevelopment of Sovereign Street and on proposals to progress the development.

Following consideration of the appended report to the covering report designated as exempt under Access to Information Procedure Rule 10.4(3) which was considered in private at the conclusion of the meeting it was

RESOLVED –

- a) That a Draft Planning Statement be prepared, based on the mix of uses outlined in the report, including high quality greenspace.
- b) That officers progress the phased delivery of the site for redevelopment based on the proposals outlined in the exempt report and report back to this Board once greater certainty has been obtained on the capital and revenue values that may be generated.

NEIGHBOURHOODS AND HOUSING

50 ALMO Annual Reports 2009/2010

The Director of Environment and Neighbourhoods submitted a report presenting the annual reports for the three ALMOs and the Belle Isle Tenant Management Organisation.

RESOLVED – That the contents of the 2009/10 ALMO and Belle Isle Tenant Management Organisation annual reports be noted.

51 Homeless Prevention Fund and Breathing Space Initiative

The Director of Environment and Neighbourhoods submitted a report outlining a proposed amendment to the criteria for the Homeless Prevention Fund, in addition to the proposed participation of Leeds City Council in the Breathing Space home loss prevention initiative, administered by Wakefield District Council.

RESOLVED –

- a) That approval be given to change the existing Homeless Prevention Fund arrangements so that an affordable loan option can be offered to households to prevent their homelessness.
- b) That Leeds City Council becomes a member of the Breathing Space scheme.

52 Leeds Supporting People Programme

The Director of Environment and Neighbourhoods submitted a report providing an update on the Leeds Supporting People programme, highlighting its achievements to date and the challenges it faces during 2010/2011.

RESOLVED – That the report be noted and that annual reports be brought to the Board on this subject.

53 Area Committees: Amendments to Well Being Funds Allocations

The Director of Environment and Neighbourhoods submitted a report on options and implications of a revised weighting between population and deprivation, the determination of the allocation of well-being resources to Area Committees and a proposed amendment to the current weighting.

RESOLVED – That current formula of 75% per capita and 25% level of deprivation be changed to 50% per capita and 50% level of deprivation, for the allocation of well-being resources to Area Committees, with immediate effect.

(Under the provisions of Council Procedure Rule 16.5 Councillors A Blackburn and Golton required it to be recorded that they voted against this decision.)

DATE OF PUBLICATION:
LAST DATE FOR CALL IN:

23rd July 2010
30th July 2010

(Scrutiny Support will notify Directors of any items called in by 12.00 noon on 2nd August 2010)



Originator: Christine Addison

Tel: 247 5432

Not for Publication: Not For Publication: Appendices 1 and 4, are exempt under Access to Information Procedure Rule 10.4 (3).

Report of the Director of Environment & Neighbourhoods

Executive Board

Date: 25th August 2010

Subject: Round 6 PFI Outline Business Case: Lifetime Neighbourhoods for Leeds

Electoral Wards Affected:

Adel & Wharfedale; Alwoodley; Armley; Burmantofts & Richmond Hill; Calverley & Farsley; Chapel Allerton; City & Hunslet; Killingbeck & Seacroft; Middleton Park; Otley & Yeadon; Temple Newsam



Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In

(Details contained in the report)

Confidential Appendix 1 of this report contains information about the commercial position of the City Council in relation to the proposed procurement. The public interest of maintaining confidentiality outweighs the public interest in disclosing such information. Therefore this section of the report should be treated as exempt under rule 10.4 (3) of the Access to Information Procedure Rules.

Confidential Appendix 4 of this report, which has been placed in the Members' Library for inspection, contains information about the commercial position of the City Council. The public interest of maintaining confidentiality outweighs the public interest in disclosing such information. Therefore this section of the report should be treated as exempt under rule 10.4 (3) of the Access to Information Procedure Rules.

EXECUTIVE SUMMARY

This report seeks Executive Board approval to submit the Outline Business Case to the Homes & Communities Agency (HCA) for the Lifetime Neighbourhoods for Leeds Housing PFI project. The report also seeks approval of the revised scope and confirmation of the OBC affordability position.

Following the outcome of the formal consultation, Executive Board is asked to approve four new sites to be included in the Outline Business Case (OBC).

1.0 Purpose Of This Report

1.1 This report seeks approval from Executive Board to submit the Lifetime Neighbourhoods for Leeds Outline Business Case under the national Round 6 PFI Housing programme. It also seeks approval to revisions to the scope and confirmation of the affordability position of the project.

2.0 Background Information

2.1 A report was submitted to Executive Board on 12th February 2010 outlining the Round 6 Housing PFI project proposals and affordability. The report sought a number of approvals including the scope of the project, the sites proposed for inclusion, commencement of formal public consultation and the City Council's financial commitment to the project.

2.2 Since February detailed work has taken place to finalise the OBC and to ensure the project is affordable and deliverable. As a result, there are some changes proposed to the scope of the project and some of the sites included. These are summarised below. A summary of what is in the OBC is also set out in paragraph 4 below, based on the changes proposed in this report.

2.3 In February 2010, ten sites were agreed by Executive Board for inclusion in the Outline Business Case, subject to consultation. During March-June 2010, community and stakeholder consultation was undertaken regarding proposals for these sites. As demonstrated in Appendix 3 attached, in respect of seven of the sites, the proposals were supported and these sites can now be confirmed in the Outline Business Case.

2.4 In respect of three sites some concerns were raised about the proposed replacement of existing buildings with new housing: These concerns were at:-

- Moorhaven Court sheltered housing scheme, Moor Allerton, proposed to be replaced on site with general needs housing for older people;
- Fairview residential care home, Seacroft, proposed to be replaced on site with extra care housing; and
- Richmond House residential care home (respite), Farsley, proposed to be replaced with extra care housing.

2.5 In respect of Moorhaven Court, it is now possible to develop the new housing on a neighbouring site (Cranmer Gardens) allowing residents to move across to the new housing before Moorhaven Court is demolished. A meeting with residents on 5th August has taken place about this alternative proposal and ward members have been consulted. Cranmer Gardens is a capital programme site and therefore an equivalent value to the capital receipt would need to be made available to the capital programme through release of the Moorhaven site after residents have been moved or an alternative site identified. Further detail is provided at Appendix 2. In the light of concerns expressed about the proposals for the Fairview and Richmond House sites during the consultation these options are not felt to warrant inclusion in the bid.

2.6 In order to maintain the amount of new housing included in the project (currently 675 units minimum), a further three sites (including that referred to in 2.5) have been

identified as possibilities for inclusion Two of these sites are in the EASEL area, as follows:-

- Parkway Close, off South Parkway, including land at Brooklands Garth; and
- Wykebeck Mount, Osmondthorpe – former Osmondthorpe primary school site.

Ward members have been consulted. Details of these two sites are provided in Appendix 2.

- 2.7 The fourth additional site is Rocheford Court in Hunslet (details provided in Appendix 2). Ward members have been consulted and the ALMO has been positive about the inclusion of this site which involved the replacement of an existing outdated, and mainly unoccupied sheltered housing scheme with new housing for older people. Tenant consultation carried out on 5th August 2010 was well received. Detailed consultation with tenants will be carried out by the ALMO in the Autumn, and a report will go to the ALMO Board
- 2.8 Executive Board is recommended to approve the inclusion of these sites in the project subject to consultation. Should it not prove necessary to develop the EASEL sites, these will be subject to separate consideration as part of the EASEL project.
- 2.9 For the OBC, housing management services have been included in the PFI contract. However, in terms of ensuring VfM this will be subject to rigorous and market testing in the Autumn including testing the scope for the service to be provided by one of the ALMOs, prior to commencement of procurement for the project. This position will also be tested throughout the procurement process.
- 2.10 Subject to Executive Board approval, the City Council will submit the OBC to the HCA in August 2010. This will allow the central government assessments to be completed in advance of Treasury consideration. Subject to Treasury approval, the Council should be in a position to publish an OJEU Notice by January 2011.

3.0 Summary of the Outline Business Case

- 3.1 In line with the new Housing PFI Procurement Pack (HPP) guidance, published in September 2009, the OBC sets out the local authority's business case for PFI credit funding from CLG, through the HCA for a Housing PFI project. The following sections provides a summary of the main features of the City Council's Outline Business Case. A full copy of the draft OBC, Confidential Appendix 4, has been placed in the Members' Library for inspection by Executive Board.

4.0 Project Scope

HPP guidance: in this section, the OBC must describe the nature of the project, its outputs and outcomes. It will include details of assets and services to be procured and will include spatial context and impact on place and people.

- 4.1 The Lifetime Neighbourhoods for Leeds project is the result of a partnership between Housing, Regeneration, Adult Social Care and Health. It will create or enhance services for older people across a number of neighbourhoods in Leeds enabling residents to lead more active and independent lives. The project seeks to strengthen existing neighbourhood regeneration strategies, and focuses on the

provision of new and high quality, affordable homes with extra care options for older people.

4.2 The project outcomes will be:-

- the provision of additional new build and high quality, 21st century housing with extra care options for older people;
- the creation of facilities that complement existing services for older people;
- replacement of outdated accommodation for older people;
- increase in the number of new affordable homes in the City; and
- provision of jobs and training in construction and facilities management.

4.3 The revised scope of the project is as follows:-

- minimum of 675 new build homes primarily for older people (300 extra care and 375 general needs for older people);
- mostly two bedroom apartments, with some two bed and a small number of three bed houses or bungalows (where site size allows);
- a 25 year long HRA scheme, with a four year construction period;
- Lifetime Homes standard for all properties, Code for Sustainable Homes Level 4/BREEAM Very Good as a minimum;
- a City Council revenue contribution;
- potential for 14 sites in 11 locations; and
- reprovision of up to 142 existing outdated sheltered units and up to 57 residential care units.

4.4 The services included in the PFI contract are:-

- facilities management, including repairs and maintenance;
- housing management (subject to market testing);
- communal space management (where applicable); and
- grounds maintenance.

4.5 Care and support services are excluded from the PFI contract and will be commissioned independently by Adult Social Care, in line with the construction programme, for each of the extra care schemes.

5.0 Strategic Context

HPP guidance: the OBC must include the rationale for the project via the strategic context in which the project will be delivered.

5.1 The project complements national and regional priorities, details of which were set out in the Executive Board report dated 12th February 2010. The project also supports a number of local strategic priorities, as set out below:-

- 'Home not Alone' - Leeds Older People's Housing Strategy 2005-10;
- The Vision for Leeds 2004-20;
- Leeds Strategic Plan 2008-11;
- Leeds Regeneration Framework 2010; and
- Leeds Housing Strategy 2009-12.

5.2 Further detail on the local strategic context can be found in section 2 of the OBC.

6.0 Business Need

HPP guidance: the OBC must include clear evidence of the business need for the project, including the long term demand for the assets proposed.

6.1 Demographics

6.1.1 The population of people 65 or over in Leeds is projected to grow significantly over the next 20 years, with an estimated 45% increase by 2033. The rate of increase in the 85+ population is expected to be even faster, with a 31% increase predicted by 2020 and a 106% increase by 2033.

6.1.2 The growth in numbers of older people, in particular the numbers of people aged 85 or over is likely to increase demand for social care and support in the City.

6.2 Aspirations

6.2.1 As part of the development of the 'Home Not Alone' strategy, older people identified a need for a greater range and location of suitable accommodation, with access to care and support when needed. The strategy identified the need to sustain and support the independence of older people, to provide flexible arrangements for housing, care and support and to improve the quality of the choices available.

6.2.2 In August 2009 independent researchers, Outside UK Consultants, were commissioned by the City Council to undertake an 'Older People & Extra Care Housing Needs and Demand Assessment' to inform the OBC. Over 60% of the 400 respondents (aged 55 or over) said they would be interested in extra care and many felt that older people's housing should be provided by the Council, as a form of affordable housing.

6.3 Asset Management

6.3.1 The City Council's current stock of accommodation to meet the needs of older people, comprises sheltered housing largely built in the 1950s and 1970s, and a stock of residential care homes, again largely designed and built in the 1970s. The sheltered housing stock of approximate 4,600 (or just under 8% of overall housing stock) comprises a range of bedsits (including some with shared bathing facilities), flats, bungalows and some houses.

6.3.2 The City Council's housing stock has benefited from significant investment over recent years to meet the Decent Homes standard. Due to the design and layout of much of the stock, extensive adaptations and investment is required to meet the needs of older tenants many of whom have mobility issues and/or disabilities.

6.3.3 Over the last 10 years there has been a shift towards developing alternatives to residential care as the focus of services for older people in the UK has shifted towards independence within the home, greater choice and health promotion. Adult Social Care has identified a number of driving forces influencing the need for strategic shifts in the provision of long term residential care for older people including:-

- the increasing aspirations and expectations of older people;

- the expected increase in the numbers of older people, in particular older people with long term conditions;
- the need to support people to maintain independence and prevent long term admission to care homes; and
- the need to offer individuals greater choice and control over how resources for care and support are used.

6.3.4 The re-modeling of the current stock to provide a more flexible range of supported, self-contained and fully independent accommodation would incur significant investment. For this reason, the City has seen an increase in the development of extra care housing units, by a range of providers. Extra care provides a modern alternative to traditional residential and day care services. Demand remains high for this type of housing with on average two or three referrals per week, and long waiting lists at most existing schemes.

6.4 Resources

6.4.1 The national Round 6 Housing PFI programme offers significant additional resources, that would not otherwise be available to the City Council to address current and predicted future demand in such a comprehensive way over the medium term.

6.4.2 PFI schemes require significant development and procurement resources up front and this project requires a City Council contribution from the HRA. However, the level of external resource attracted through the PFI credits to support is significant and considerably outweighs the Council's direct expenditure.

7.0 Options Appraisal

HPP guidance: the OBC must outline the appraisal undertaken with regard to the potential options open to achieve the project outcomes, and include a quantitative assessment of the preferred option in order to prove it as the best VfM solution.

7.1 Five options were considered and assessed from the viewpoint of their ability to meet the project objectives, complement corporate strategies and service objectives. These were:-

- refurbishment and retention;
- new build via prudential borrowing;
- new build via the private and voluntary sector;
- new build via existing regeneration and affordable housing programmes; and
- new build with support of PFI funds.

7.2 The options were scored in terms of their ability to meet the evaluation criteria. Full details of the evaluation criteria and scores, scoring mechanism and scoring notes can be found in Appendix 3.2 of the OBC.

7.3 PFI projects must pass a Value for Money ("VfM") test before the sponsoring Government Department will approve the Outline Business Case to confirm the award of PFI Credits and commitment of the PFI Revenue Support Grant through the life of the Contract. The VfM test (based on a qualitative and quantitative assessment) was carried out using the HM Treasury 'Value for Money Assessment Guidance' as laid out in section 4 of the Outline Business Case.

- 7.4 The results of the qualitative assessment are attached at Appendix 3.3 of the Outline Business Case and show that the option of new build with support of PFI funds received the highest score. Whilst this option is considered the most beneficial from a qualitative perspective, a cost/benefit quantitative analysis is also required to determine the optimal solution for the City Council in respect of benefits against the cost of delivering the option.
- 7.5 This quantitative analysis was carried out in accordance with HM Treasury Green Book guidance, and the results demonstrated that the new build with support of PFI funds option provided the optimal cost/benefit ration against the other options under consideration.
- 7.6 The results of the qualitative and quantitative exercises taken together confirmed the PFI option as the best route for:
- achieving the project objectives;
 - achieving the City Council’s desired outcomes; and
 - making the best use of the financial resources available to the Council.
- 7.7 Given the level of up front capital investment, PFI is the only option that will deliver a sufficient number of new dwellings to allow for a significant transformation in care and support provision to older people in the City.
- 7.8 Additional work will have taken place, prior to OBC submission, to further evidence the extent to which VfM has been assessed and taken into account in the identification of a best option.

8.0 Public Sector Comparator, VfM and Project Costs

HPP guidance: the HCA expects the local authority to prepare a robust value for money financial assessment of the project. The conclusion of this assessment, using the Treasury’s VfM model is one of the key determinants for approval of the project. All projects approved will be subject to ongoing financial and VfM review and benchmarking.

- 8.1 Although the results of the options appraisal confirmed the overall value for money of the preferred PFI option, further consideration is required as to the applicability of the PFI option from a value for money perspective by testing it against a Public Sector Comparator (“PSC”).
- 8.2 This assessment is based on the DCLG Housing PFI model which includes a version of the HM Treasury quantitative VfM model for use with housing projects only. This model compares the costs of public sector procurement (the “PSC Option”) against the costs of a PFI vehicle (the “PFI Option”).
- 8.3 The results of this assessment suggest that, based on the input values used, the PFI option would deliver better VfM than the PSC option. Full details of this assessment are contained within the DCLG financial model included as Appendix 5.1 to the OBC.
- 8.4 Another key VfM requirement is to ensure all project costs are robust and sound in nature and have been bench- marked by the Authority.

- 8.5 The approach for the pricing of the scheme has been to use base cost figures developed by the City Council and its technical adviser, EC Harris, and advice from PricewaterhouseCoopers (PwC) on issues such as inflation, subsidy rates and sensitivity testing.
- 8.6 The City Council and EC Harris, completed a rigorous exercise to develop a set of whole life cost inputs. The cost inputs were developed on a bottom up and top down approach, and from this work the Council and EC Harris were able to prepare a robust suite of capital and operating costs.
- 8.7 These costs have been scrutinised and benchmarked against other HRA PFI projects which have reached financial close or are in current procurement. As part of this scrutiny process the City Council and its advisors also carried out a risk workshop to assess the risk pricing premium which a PFI contractor would include within their base costs as result of a proposed risk allocation.
- 8.8 The City Council has also undertaken to complete in full the HCA Financial Proformas (and Advisory Financial Templates) in order to provide a robust assessment of the costs and pricing assumptions underpinning the DCLG Financial Model. These proformas are attached as Appendix 4.1 to the OBC.

9.0 Project Affordability & Funding

HPP guidance: this section of the OBC is key to demonstrating whether the City Council can afford the likely costs of the project within the PFI credits awarded, and the committed level of capital and revenue resources available through the Council over the life of the contract. The ability of the local authority to deliver in the current funding market must also be demonstrated. This section of the OBC was one of a series of advance papers submitted to the HCA early this year, in line with the new HPP requirements.

- 9.1 The City Council's position in terms of affordability is set out in the Confidential Appendix 1 and the conclusions of the financial appraisal are that, subject to Executive Board approving the Council contributions and Government approval of the PFI credits, the Preferred Option is affordable and represents value for money.

9.2 Service Charges

- 9.2.1 Appendix 1 illustrates the level of service charge income is anticipated over the life of the contract. This assumes that for the extra care units the full cost of the service can be recovered, as is the case in the RSL sector now (the City Council does not currently have extra care accommodation). For the remaining units the current levels of service charge were assumed, although these do not currently cover actual costs, so some of the HRA contribution to the affordability reflects this.
- 9.2.2 A review of service charges is currently underway and is due to be completed by Autumn. However the Lifetime Neighbourhoods for Leeds project will deliver a different type of service than any which is currently offered, therefore the findings of the review may not be relevant unless for example, principles are agreed such as recovering the cost of services in full.

10.0 Output Specification

HPP guidance: the output specification sets out the key standards that the City Council requires the PFI contractor to meet in respect of outputs and associated services as summarised at item 4.4 above. It includes the Availability Standards which define the acceptable standards and conditions of the new dwellings, and the Service Performance Standards that the contractor is expected to achieve.

- 10.1 A draft output specification for the project has been developed in line with guidance and with assistance from the City Council’s technical advisers, EC Harris.
- 10.2 The output specification will require the demolition of up to 142 existing outdated sheltered units, up to 57 residential care units, 22 garages and 1 freehold property. A minimum of 675 new build homes will be constructed within the first four years of the contract on 11 sites across the City, with sites ranging in size from 26 to 90 dwellings. The dwellings will be constructed to a high level of sustainability standards.
- 10.3 There will be a mix of building types which may include two, three and four storey buildings, apartment blocks, houses and bungalows. These will accommodate mainly one and two bedroom properties, and be flexible in their design to complement Lifetime Homes standards.
- 10.4 Communal facilities will also be provided on five of the 11 sites where there is to be extra care provision. These facilities will include reception areas, lounges, kitchen and dining areas, hobby rooms, laundries and buggy stores. Treatment rooms will also be provided where the site is more than 400m from a GP surgery.

11.0 Sites

HPP guidance: the OBC must include details of the proposed sites for inclusion in the project and set out the process for securing the sites including ownership, outline planning and statutory approvals. In line with the guidance, the results of surveys must also be included as an appendix to the OBC.

- 11.1 Agreement with the HCA has been reached that allows the OBC to be submitted with the majority of sites secured, and with the detailed ground surveys and planning requirements considered. The determination of remaining sites to be confirmed prior to procurement.
- 11.2 Planning and land forum workstreams have been established to progress initial proposals for the sites and ensure that any potential issues are resolved prior to procurement. Outline planning applications have been submitted for the first seven sites, as listed below, and are expected to be determined in August.

Site No.	Location	Ward	Extra Care	General Needs for Older People	Site Status
1	Brooklands Avenue, Central Seacroft (part of)	Killingbeck & Seacroft	Y	Y	Cleared site within the EASEL regeneration area. Planning application covers whole site, but only part to be used.
2	Primrose High School, Burmantofts (part of)	Burmantofts & Richmond Hill		Y	Cleared former school site within the EASEL regeneration area.

Site No.	Location	Ward	Extra Care	General Needs for Older People	Site Status
3	Beckhill Approach / Garth, Meanwood	Chapel Allerton	Y	Y	Clearance of the site is under way by the Council, and will be completed prior to contract commencement.
4	Farrar Lane, Holt Park – Sheltered Housing	Adel & Wharfedale	Y		Site partially cleared which will allow for development of a new extra care scheme prior to demolition of existing accommodation.
5	Haworth Court, Yeadon	Otley & Yeadon	Y		Opportunity to undertake a phased development allowing partial demolition, new build followed by demolition of remaining buildings.
6	Mistress Lane, Armley	Armley		Y	Cleared site within the West Leeds Gateway regeneration area.
7	Acre Mount, Middleton	Middleton Park	Y	Y	Majority of site is clear and is located within the Middleton regeneration area.

11.3 Outline Planning Applications will be prepared for the four additional sites referred to in paragraphs 2.5 – 2.7 above, subject to Executive Board approval, for their inclusion in the project. Following which, formal public consultation will take place at the beginning of September, with applications being submitted in the Autumn.

12.0 Market Sounding

HPP guidance: the local authority must outline the results of market sounding exercises undertaken to establish whether the project is commercially deliverable and, to demonstrate that there is a competitive market likely to be sustained to Preferred Bidder stage.

12.1 To inform this OBC, the City Council has undertaken two market testing exercises, as recommended by the HCA and Local Partnerships, in order to achieve effective market soundings. Below is a summary of the outcomes of the latest market testing exercises carried out in February/March 2010.

12.2 A total of 108 companies, including a range of PFI bidders, housing associations, architects, and construction and finance companies, registered their interest on the City Council's internal tendering website. From these 11 attended face-to-face interviews and 15 written responses were received.

12.3 The City Council sought feedback on a number of key points including:-

- the attractiveness of the proposed scope, including the mix of extra care, general needs housing for older people and unit size;
- the proposed approach to coordinating the development of sites and resources over a number of locations across the City;
- the proposed funding strategy for the project; and
- the key project risks and proposed risk allocation.

12.4 Key findings of the market testing exercises have been taken on board as part of the development of the OBC, these include:-

- **scope** - the scope of the project was an attractive bid proposal and respondents confirmed that the project looked viable and was not too large in terms of scale and nature. In terms of extra care facilities, the market noted that low unit numbers may impact on what could be provided within a value for money solution. However respondents accepted the potential to have smaller schemes with less extensive communal facilities if they were in town centre locations or near to existing amenities which would be equally as viable;
- **location of sites** - in general the market was comfortable with the number and location of sites, but noted that there may be some issues from an operational point of view. The City Council has taken this into consideration as part of the review of the construction programme and in final site selection;
- **funding strategy** – the initial views on the funding options were divided between the traditional approach of committed funding at ISDS and early funder involvement with committed funding at Final Tender. However, the City Council believes there is sufficient interest to proceed with the latter option and, in order to reinforce this conclusion contacted funders to seek feedback on whether this option would present a workable solution, to which funders responded positively. From a Council point of view, this option also places the emphasis on a bidder to secure the best funding terms. It was also evident from this exercise that there is significantly more interest in the PFI funding market than 12 months ago and that there will be sufficient capacity in funding terms. The strategy was one of a series of advance papers submitted to the HCA early this year in line with the new HPP requirements; and
- **risk transfer** – the market viewed this as generally acceptable, but there were some risks that were perceived by the market, to be shared, e.g. force majeure, tenant damage, change in law, voids and protester action. The market feedback on the risk allocation and transfer has been incorporated into the OBC section on risk.

12.5 Many of the companies interviewed strongly indicated their intention to form consortiums that would bid for the project once it came to market. Many of the well established bid consortiums were seeking specialist care providers and constructors and registered social landlords were assembling teams to work with.

13.0 Risk Allocation

HPP guidance: the OBC must identify how the City Council will deal with potential risks prior to and post contract award, and be satisfied that risks are allocated to the party best able to manage them.

- 13.1 A detailed risk allocation matrix has been prepared for inclusion in the OBC, which has taken into consideration specific feedback on risk from the market testing exercises.
- 13.2 Assuming the necessary approvals are gained to proceed with the project, a draft risk register will be issued to bidders early in the procurement process. Bidders will be requested to mark-up the risk register and produce a commentary of key issues that might result in project specific derogations. The City Council will then consider these issues with the HCA.
- 13.3 Risks will be regularly reviewed and monitored during the procurement process, and where necessary mitigating action taken.

14.0 Project Management

HPP guidance: the OBC must demonstrate that the City Council has adequate and effective project management resources, along with a comprehensive and realistic project plan to proceed. This section of the OBC was one of a series of advance papers submitted to the HCA early this year, in line with the new HPP requirements.

- 14.1 The project management structure is well developed and has successfully delivered a number of operational PFI projects. The project has adopted the 'Delivering Successful Change' (DSC) methodology, which is the City Council's mandatory approach to project management.
- 14.2 A dedicated project team has been assigned to the project. A full resource plan for the procurement and construction period has been developed, with procurement costs for 2010/13 identified and confirmed as budget priorities.
- 14.3 This project reports to the Environment & Neighbourhoods Project Board which meets monthly and conforms to the City Council's scheme of delegation.
- 14.4 A series of assurance processes are incorporated into the project at various stages including Gateway Reviews, internal challenge sessions and end stage reviews. The first Gateway Review for 'Business Justification' took place in November 2009. The report was positive and concluded that *'successful delivery appears probable however constant attention will be needed to ensure risks do not materialise into major issues threatening delivery'*. All the actions identified by the gateway review team have now been completed and used to inform the development of the OBC.

15.0 Procurement Approach

HPP guidance: the authority must outline a robust and detailed procurement approach and proposed timetable, taking into account competitive dialogue, design, planning and other statutory consent requirements. This section of the OBC was one of a series of advance papers submitted to the HCA early this year, in line with the new HPP requirements.

- 15.1 The City Council has significant experience in the procurement and delivery of a wide portfolio of PFI projects, including the delivery of a previous HRA and non-HRA housing PFI projects.

- 15.2 The project team has prepared a procurement programme that is as efficient as possible using the competitive dialogue process, as set out below:-

Milestone	Date
OBC approval	Dec 2010
OJEU notice issued	Jan 2011
PQQ return deadline	Feb 2011
Invitation to Submitted Outline Solutions	Mar 2011
Invitation to Submitted Detailed Solutions	Jun 2011
Invitation to Submitted Refined Solutions	Jan 2012
Selection of Preferred Bidder	Jan 2013
Reserve planning matters approved	Jun 2013
Contract Award and Financial Close	Sep 2013

16.0 Contract Management Arrangements

HPP guidance: this section of the OBC outlines the arrangements proposed for post procurement contract management, including the performance monitoring arrangements. The OBC will also need a robust plan in place to ensure a smooth transition between procurement and operational management.

- 16.1 The project includes multiple sites across the City and as such, the successful management of the contract requires a comprehensive contract management process to be in place prior to Financial Close. To achieve this, the City Council has developed a Contract Management Strategy for the project. This will ensure the following areas, amongst others, are managed effectively: payment and performance; risk; and the smooth transition from procurement to operation.
- 16.2 The lessons learnt from the City Council's eight successful PFI schemes has identified the importance of including the contract management and monitoring team in the procurement process. The team will then take their role forward into the construction and operational stages of the project.

17.0 Stakeholder Consultation

HPP guidance: in addition to confirming the City Council's formal commitment, the OBC must also set out the engagement undertaken and planned, with stakeholders in particular tenants, leaseholders and residents affected by the proposals.

- 17.1 A formal consultation exercise took place March-June 2010, providing residents directly affected by the project proposals and those living within the general locality of the sites, the chance to provide comments. The process was conducted in line with the project's Stakeholder Management Strategy (which was included at Appendix 3 in the February 2010 Executive Board report) and s.105 of the Housing Act 1985. Statutory consultation requirements were followed in respect of the proposals affecting two residential care homes. Further consultation will now be required about the four additional sites detailed in Appendix 2.
- 17.2 A report detailing the findings from the consultation is attached at Appendix 3.

18.0 Implications For Council Policy And Governance

- 18.1 Governance

18.1.1 Management of the project will be in line with the City Council's agreed governance arrangements, updated and approved on 1st February 2010. Under the governance structure the primary reporting arrangements are to the Environment & Neighbourhoods Project Board whose role it is to:-

- support Director decisions and give guidance in relation to project issues;
- provide prior review of decision reports where required, by the Scheme of Delegation;
- provide a check and challenge role;
- review all major plans ensuring that any major deviations in respect of time, cost and quality are appropriately addressed;
- ensure relevant updates and reports are presented to the relevant Director, Strategic Investment Board and/or Executive Board as required;
- give guidance on the parameters within which the project is delivered;
- promote the project; and
- ensure the project team receives the required support and responses from other Council areas.

18.2 Equality Impact Assessment

18.2.1 To inform the development of the project, the team has carried out a full Equality Impact Assessment (EIA) on the effect that the proposals may have on older people and/or the wider communities and neighbourhoods in which the new housing will be located. The project's Benefits Realisation Plan formed the basis of the assessment, resulting in the development of an EIA Plan in February 2010. The EIA Plan identifies the key actions required to mitigate and manage any potential equality risks and describes how these can influence the on-going development of the project.

18.2.2 The Stakeholder Management Strategy was also subject to an Equality Impact Assessment which has, and will continue to influence the approaches adopted by the City Council to ensure current and future consultation on the proposals is fully inclusive.

18.2.3 The EIAs will be reviewed, at least annually and amended accordingly to ensure the City Council's approach continues to be inclusive, that any potential negative impacts are well managed, and to ensure that equality, diversity and community cohesion considerations are embedded in all areas of work.

19.0 Legal and Resource Implications

19.1 The City Council has a duty to consult with any tenants and residents (leaseholders) affected by the project proposals, as set out in s.105 of the Housing Act 1985 (see Appendix 3 for further details).

19.2 The EIAs carried out take into account the local authority's statutory duties under relevant legislation including the Disability Discrimination Act 1995, the Equality Act 2006 and the Race Relations (Amendment) Act 2000 (see item 18.2 above for more details).

19.3 TUPE transfers will be limited to staff who provide services which will be included in the contract and who immediately prior to the transfer, spend all or the majority of their time providing such services. This is likely to affect a small number [4] of part-

time cleaners employed in two of the existing sheltered housing schemes proposed for replacement as part of this project.

- 19.4 The budget to progress the project through procurement to contract award is estimated to be up to £6m, at approximately £2m per year over three years. The funding for 2010/11 has been allocated in the HRA budget, with the remaining cost to be built into the budget for the forthcoming years. Monthly budget reports are submitted to the Environment & Neighbourhoods Project Board to ensure that costs are monitored and controlled.
- 19.5 The City Council's estimated annual contribution to the cost of the project delivery was reported to, and approved by Executive Board on 12th February 2010. The first payment will be due in 2014 when the project is anticipated to start. The contributions for the life of the project have been built into the long term business plan for the HRA. As the Council stands today, and if no further changes occur, HRA support is confirmed. Moving forward and subject to any possible changes to the Council's Housing Finance System, this commitment (which will become contractual) will need to be taken into account.

20.0 Conclusions

- 20.1 The Lifetime Neighbourhoods for Leeds Outline Business Case, submitted with this report will, subject to HCA and Treasury approval, enable the City Council to address significant investment and service improvement ambitions for older people's housing and care.
- 20.2 The project enables the provision of a minimum of 675 new and affordable homes to be built for older people, and an opportunity for the City Council to replace up to 142 existing outdated sheltered units and up to 57 residential care units in the City.
- 20.3 The OBC includes housing management services as part of the PFI contract. However, this remains subject to a rigorous market testing exercise to be carried out by the project team in September 2010, to demonstrate this option provides the best solution in terms of VfM.
- 20.4 The majority of the sites to be included in the project are currently vacant, will soon be vacant or will allow for new building to be completed prior to re-provision. The timetable for the delivery of the changes proposed is medium to long term, with construction not anticipated to start until the end of 2013 at the earliest and completion by late 2018. This allows for a suitable period of time to ensure vacant possession of all sites, and the successful re-housing of existing and potentially more vulnerable, tenants and residents.

21.0 Recommendations

Executive Board is requested to:-

- a) approve submission of the Lifetime Neighbourhoods for Leeds Outline Business Case as detailed in Confidential Appendix 4 (document placed in the Members' Library for inspection) under the national Round 6 PFI Housing programme;
- b) approve the revised scope of the project as set out in paragraph 4.3;

- c) confirm the inclusion of seven of the sites in the project, as approved by Executive Board on 12th February 2010, the sites being:

Brooklands Avenue, Central Seacroft (part of)	Killingbeck & Seacroft Ward
Primrose High School, Burmantofts (part of)	Burmantofts & Richmond Hill Ward
Beckhill Approach/Garth, Meanwood	Chapel Allerton Ward
Farrar Lane, Holt Park – sheltered housing	Adel & Wharfedale Ward
Haworth Court, Yeadon	Otley & Yeadon Ward
Mistress Lane, Armley	Armley Ward
Acre Mount, Middleton	Middleton Park Ward

- d) approve the inclusion of the four additional sites in the OBC, as set out below and detailed in Appendix 2, subject to consultation;

Cranmer Gardens, Moor Allerton	Alwoodley Ward
RocheFord Court, Hunslet	City & Hunslet Ward
Parkway Close, South Parkway, Seacroft	Killingbeck & Seacroft Ward
Wykebeck Mount, Osmondthorpe	Temple Newsam Ward

- e) approve the affordability position as set out in the financial appraisal in Confidential Appendix 1;
- f) approve the service charge assumptions for the extra care accommodation included at paragraph 9.2; and
- g) note that the City Council's anticipated financial contribution to the project is as agreed by Executive Board on 12th February 2010.

Appendices:

- **Confidential Appendix 1: Affordability position**
- **Appendix 2: Additional priority sites**
- **Appendix 3: Consultation Report**
- **Confidential Appendix 4: Outline Business Case. This document, designated as exempt under Access to Information Procedure Rule 10.4(3), has been placed within the Members' Library for inspection.**

Background Papers:

- Executive Board report 12 February 2010
- Executive Board report 5 November 2008

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Round 6 Housing PFI: Outline Business Case: Lifetime Neighbourhoods for Leeds

Additional Priority Sites

The following sites are new to the project and are not yet in the public domain. Consultation is proposed to take place in early September, prior to the submission of outline planning applications.

Swap site

Cranmer Gardens is proposed for inclusion within the Lifetime Neighborhood for Leeds project as a swap for Moorhaven Court, a sheltered complex which Executive Board agreed in February. Cranmer Gardens is adjacent to the Moorhaven Court site which may allow residents in the existing sheltered complex to be re-housed in the new development upon completion.

Site No.	Location	Ward	Size (ha)	Extra Care	General Needs for Older People	Site Status
8	Cranmer Gardens, Moor Allerton	Alwoodley	0.5		Y	Cleared residential care home. Site is included in the Capital Receipt Programme.

New sites

The following are new sites proposed for inclusion within the Lifetime Neighbourhoods for Leeds project. The 2 EASEL sites have been agreed with the EASEL Regeneration Team, while discussions have also taken place with Aire Valley Homes in relation to Rocheford Court.

Site No.	Location	Ward	Size (ha)	Extra Care	General Needs for Older People	Site Status
9	Rocheford Court, Hunslet	City & Hunslet	0.4		Y	Sheltered housing complex which is no longer fit for purpose.

Round 6 Housing PFI: Outline Business Case: Lifetime Neighbourhoods for Leeds

10	Parkway Close, South Parkway, Central Seacroft	Killingbeck & Seacroft	1.0		Y	Housing site in the EASEL Regeneration Area. Majority of site has been cleared. 4 remaining properties to be cleared by Leeds City Council and ALMO.
11	Wykebeck Mount (former Osmondthorpe Primary School), Osmondthorpe	Temple Newsam	1.5		Y	Cleared former primary school site within the EASEL Regeneration Area.

Report of the Director of Environment & Neighbourhoods

Executive Board

Date: 25th August 2010

Subject: Round 6 PFI Outline Business Case: Lifetime Neighbourhoods for Leeds – Consultation Report

Executive Summary

On 12th February 2010, the Executive Board approved consultation about 10 sites across the City identified for possible inclusion in the project. The formal public consultation took place between March-June 2010, providing tenants, residents and leaseholders directly affected by the project proposals, and those living within the general locality, the chance to make comments. This report details the outcome of the consultation. The information has been used to inform the Outline Business Case (OBC), in particular the recommended selection of sites. The feedback from the consultation has also led to an agreement being reached with the HCA that the City Council will progress some of the sites to OPP in advance of OBC decision, whilst others which are currently held in reserve pending separate decisions, will be progressed prior to OJEU. The findings in the report will also assist Executive Board to reach a final decision on the three sites where the proposals remain outstanding, following the formal consultation.

Purpose of Report

The findings in this report provides an update on the outcome of the formal public consultation carried out between March-June 2010 about sites for inclusion in the project, and will assist Executive Board to reach a final decision on the three sites where the proposals remain outstanding.

Background

Following approval by the Executive Board on 12th February 2010, a formal consultation process took place providing residents directly affected by the proposals for the Lifetime Neighbourhoods for Leeds project and those living within the general locality, the chance to provide comments.

The process was conducted in line with the project's Stakeholder Management Strategy which was included at Appendix 3 in the February Executive Board and, in line with s.105 of the Housing Act 1985. Statutory consultation requirements were followed in respect of the two ASC residential care homes.

Each of the 10 sites proposed for inclusion in the project at the time, was the subject of its own mini consultation exercise, incorporating visits/meetings, information leaflets and letters posted to residents directly affected by the proposals. In addition, a series of public drop in events were held at local community bases including exhibition materials relating to specific site proposals.

In respect of the two sites identified as suitable to re-provide current Council residential care facilities with extra care housing, a statutory 12 week consultation was undertaken about the options for change and to help determine the future of these two sites. This was led by Adult Social Care and involved the residents, their families, carers and staff. The formal consultation process was aligned with the City Council's wider residential care review.

Proposals confirmed

In relation to seven of the ten sites proposed, there were no major issues raised and the proposals were well received. The proposals for each site were also supported by local Ward Members. Below is a summary of the key points raised during consultation on these seven sites:

Mistress Lane, Armley (cleared site):

- all attendees praised the project proposals;
- the importance of older couples having access to a spare bedroom was raised in particular where one person is unable to sleep in the same room as their partner;
- all comments were very positive and several residents asked if they could reserve a property; and
- to date no significant objections or issues have been raised.

Beckhill Garth and Approach, Meanwood (cleared site):

- all attendees praised the project proposals;
- all attendees agreed that there was a need for older people's housing in the area and were in favour of the designs;
- requests were made for the new homes to be allocated to older people only and not to young single people or families;
- all comments received were very positive and several residents asked if they could reserve a property; and
- to date no significant objections or issues have been raised.

South Parkway, Seacroft (cleared site):

- no attendees at the planned events;
- no formal comments have been received to date; and
- to date no significant objections or issues have been raised.

Former Primrose High School site, Burmantofts (cleared site):

- all attendees praised the project proposals;
- comments were formally received from one local resident enquiring as to whether or not the site could be used as a car park rather than for new housing development; and
- to date no significant objections or issues have been raised.

Acre Mount, Middleton

Comments from residents and homeowners directly affected:

- the homeowner attended the consultation drop-in and indicated he had plans for the adjoining part of the site in his ownership;

Comments from the wider community:

- feedback received on the proposals was positive;
- many residents stated that they were happy with the idea of older people living in the area, and that these plans were more favourable than previous proposals for family housing; and
- to date no significant objections or issues have been highlighted.

Farrar Lane, Holt Park

Comments from residents directly affected:

- questions were raised about any links with the local super store, ASDA;
- residents enquired about the communal meeting facilities that would be provided in the new development;
- residents expressed a desire to see local labour used on any contract work and queried the need for the City Council to advertise contracts under EU regulations;

Comments from the wider community:

- the majority of comments received were positive with residents praising the choice of site and the overall proposals for extra care housing;
- local residents acknowledged the need for improved housing provision for older people in the area;
- questions were raised relating to the re-housing of existing residents from the Farrar Lane sheltered scheme;
- some concern was raised about any potential adverse impact the new development would have on the level of traffic and on accessibility, primarily on Farrar Lane;
- there was some confusion over the number of proposed units at Farrar Lane as several residents initially thought that 700 new homes were proposed for this site alone;
- local residents stated that Farrar Lane is used as a 'racetrack' and requested for traffic calming to be considered as part of the proposals;
- a number of local residents wanted allotments to be included as part of the green space provision. There are currently no allotments in the Leeds 16 postcode area; and
- to date no significant objections or issues have been raised.

Note: Initial discussions have been undertaken with residents living at Farrar Lane to start determining potential re-housing options in conjunction with the estimated clearance and build programme. Reassurances have been given by the ALMO that wherever possible re-housing will be within the Holt Park area.

Haworth Court, Yeadon

Comments from residents directly affected by the proposals:

- request by the residents to be kept informed of project progress;
- no objections were raised about the proposals to build the new extra care units to three storeys;
- the majority of existing residents welcomed everyone having their own bathrooms;

- residents were keen for the proposed facility to have a communal lounge and additional room(s) to pursue hobbies and other recreational activities;
- residents acknowledged that Haworth Court was in need of significant repairs;
- residents expressed difficulty in crossing the road at Silver lane, adjacent to the site;
- residents also expressed a desire for communal gardens with seating;
- questions were raised about security of the new development;
- a number of residents expressed an interest in a tour around an existing extra care complex;

Comments from the wider community:

- a representative from the West and North West Leeds Disability Equality Network attended the session and supported the project proposals;
- the Network's representative also expressed an interest in being involved in the detailed design stages (was previously involved in the Wellbeing Centre projects in West Leeds);
- all attendees provided positive comments about the proposals;
- queries were raised about whether or not it was feasible due to the size of the site, to part demolish, build, move residents over, then demolish the remainder of the site in order to minimise the numbers of residents having to contemplate two moves.

Note: initial discussions have been undertaken with residents living at Haworth Court to start determining potential re-housing options in conjunction with the estimated clearance and build programme. Reassurances have been given by the ALMO that wherever possible re-housing will be within the Yeadon area.

Proposals for consideration following consultation

In respect of the remaining three sites, Moorhaven Court, a sheltered housing scheme in Moor Allerton and the two residential care sites, Fairview in Seacroft and Richmond House at Farsley, concerns were raised primarily relating to the re-housing of older people and the potential impact on individual residents and their families. In relation to the residential care sites, assurances about continuous quality of care and support was also highlighted. A summary of the key issues relating to each site has been provided below:

Moorhaven Court, Moor Allerton

Comments from residents directly affected by the proposals:

- residents directly affected by the proposals expressed concerns over their eligibility for one of the new two bed or one bed flexi Lifetime Homes;
- a Freedom of Information (FOI) request was received in April 2010 by the Moorhaven Court Residents Association about the decision to include this site;
- two petitions have been received in opposition to the proposals from the Moorhaven Court Residents Association; and
- residents asked if the cleared adjacent land could be considered as an alternative site.

Comments from the wider community:

- there were no objections raised at the wider stakeholder drop-in session. The need to increase the number of affordable homes for older people in the area was appreciated and welcomed.

Fairview Residential Care Home, Seacroft

Comments from relatives of residents (with dementia), directly affected by the proposals:

- relatives felt that a decision about the future of Fairview had already been made;
- relatives felt that the high level of care and support at Fairview could not be matched elsewhere;
- concerns were also raised about the potential level of disruption to older residents, especially those who are frail;
- relatives also wanted firm assurances that dementia care would be re-provided; and
- relatives have said that a petition against the closure of Fairview will be submitted;

Comments from staff (directly affected by the proposals):

- staff were concerned for the residents wellbeing and the future provision of dementia care;

Comments from the wider community:

- the need for affordable housing for older people was acknowledged at the wider consultation drop-in session. However, concerns were raised over the future of residents with dementia.

Richmond House Residential Care Home (and 6 sheltered housing units 42-47 Dawson's Corner, Farsley):

Comments from residents (directly affected by the proposals):

- residents at Dawson's Corner (including the six households directly affected) supported the proposals but were opposed to the demolition of the six properties;
- concerns were raised about the welfare of the six households directly affected;

Comments from staff directly affected by the proposals:

- staff at Richmond House were concerned about the loss of respite provision in the locality;

Comments from the wider community:

- the wider consultation drop-in session was well attended. Local residents praised the city wide proposals. However, opposition was received to the closure of Richmond House and the loss of respite care in Farsley;
- in April 2010, Adult Social Care received a petition against the closure of Richmond House signed by over 1,000 local people.

Note: There are no permanent residents at Richmond House Residential Care Home. All bed spaces currently provide respite care only.

The formal consultation concluded on 4 June 2010. All residents affected by the proposals have been contacted, in writing, to advise about the next steps.

Next Steps

The feedback from the formal public consultation will be used to inform the Outline Business Case, including the outline planning process and final project scope.

In line with the Stakeholder Management Strategy and following approval of the OBC, the City Council will commence procurement of the PFI contract. Key stakeholders including tenants, residents and leaseholders, the wider community including Elected Members will have a range of opportunities to be involved throughout the procurement process. The following table 1 outlines the proposals for future stakeholder involvement;

Table 1: Stakeholder Involvement

Involvement stages during the procurement process	What/How	Who
Outline Planning applications (3 phases – consultation to take place according to phases)	Outline Planning Statutory consultation meetings and briefings through forums and drop-in-sessions to inform planning process.	Ward Members, Area Committees, forums, tenants, residents and leaseholders.
Detailed Solutions	Introduction Event Bidders present their consortiums and some examples of previous work/outline solution ideas to the community as part of planned community open days.	Wider communities.
Detailed Solutions	Outlining Proposals Event Bidders present ideas that they will be submitting for detailed solutions as part of planned community open days.	Wider communities, and area forums etc.
Detailed Solutions	Stakeholder Evaluation Panel Community reps and Ward Members recruited to stakeholder evaluation panel to feed into main evaluations (confidentiality agreement required). Training for panels will be provided. Formulation of Community Advisory Group(s) across key locations.	Community reps and Ward Members.
Parallel Dialogue	Outlining Proposals Event Bidders present ideas that they will be submitting for final tenders.	Wider community and area forums etc.
Parallel Dialogue	Stakeholder Evaluation Panel The stakeholder evaluation panel is used for evaluating final tenders (confidentiality agreement required)	Stakeholder Evaluation Panel.

Involvement stages during the procurement process	What/How	Who
	which is then fed back into the main evaluation process.	
Full Planning	<p>Detailed Solutions Consultation on the detailed Planning Applications being submitted to Plans Panels for approval.</p> <p>Consultation is carried out with the Preferred Bidder, supported by the City Council's Planning Services.</p>	Wider communities and area forums etc.

Legal and Resource Implications

The City Council has complied with its duty to consult with any tenants and residents (leaseholders) affected by the project proposals, as set out in s.105 of the Housing Act 1985.

The Equality Impact Assessment process carried out on the Stakeholder Management Strategy takes into account the local authority's statutory duties under relevant legislation including the Disability Discrimination Act 1995, the Equality Act 2006 and the Race Relations (Amendment) Act 2000.

Conclusions

The formal public consultation took place between March-June 2010, providing tenants, residents and leaseholders directly affected by the project proposals and those living within the general locality, the chance to provide comments.

In relation to seven of the ten proposed sites, there were no major issues raised and the proposals were well received.

In relation to the remaining three proposed sites, a sheltered housing scheme and the two residential care homes, some concern was raised primarily relating to the re-housing of older people and the potential impact on individual residents and their families. Concerns about continuity of care and support was also raised.

Member consideration of the outcome of the consultation is sought in the main body of the report.

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Report of: Regional Housing Programme Board

Report to: Executive Board

Date: 25th August 2010

Subject: Regional Housing Board Programme 2008-11 – Acquisition and demolition schemes update.

Capital Scheme No: 14850/000/000

Electoral Wards Affected:

Beeston and Holbeck

Burmantofts and Richmond Hill

City and Hunslet

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In

(Details contained in the report)

EXECUTIVE SUMMARY

- Leeds City Council has operated a successful programme of acquisition, demolition and investment in private sector housing since 2005, this programme has been targeted to contribute to major area based regeneration initiatives in East and South East Leeds (EASEL) and Beeston Hill and Holbeck.
- The current funding ceases as of 31st March 2011, it is currently unclear how funding for private sector renewal will be distributed in future. The current options include a direct allocation to the local authority or allocation via the Homes and Communities agency. The level of funding allocated will be unknown until after the Comprehensive Spending Review in October 2010.
- Savings of £4.07m have already been implemented across the 2008/11 programme which resulted in schemes being slipped to future years. These schemes need future funding allocations in order to complete them.
- Executive Board are requested to adjust the cash flow to accelerate the demolitions by rescinding the remaining funding on Holbeck Phase 4 of £580,000.

1.0 PURPOSE OF THE REPORT

- 1.1 Executive Board are requested to rescind approvals on Holbeck Phase 4 acquisition and demolition scheme and move funding to the other acquisition and demolition schemes as set out in Appendix B to facilitate the remaining demolitions to be undertaken before March 2011.

2.0 BACKGROUND INFORMATION

- 2.1 Leeds City Council has operated a successful programme of acquisition, demolition and investment in private sector housing; these have been targeted to contribute to major area based regeneration initiatives in East and South East Leeds (EASEL) and Beeston Hill and Holbeck. Leeds City Council delivered a two year programme of works in 2006-08 delivering acquisition/demolition schemes, group repair schemes and loans and grants schemes.
- 2.3 In September 09 officers were advised of the governments intention to transfer £75m nationally from the Private Sector Renewal (PSR) element of regional housing resources for 2010/11 (SRHP) to the 'Housing Pledge' element of 'Building Britain's Future' to assist recovery of the construction industry. This resulted in a 20% cut in the 2010/11 Single Regional Housing Pot allocation for all West Yorkshire authorities, a £4.07m reduction for Leeds.

3.0 PROGRAMME MANAGEMENT

- 3.1 The amended Leeds grant allocation for the 2008/11 programme is now £18.37m.
- 3.2 The rolling programme of group repair schemes in Beeston Hill has continued and all 6 phases have been delivered. 11 phases of group repair in Burley Lodge have been completed. On 19th May 2010 Executive Board approved a phase of group repair in Cross Green £1.8m and this should be on site at the end of August 2010.
- 3.3 Of the 8 acquisition and demolition schemes which have been undertaken there are 5 where acquisitions are complete or nearing completion and a phased programme of demolition has commenced.
- 3.4 Funding and additional authority to spend is required as set out in Appendix A in order that these schemes may be concluded.
- 3.5 There are a further 3 schemes where there are a number of acquisitions outstanding and where demolition has not yet commenced. In view of the shortfall in funding it is essential a review of these schemes takes place. Option appraisals will be undertaken on Cross Green Ph3 and the Garnets schemes. This exercise will aim to establish the most positive outcomes for local communities in the short and medium term.
- 3.6 Little progress has been made on acquisitions on the Holbeck phase 4 scheme since its approval by Executive Board in August 2009. At least 6 of the 11 owners in the target area are in negative equity of between 15-30% having purchased properties when values were at their highest. It is unlikely that these owners will be willing to sell unless market values increase dramatically in the near future.
- 3.7 It is, therefore, recommended that the decision to acquire and demolish properties within Holbeck phase 4 is suspended and funding rescinded in order that it may be utilised to ensure that commitments on other acquisition and demolition schemes

can be met. A full review of Holbeck Phase 4 will be undertaken in consultation with the local community and local members.

4 FINANCIAL MANAGEMENT

- 4.1 **Appendix A** provides a summary of the total injections and authority to spend on schemes where Executive Board and /or other approvals have been granted to date. It also outlines the funding and additional authority to spend needed to complete the other acquisition and demolition schemes. **Appendix B** provides a summary of the movements needed within individual schemes and the additional authority to spend and ATS to be rescinded from Holbeck Ph4.

5.0 CONSULTATION

- 5.1 The Executive Board member for Neighbourhoods and Housing and ward members have been consulted on the programme and are aware that a further report will be brought to Executive board outlining the options for the remaining schemes. There is concern regarding the availability of future funding to ensure that these projects are completed.

6.0 GOVERNANCE

- 6.1 A Programme Board was set up in December 2006 within Environment and Neighbourhoods to ensure the delivery of this programme. This includes representation from the relevant areas of Environment and Neighbourhoods including the Chief Officers of Housing Services and Regeneration together with other officers within Environment and Neighbourhoods, representatives of Development, Legal Services and Corporate Services. The board is chaired by Environment and Neighbourhoods and has regular monthly meetings.

7.0 Capital Funding & Cash Flow

- 7.1 See attached appendix A and B.
- 7.2 In addition to the contingency arrangements put in place in Decembers Board paper movements of funding are required within the overall programme to ensure delivery on the acquisition and demolition schemes.
- 7.3 There are no revenue implications within this scheme. All the necessary funding will come from external sources either RHB grant or private sector contributions. A further report will be presented if there are any changes to the current funding arrangements.

8 RISKS

- 8.1 LCC are awaiting confirmation of future years funding which will be announced in the governments comprehensive spending review in October. Funding needs to be secured in order to complete LCCs programme of works or alternative arrangements need to be put in place otherwise these schemes will be delayed indefinitely or remain unfinished.
- 8.2 The acquisition and demolition programme is reliant on the redistribution of funding as set out in Appendix B.

9.0 CONCLUSION

- 9.1 Confirmation of future funding is awaited but until then we will complete all acquisition and demolition schemes identified that can be finished and sites cleared by March 2011.
- 9.2 In order to assist the delivery and profiling of the 2008/11 programme the Executive Board are requested to rescind Holbeck Phase 4 and cash flow this funding over the remaining schemes and authorise the additional authorities as set out in appendix B.
- 9.3 All authority to spend not yet given on those individual schemes not yet presented will be sought in accordance with the Capital Approvals rules set down in the Financial Procedures.

10 RECOMMENDATIONS

Executive Board is requested to:-

- 1) Rescind £580,000 of Holbeck Ph4 acquisition and demolition scheme and agree the revised cash flow position.
- 2) Authorise scheme expenditure as set out in appendix B to complete the demolitions and clearance of the 5 sites in the Beverleys, Holbeck Ph1, 2 and 3 and Cross Green Phase 2.

Background Papers

Regional Housing Board Programme 2008-11 – Update
Single Regional Housing Pot Programme 2008-11

Exec Board 9th Dec 09
Exec Board 4th Sep 08.

Appendix A

Summary of the RHB 2008/11 programme as at July 2010

<u>Notes</u>	£000s	£000s
Total Injections of government grant to the RHB programme	22440	
Injection of Energy Efficiency Funding Dec 09	307.4	
Injections of private sector funding & residual LCC to RHB programme	1770.3	
1 Total Funding available for the 2008/11 Programme before savings		24517.7
2 Savings per EB report December 2009		(4,069)
3 Total funding available for the 2008/11 programme after savings		<u>20,448.7</u>
4 Authority to spend granted to July 2010	21310.3	
5 Remaining Schemes to be granted ATS if future funding secured	<u>2900</u>	
Total Funding needed to complete whole programme including contingencies		<u>24210.3</u>
Potential Shortfall in funding before implementing movements in ATS		3,761.6
6 Net Movements in ATS detailed per Appendix B		(236.4)
7 Potential Shortfall after implementing movements in ATS		<u>3,525.2</u>

- Notes
- 1 Total bid made to the WYHP for the 2008/11 programme together with our own funding injections.
 - 2 Total savings implemented
 - 3 Revised funding available for the 2008/11 Programme
 - 4 Exec Board and Director of Resource approvals to date.
 - 5 Harehills/Shep Lane Facelift £1.6m not yet approved.
 - 6 Net movements detailed at Appendix B
 - 7 Additional funding needed to complete the original programme including contingencies.

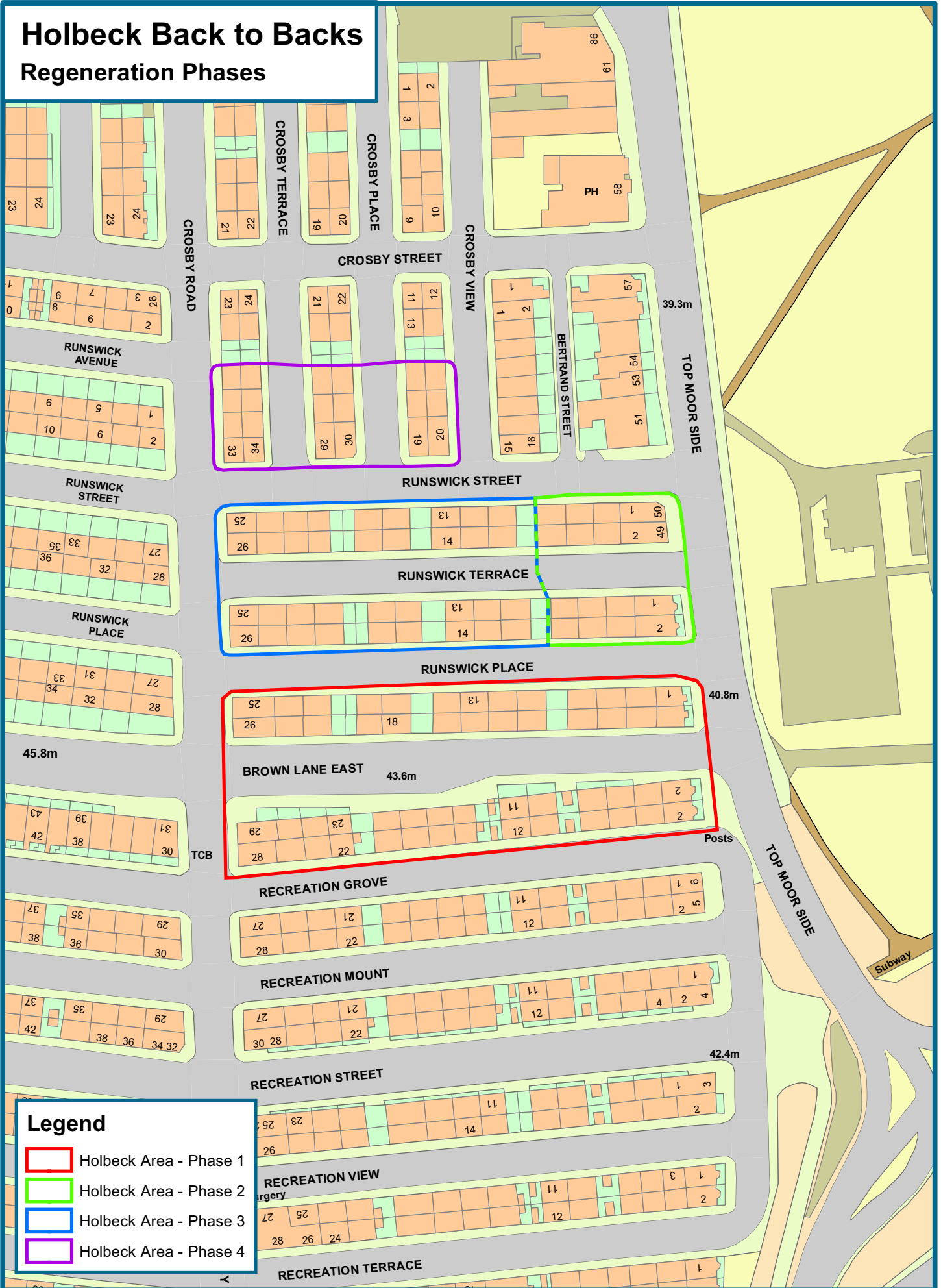
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Appendix B

Net Movements in ATS to the RHB programme 2008/11		2010/11 £000s	Total £000s
15557 DEM 000	Holbeck Ph4 A&D - Rescind ATS	(580.0)	(580.0)
01359 DEM 000	Beverleys last phase of demolition and fees - Additional ATS	103.6	103.6
13198 DEM 000	Holbeck Ph1 A&D - Additional ATS	30.0	30.0
14122 DEM 000	Holbeck Ph3 A&D - Additional ATS	50.0	50.0
13196 000 000	Cross Green Ph2 A&D - Additional ATS	160.0	160.0
	RHB Grant/Private Sector Contributions to be rescinded	<u>(236.4)</u>	<u>(236.4)</u>
	Overall movements in A&D Schemes	<u>(236.4)</u>	<u>(236.4)</u>
14850 000 000	To be returned to parent, awaiting further cashflow after the spending review	236.4	236.4

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Holbeck Back to Backs Regeneration Phases



Legend

- Holbeck Area - Phase 1
- Holbeck Area - Phase 2
- Holbeck Area - Phase 3
- Holbeck Area - Phase 4



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Originator: Adam Hewitt

Tel: 0113 2476940

Report of the Interim Director of Children's Services

Executive Board

25th August 2010

Children's Services Improvement Update Report

Electoral Wards Affected: All wards

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call-in

Not Eligible for Call-in
(Details contained in the Report)

EXECUTIVE SUMMARY

1. In March 2010 Executive Board received reports that detailed:
 - Arrangements made to deliver, support and monitor improvements in children's services in view of recent inspection findings and a government Improvement Notice, and
 - The outcomes of a strategic review of children's services arrangements recommending services should be re-organised to a more integrated delivery model.
2. This report updates Executive Board on:
 - Implementation of Leeds' Improvement Plan for Children's Services and the work of the Improvement Board to oversee this.
 - The transformation programme to deliver an integrated delivery model for children's services.
 - The development of a new Children and Young People's Plan by spring 2011.

RECOMMENDATIONS

3. It is recommended that Executive Board:
 - i) Note progress against the Improvement Plan for Children's Services in Leeds and the work of the Improvement Board to support this.
 - ii) Note the intention to consult on and then develop a new Children and Young People's Plan for Leeds, ready by spring 2011,

- iii) Note and endorse the progress of the transformation programme so far and the next steps to develop and propose a revised leadership structure and a model for integrated service delivery and integrated business support functions, which will be brought back to Executive Board in Autumn 2010.

1.0 Purpose Of This Report

1.1 This report updates Executive Board on:

- Implementation of Leeds' Improvement Plan for Children's Services and the work of the Improvement Board to oversee this.
- The transformation programme to deliver an integrated delivery model for children's services.
- The development of a new Children and Young People's Plan for the city by spring 2011.

It sets this work within the context of the shifting national policy direction around children's services and emerging financial context. It seeks endorsement for the next stage of developments in relation to the transformation programme.

2.0 Background Information

2.1 In March 2010 Executive Board received two significant children's services reports. The first of these detailed the arrangements in place to deliver, support and monitor improvements in the service in view of recent inspection findings and an Improvement Notice served by the government. It focused on the Improvement Plan that had been developed and the independently chaired Improvement Board established to monitor this.

2.2 The second report detailed the outcomes of a strategic review of children's services arrangements in Leeds and recommended that services be reorganised to a more integrated delivery model in the future. This included bringing education services currently provided by Education Leeds back within the local authority by April 2011.

2.3 The recommendations from both reports were approved. They included a commitment to bring regular updates back to Executive Board.

2.4 Since March there has been a lot of activity to take forward the necessary improvement work and the wider transformational programme that stemmed from the strategic review report. The national context for children's services and particularly for schools has also changed considerably during this period, primarily as a consequence of the change of government and therefore a shift in policy direction nationally.

2.5 At its April meeting the Executive Board approved proposals for new Children's Trust Arrangements. This led to a new Children's Trust Board and revised Leeds Safeguarding Children Board being established. The Children's Trust Board has started to consider how to take forward the Children and Young People's Plan for Leeds. Although the current plan runs from 2009 – 2014, a full review for 2011 was always intended given the changing context, changing priorities and the importance of linking in with the 2011 review of the Leeds Strategic Plan and Leeds Vision.

2.6 The Council has also recently appointed a new Director of Children's Services, Nigel Richardson, who will join Leeds in the autumn and a new independent Chair of the Safeguarding Children Board, Jane Held, who started working with Leeds in July.

2.7 It is a timely opportunity therefore to update Executive Board on progress in children's services and seek both endorsement for the next stage of the transformation programme and indications as to how members wish to be kept informed and involved as the implementation of the programme gathers momentum in the coming months.

3.0 Main Issues

3.1 National Policy Context

3.1.1 Under the coalition government there are some significant policy changes, and policy reviews taking place, whilst these are not the main focus of this report it may help Members to have a brief overview of them when considering the information that follows. The Department for Education (DfE) (which replaces the Department for Children Schools and Families) has indicated its intention to give more freedoms to different services working on the children and young people's agenda. This has been progressed most rapidly so far around the work of schools, with the introduction of the Academies Bill, giving more schools the opportunity and encouragement to become academies and as such have much greater independence from the involvement of the local authority. It is also likely to be a theme of the Munro Review of Child Protection and the Tickell Review of the Early Years Foundation Stage, both of which were announced recently. An independent commission into early intervention has also been established.

3.1.2 The coalition government has made a number of significant funding decisions relating to existing children's services projects. Some of the implications for Leeds are considered in a separate paper to the Executive Board. A consultation on the introduction of a Pupil Premium has been launched. This consultation closes in mid-October. Whilst emphasizing its commitment to partnership working, the coalition has indicated its intention to remove the statutory requirement for local areas to have a Children's Trust Board and a Children and Young People's Plan. The implications of the latter in terms of a plan for Leeds are discussed in more detail further below.

3.1.3 Policy changes impacting on children, young people and families are not isolated to the Department for Education. Announcements from, for example, the Department of Health, the Home Office and as part of the emergency budget relating to future benefit entitlements, will all change the current context in which children's services partners operate.

3.1.4 Leeds Children's Trust Board has responded to an invitation from the Secretary of State for Education, Michael Gove, to submit initial written views and feedback to help shape an ongoing dialogue between local areas and the Department.

3.2 Improvement Activity and Performance

3.2.1 During 2010, Children's Services has been using a single, coordinated Improvement Plan as the primary tool for monitoring specific progress and actions highlighted by Ofsted inspections and ratings and the government's improvement notice. The Plan has been valuable in bringing together, in one document, the wide variety of activity needed to deliver better services and enabling a reference point to check progress.

3.2.2 Given its length and scope the Plan has not been considered in full at every Improvement Board meeting, instead the Board agreed a process whereby they would focus on specific themes from within the Plan at each of their meetings, whilst also continuing to receive a more detailed monitoring report each month providing an overview across all areas. The monitoring report covers:

- Summary of current strategic position.
- The top six areas of focus.
- Updated position on top six areas of focus.
- Updated risks and mitigating actions.

- Detailed monitoring update.

- 3.2.3 It uses a Red, Amber, Green (RAG) rating system to judge progress against each of the actions in the Plan. As at the July report to the Improvement Board, out of 53 actions in total, 13 were rated as green, 36 were rated as amber and 4 were rated as red. Of the 13 rated as green, 5 are regarded as complete. There have been particularly positive improvements on issues including the timeliness of initial and core assessments, the recruitment of new social workers and reducing custodial sentences.
- 3.2.4 The areas rated as red in July relate to issues around: information gathering on looked after children data; capacity effectiveness and monitoring of child protection conferences; practice and recording issues around the involvement of children, young people, and families in child protection processes; and response rates to child protection referrals, ensuring appropriate multi-agency discussions taking place around these. Against each of these areas, actions to deliver improvement are clearly defined and will be monitored by the Improvement Board. On these specific issues the recent appointment of a new, highly experienced Head of Service for Looked After Children and Interim Head of Safeguarding has given fresh impetus, ideas and capacity around these and several other critical issues within Children and Young People's Social Care. Our quality assurance arrangements need strengthening further and work is underway to do this.
- 3.2.5 The Improvement Board itself has met monthly throughout 2010. At its May meeting, in line with the requirements set out in the government's improvement notice, the Improvement Board received an interim stocktake on the 2009/10 end of year (quarter four) performance data. This helped to identify the areas where targets set by central government were on track and those where faster improvement is needed. This in turn informed the Board's work plan for future meetings. The next stocktake will be done in November 2010 on performance up to the end of September 2010.
- 3.2.6 Each month the Board also requests information on specific areas or themes considered high priorities. To date these themes have included:
- Effective leadership and governance
 - A skilled and motivated workforce
 - Safeguarding
 - Looked After Children
- 3.2.7 As a suite of documents the Improvement Plan monitoring report, the stock take specifically against the improvement notice and the themed, more detailed reports on key areas of work have given the Improvement Board a comprehensive range of information. They aim to combine a broad overview, with attention to detail where it is needed and most importantly, an accurate appraisal of areas that continue to present concerns in terms of performance and ultimately therefore, outcomes for children and young people.
- 3.2.8 The Board's work is complemented by a number of mechanisms for reporting performance to appropriate groups. A report to the July meeting of the Corporate Governance and Audit Committee provided details and assurances around the meeting programme that links to the Improvement Board. For example: periodic meetings between Members, Senior Officers and Department for Education (DfE) representatives to review key information being submitted to the Improvement Board and in doing so contribute to the support and monitoring process; an elected member reference group; and an internal group chaired by the Council's Chief Executive.

- 3.2.9 Various performance information is also submitted to the Children's Services Scrutiny Board and to Area Committees. As well as being updated on the Improvement Board's work (with regular attendance from the Improvement Board's Chair), the Scrutiny Board receives a quarterly update on national and local performance indicators. During this year a process has also been established to regularly take a selection of localized performance information to Area Committees. Wherever possible this breaks down some key children's services indicators by committee and by ward. The first series of these reports were presented in February 2010. The next round of reports are scheduled for the September 2010 series of meetings. They will include information on: initial and core assessments; looked after children; Common Assessment Framework data; the number of young people not in education, employment or training and the number of young people whose status is 'not known'. This report will be followed up in January 2011 with another round of similar reports, but focusing primarily on educational outcomes.
- 3.2.10 The process for delivering and monitoring improvement at both a city-wide and local level is therefore becoming well established. There is evidence that against many important outcome areas continuing improvement is being made. The combination of interim leadership arrangements to focus on performance, the Improvement Plan, Improvement Board and the other monitoring arrangements in place have given better focus and co-ordination to the work being done across children's services. There is a stronger level of awareness and understanding of the performance issues and the solutions needed to improve them. Elected members are taking a close and active interest in monitoring and supporting this.
- 3.2.10 Following a recent monitoring meeting with the DfE, Tim Loughton, Parliamentary Under Secretary of State for Children and Families has written to the Chair of the Improvement Board, Bill McCarthy to comment on the current position in Leeds. This letter is attached at appendix 1. Its overall tone is positive, whilst recognising continuing challenges, including the implementation of the very complex and ambitious transformation programme. The Improvement Board will continue to meet monthly for the foreseeable future.
- 3.3 Transformation Programme
- 3.3.1 Following Executive Board's approval of the report on the Strategic Review of Children's Services, work began immediately on the process to plan for and then implement new arrangements. From the outset the focus of this work has been to involve partners from the range of children's services across the city, not just those of the local authority.
- 3.3.2 A Programme Board was established to ensure senior representatives from key organisations share ownership of the changes taking place. The Board is chaired by the interim Director of Children's Services and includes senior managers from children's services, Education Leeds, the Council's corporate leadership, NHS Leeds, the Police and a primary and secondary school headteacher. The Board meets every two weeks to ensure momentum of the programme is maintained.
- 3.3.3 The Programme has 3 overarching strands:
1. Ending the contract with Education Leeds
 2. Developing integrated business support, including commissioning
 3. Developing integrated service delivery

- 3.3.4 Although the initial focus is on integrating the local authority and Education Leeds functions and services, opportunities for broader integration with health, the police and schools are also being explored. The three strands listed above are running simultaneously to ensure new arrangements are implemented in a coordinated way.
- 3.3.5 In terms of work to end the Education Leeds contract, good progress has been made to identify all the key issues involved. A lead out plan has been developed, agreed and signed-off by the Chair of the Education Leeds Board and the Interim Director of Children's Services.
- 3.3.6 Work on integrated business support is evolving in view of the need to make additional savings in light of recent budget cuts announced by the government and the need to link with wider corporate reviews of Council services. There is a strong desire to progress co-location and joint working opportunities as soon as possible. Initial proposals have been developed and are being implemented for interim changes to functions including performance, complaints, accommodation and buildings, finance, I.T. and HR.
- 3.3.7 The integrated service delivery strand may be of particular interest to members as it will have the greatest impact on frontline services. It has been organised into six key areas of work:
- a) leadership and governance
 - b) Disability /SEN/ additional health needs
 - c) Looked after children
 - d) Safeguarding
 - e) Universal services
 - f) Well-being teams (locality based)
- 3.3.8 For the design of each strand, multi-agency project teams have been established and have been working over the summer to draw up detailed proposals for how these functions should be taken forward. This design work is linking closely with the Locality Pathfinder developments and the Think Family and Total Place agendas. Proposals will be considered by the Programme Board and the Children's Trust Board in September and then made available for extensive consultation, engagement and development until half-term. Further details will be brought back to Executive Board in the autumn.
- 3.3.9 The top tier leadership structure for children's services will be crucial to shaping the future direction of the service. In re-designing the leadership model we will ensure there is sufficient professional expertise and senior management capacity to undertake the required tasks. The leadership team will be responsible for leading the drive to achieve the vision and ambitions set out in the Children and Young People's Plan. To deliver this we are proposing that all Chief Officer posts reporting to the DCS will have common responsibilities in relation to:
- Achieving better outcomes for children and young people
 - Providing leadership as part of the team to deliver change and improvement
 - Promoting integrated working and effective partnership working
 - Contributing to the corporate priorities of the City Council
 - Making best use of our resources, including staff, buildings and other assets
 - Having a flexible attitude to changing role and responsibilities in the light of new developments and emerging needs
- Chief Officers will also have specific responsibilities to ensure clear leadership for the full range of functions within the service.

- 3.3.10 It will be essential that this team, together with the DCS, collectively deliver dynamic, proactive and resourceful leadership. It must drive improvement in:
- Direct service provision
 - Commissioning to meet needs
 - Effective strategic partnership working and
 - Strategic planning to achieve the best outcomes we can for children and young people in Leeds.
- 3.3.11 The Interim Director is working with the newly appointed permanent Director of Children's Services (prior to him taking up post) and with the current senior leadership team and senior leaders from partner services to develop these proposals. More detailed proposals will be put to Executive Board in the autumn.
- 3.3.12 The changes taking place will require ownership from all staff in order to be successful. At the same time, given the need for more efficiency they will inevitably raise questions and concerns. A process of regular staff communications is already in place and this will gather pace in the coming weeks through regular workshops and other activities. We will work closely with schools and other stakeholders as part of this. A HR Framework to guide issues likely to arise as we move from the design into the delivery phase has also been agreed. Unions are appropriately involved.
- 3.3.13 The Executive Lead Member for Children's Services is being kept regularly informed about the progress of the transformation programme. We are particularly keen to secure more engagement with elected members in the coming months as proposals take shape, particularly around local well-being teams. Existing opportunities, such as Scrutiny, Area Committees and political group meetings will be used.
- 3.3.14 It is clear that the transformation programme is being progressed in the context of significant budget challenges and emerging national policy, both within the local authority and amongst those partners Leeds is working with. A review of providers in Leeds commissioned by children's services is currently underway and this will also inform how proposals for the future take shape. The transformation programme also presents a timely opportunity in that it enables Leeds to identify efficiencies in children's services as part of a full overview of the service, rather than in isolation within different parts of the service.

Children and Young People's Plan 2011

- 3.4 To help ensure the integrated model for children's services helps to deliver a more joined-up and consistent approach to service delivery it is important that services are working towards clear, shared priorities. Leeds' current Children and Young People's Plan runs from 2009 – 2014, but its focus is on priorities between 2009 and 2011. It was always the intention to review the Plan in full ready for 2011 to ensure its continuing relevance and link in to the development of the new Vision for Leeds for 2011 – 2030. Re-affirming a strong vision for outcomes for children and young people and linking this to families is particularly important in view of the changing national and local policy and financial context.
- 3.4.1 Currently Children and Young People's Plans are a statutory requirement for all local areas. However, the coalition government has clearly stated its intention to remove this statutory obligation by April 2011. This will mean Leeds is no longer required by government to produce a Children and Young People's Plan. In anticipation of this change, senior leaders from partners on the Children's Trust Board have considered the implications and options. The collective view is that Leeds will still benefit significantly from having a document that captures the shared vision and priorities for

children's services in the city, however it is too early to determine how close such a document will remain to the format and level of detail within the current Plan. As such senior leaders have drawn up outline proposals for the priorities within a future Plan and over the coming months consultation will take place on these proposals, along with consideration of how a new Plan can best be structured to deliver the maximum benefit to services and the public in Leeds.

3.4.2 The proposals put forward make a distinction between developing *how* future improvement will be delivered - identifying the themes emerging from the transformation programme around locality working, integrated services and early intervention – and determining what the priority areas of work should be. The proposal is to consult on simplifying to three broad priority areas:

1. *Improving the safeguarding of children and young people:* Through well-embedded child protection systems and practice, tackling substance misuse by parents, and reducing the impact of domestic violence and anti social behaviour on children and families.

2. *Improving early years and primary stage outcomes:* Through intervention and prevention in the early years and improving outcomes at key stage 2, targeting those most at risk of relatively poor early learning and primary outcomes, and known to be susceptible to poor outcomes in later stages of childhood. This will include tackling barriers to participation including irregular school attendance, obesity and low self esteem.

3. *Better outcomes at 16 and 19 through improved participation and engagement of children and young people:* Reducing NEET, improving behaviour and attendance at school, reducing and preventing offending, reoffending and anti social behaviour, tackling key health issues such as teenage pregnancy and substance misuse.

3.4.3 The Plan will be developed in a way that complements and coordinates with the progress of the transformation programme. Members will be involved in the consultation process, for example through Area Committees and Scrutiny and the Plan will be presented to Executive Board once it is drafted.

4.0 Implications For Council Policy And Governance

4.1 Making the improvements required in children's services is a key priority for the local authority and for the city. It is critical therefore that the Improvement Plan, Improvement Board and the transformation programme all make a significant contribution to achieving these improvement. It is also important that this work is monitored appropriately through other Council bodies, such as Corporate Governance and Audit Committee, Scrutiny and the Executive Board so there is clear understanding and ownership of this agenda.

4.2 As the strands of work within the transformation programme take shape, particularly the work around integrated service delivery (such as the focus on leadership and governance and on local well-being teams) it is essential that this links across to other relevant agendas within the Council and its partners. Clear understanding of accountability and decision-making will be key to underpinning a future structure and these will be issues addressed in more detail as the proposals for new arrangements are considered from September onwards.

5.0 Legal And Resource Implications

5.1 The transformation programme is guided first and foremost by the desire to deliver improved, integrated services and as a result, better outcomes to children and young people in Leeds. However, in the current financial climate particularly, it also offers an opportunity to identify more efficient ways of working and clearer commissioning arrangements for the future. It is too early to be specific about the details of such efficiencies, but as the design phase of the programme is finalised this is expected to become clearer and can be built into budget savings for 2010-11 and more significantly, budget planning for 2011-12. More details will be shared with Members as they become clearer.

5.2 The legal aspects of the winding down of the Education Leeds contract are being handled appropriately by the Council's legal services. There are no specific issues to bring to the Executive Board's attention at this time.

6.0 Conclusions

6.1 The various work taking place to secure improvements, coupled with the changing national and local policy and financial context, make this a critical and busy period for children's services in Leeds. Feedback indicates that work being done is moving services in the right direction, but we know there is still much to be done to implement long-term lasting improvement. During the remainder of 2010 the transformation programme will move from the design into the delivery stage, building on the direction set out in this report. More details will be shared with Members over the autumn. Shared vision and priorities will be an important part of taking this work forward in the longer term so the development of a revised Children and Young People's Plan for 2010 remains an important area of work.

7.0 Recommendations

7.1 It is recommended that Executive Board:

- i) Note progress against the Improvement Plan for Children's services in Leeds and the work of the Improvement Board to support this.
- ii) Note the intention to consult on and then develop a new Children and Young People's Plan for Leeds, ready by spring 2011.
- iii) Note and endorse the progress of the transformation programme so far and the next steps to develop and propose a revised leadership structure and a model for integrated service delivery and integrated business support functions, which will be brought back to Executive Board in autumn 2010.

Background Documents

'Children's Services Improvement Arrangements' Report to Executive Board 10.03.10

'Update on the Process for Ensuring Improvement in Children's Services in Leeds'
Report to Corporate Governance and Audit Committee 29.07.2010



Tim Loughton MP

Parliamentary Under Secretary of State for Children and Families

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tel: 0870 0012345 ministers@education.gsi.gov.uk

Bill McCarthy
Chief Executive
NHS Yorkshire and the Humber
Blenheim House, West One
Duncombe Street
Leeds
LS1 4PL

Dear Mr McCarthy,

21 July 2010

I am writing to thank you for your most recent report as chair of Leeds City Council's Improvement Board. I am pleased to hear of the progress made against the Council's Improvement Plan, and that partners are working well together to ensure that delivery of safeguarding services is properly coordinated. It is also especially reassuring that the timeliness of social care assessments is improving, and that measures are in place to develop further high standards of front-line practice.

However, it is clear that there is work to be done to embed good working practice across all levels of partner organisations, and it will be a challenge for the Council and its partners to maintain the pace of improvement in such a difficult fiscal climate. The upcoming changes in senior leadership and the Council's plans to bring education services back in-house will also need careful handling to ensure the children's services improvement work is not affected.

I welcome the news that the Council has now appointed a permanent DCS, and I trust the Improvement Board will help him to take up his new responsibilities as efficiently and quickly as possible. I wish you all the best as you take forward the improvement agenda, and I look forward to hearing of further good progress.

I am copying this letter to Cllr Keith Wakefield, Leader of the Council; Cllr Judith Blake, Lead Member for Children's Services; Paul Rogerson, Chief Executive, and Eleanor Brazil, Interim Director of Children's Services.

With best wishes,
Tim Loughton

TIM LOUGHTON MP

Thank you for all your hard work in Leeds,

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Report of: The Chief Executive of Education Leeds

To: Executive Board

Date: 25th August 2010

Subject: **Executive Summary**

PRIMARY CAPITAL PROGRAMME – WORKS AT RICHMOND HILL, SWILLINGTON, SS PETER & PAUL, GILDERSOME, GREENHILL & OULTON

1. Purpose

This report seeks approval to proceed with new build schools at Richmond Hill, Swillington and SS Peter & Paul Primary Schools, and extension and refurbishment works at Greenhill, Gildersome and Oulton Primary Schools, and seeks authority to incur expenditure of £33,125,500.

2. Main Issues and Options

On 11 June 2008, Executive Board endorsed the Strategy for Change (SfC) submission document, which was subsequently approved by the then DCSF in order to release Primary Capital Programme funding of £19,126.2k for 2009/10 and 2010/11.

The SfC details the proposed strategic approach to renewing primary schools throughout the city within the first four years of the Primary Capital Programme, and details the methodology which has been developed to prioritise schools' needs across three essential criteria: performance, deprivation and Asset Management Planning data.

As a condition of the grant, the DCSF required two core outputs: firstly that 5% of the worst condition buildings will be rebuild or taken out of use, and secondly that a further 45% of primary schools are remodeled or refurbished.

In order to meet this criterion, and using the approved prioritisation methodology, three schools have been selected for complete new build: Richmond Hill Primary School, Swillington Primary School, and SS Peter & Paul Catholic Primary School, Yeadon. A further three schools have been selected for extensions and remodeling/refurbishment: Gildersome, Greenhill, and Oulton Primary Schools.

A further scheme aims to deliver the inclusion agenda in relation to the behaviour continuum by developing inclusive learning centre's in the inner and outer areas of each geographical wedge of the city. This scheme will deliver a Learning Support Unit at Hugh Gaitskell Primary, and was the subject of separate reports approved by the Director of Children's Services on 2nd and 11th June and 16th July 2010 (total scheme value £150.0k).

3. Recommendations

Members of the Executive Board are requested to:

- a) Approve the design proposals in respect of the schemes to new build schools at Richmond Hill, Swillington and St Peter & Paul, and extension and refurbishment works at Gildersome, Greenhill and Oulton.
- b) Inject Governors contribution to scheme of £393,700
- c) Authorise expenditure of £33,125,500 from capital scheme numbers 15178/ RIC, SWI, PET, GIL. GRE & OUL

Report of: The Chief Executive of Education Leeds

To: Executive Board

Date: 25th August 2010

Subject: Design & Cost Report

Scheme Title PRIMARY CAPITAL PROGRAMME – WORKS AT RICHMOND HILL, SWILLINGTON, SS PETER & PAUL, GILDERSOME, GREENHILL & OULTON

Capital Scheme Number 15178/ RIC, SWI, PET, GIL. GRE & OUL

Electoral Wards Affected:
 Burmantofts & Richmond Hill, Garforth & Swillington, Guiseley & Rawdon, Morley North, Farnley & Wortley, Rothwell,

Specific Implications For:

Equality & Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

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

1.00 Purpose of this Report

1.01 The purpose of this report is to:

- a) Seek approval of the design proposals in respect of the schemes to new build schools at Richmond Hill, Swillington and SS Peter & Paul, and extension and refurbishment works at Gildersome, Greenhill and Oulton.
- b) Approve injection of Governors contribution to scheme number 15178/PET of £393,700
- c) Seek authority to incur expenditure of £33,503,500 from capital scheme numbers 15178/ RIC, SWI, PET, GIL. GRE & OUL

2.00 Background Information

2.01 The Primary Capital Programme (PCP) is a Government initiative to transform primary schools across the country. The programme commits to renewing at least half of all primary schools by 2022-23. The Primary Capital Programme will encourage and support local authorities to transform teaching and learning in primary schools, with the Children's Plan at its heart. The aim is to create primary schools that are equipped for 21st-century teaching and learning, and are at the heart of their communities with children's services in reach of every family.

- 2.02 On 11 June 2008, Executive Board endorsed the Strategy for Change (SfC) submission document, which was subsequently approved by the then DCSF in order to release Primary Capital Programme funding of £19,126.2k for 2009/10 and 2010/11.
- 2.03 The SfC details the proposed strategic approach to renewing primary schools throughout the city within the first four years of the Primary Capital Programme, and details the methodology which has been developed to prioritise schools' needs across three essential criteria: performance, deprivation and Asset Management Planning data.
- 2.04 As a condition of the grant, the DCSF required two core outputs: firstly that 5% of the worst condition buildings will be rebuild or taken out of use, and secondly that a further 45% of primary schools are remodeled or refurbished.
- 2.05 The SfC was developed through close working with Leeds City Council Children's Services and Early Years. A steering group including Learning Environments, School Organisation, School Improvement, National Strategies, Integrated Children's Services, Resources, and Extended Schools in Education Leeds, and from LCC's Early Years and Children's Services has developed the vision. There has been consultation with a focus group of Headteachers during formulation of the strategy. They have agreed the priorities for the first four years. Furthermore a comprehensive formal consultation has been undertaken with all schools to share the draft Strategy for Change, and 85% of the schools who responded said they agreed with the relative importance and weightings given to the key criteria for allocation.
- 2.06 The SfC identified six main projects which would contribute to the delivery of the two core outputs of rebuilding 5% of the worst condition buildings and remodeling or refurbishment of a further 45% of schools. Richmond Hill Primary, Swillington Primary and SS Peter & Paul Catholic Primary School, Yeadon will be rebuilt, and Gildersome, Greenhill and Oulton Primary Schools will have significant works carried out in the form of extensions and internal remodeling and refurbishment.
- 2.07 A further scheme aims to deliver the inclusion agenda in relation to the behaviour continuum by developing inclusive learning centres in the inner and outer areas of each geographical wedge of the city. This scheme will deliver a Learning Support Unit at Hugh Gaitskell Primary, and was the subject of a separate report approved by the Director of Children's Services on 2nd June, 11th June and 16th July 2010 (Total Authority to Spend approved - £150k).
- 2.08 In addition to funding received by the DCSF under Primary Capital Programme, Education Leeds intends to join up funding from other sources to deliver excellent and sufficient accommodation for pupils throughout Leeds. In July 2009, in order to meet the Council's statutory requirement to provide sufficient pupil places, the Executive Board approved plans to change admission limits at a number of primary schools across Leeds in order to meet increasing demand for primary places for September 2010. Further to this report, the statutory public consultation to prescribed changes at these schools was approved in October 2009. Following consultation and statutory notices, final approval for these expansions was given in May 2010. At the same time Executive Board also approved plans to permanently expand Richmond Hill Primary School from a two form of entry to a three form of entry primary school with effect from September 2012, and Gildersome from a one to a two form of entry primary school with effect from September 2011.
- 2.09 As a wave 1 BSF authority, EL/LCC have an established LEP, Environments 4 Learning comprising partners, Interserve, Mott MacDonald, Barclays and Cambridge Education, and has already commenced to work together to streamline new project procedures for the delivery of business funded from the capital programme under exclusivity and potentially otherwise. The six new build and remodeling schemes considered as part of this report are to be designed and constructed by the LEP and their construction partners Interserve Project Services Ltd under a Term Partnering Contract, set up specifically for the delivery of primary and secondary education building schemes outside of BSF. This partnering arrangement is currently successfully delivering a number of schemes throughout the education estate.

3 Design Proposals / Scheme Description

3.01 Richmond Hill Primary School

The project at Richmond Hill Primary School will deliver a new build 3 form of entry primary school including resourced provision for 16 pupils with Autistic Spectrum Condition, a 26FTE nursery and community room adjacent to the entrance for use between 8am and 6pm.

The school aims to be one of the first primary school in the country to be designed and constructed to Passivhaus standard. These principles make best use of good daylight design, passive solar and ventilation strategies and an airtight building to minimise both the energy requirements of the building and CO2 emissions

The school will have a Gross Floor Area of 3967m² and will be constructed on the site of the existing rugby playing fields and upon completion will provide a state of the art educational facility; space for community / extended services use, an ICT suite and three hall spaces that could be accessed out of hours for community use and an adult size competition standard rugby pitch for use by East Leeds Amateur Rugby League Club.

Education Leeds have been in detailed dialogue with the rugby club and Parks and Countryside regarding use of a decant facility for the club during construction. Consultation on the project have been ongoing with the club since June 2009. Consequently Parks and Countryside have carried out drainage and seeding works to a nearby site at Snake Lane which the club are aware will operate as their decant pitch during construction. In order to facilitate use of this site EL have committed to provide spectator barriers and dugouts at the site. In more recent discussions, the option to utilise the Copperfields site has been offered to the club as an alternative, however we are awaiting their confirmation regarding their preference.

The building will be predominantly single storey, with one two storey teaching wing and the staff room centrally on the 1st floor. It is designed to create smaller learning communities in each wing around central multi-purpose learning streets. The Foundation outside play area is enclosed, delivering a 'wrapping arms' design solution in response to the school's ethos and vision.

The building finish will be a mixture of brick and coloured render, with sloping roofs and high level windows to facilitate natural ventilation. External areas will be a mixture of zoned hard play, soft play and habitat areas (and pitch) with each class having access to dedicated outside space.

Swillington Primary School

The project at Swillington Primary School will deliver a new build one form of entry primary school to replace the existing school, including a 26 FTE nursery and dedicated community space. The total gross floor area of the school will be 1472m².

The school aims to be one of the first primary school in the country to be designed and constructed to Passivhaus standard. These principles make best use of good daylight design, passive solar and ventilation strategies and an airtight building to minimise both the energy requirements of the building and CO2 emissions.

Other design features of the building include an open plan multi-functional spaces in KS1 and KS2 part of the school to allow a number of different activities to be facilitated, providing flexible use. Dedicated outside learning spaces will be provided to allow each classroom direct access to a covered external play area.

SS Peter & Paul Catholic Primary School, Yeadon

The project at SS Peter & Paul will deliver a new build one form of entry primary school to replace the existing school. The total gross floor area of the school will be 1327m².

Design features include the creation of a large multi functional central space proportionally higher ceilings and a clerestory to allow daylight into the space. This space has been designed to function as the heart of the school, accessible for all. The space includes a multi-functional library, group rooms and a design and technology room, with all classrooms and break out spaces accessed from this area. In addition, by providing the option of screening off a smaller portion of the hall also offers flexibility for the school and community use.

Group room 'pods' have also been designed to enable pairs of classrooms to share this resource. Outside Learning Spaces have been created by the inclusion of an 8m band of hard play directly outside the classrooms. Large opening doors and glazing to the classrooms create an inside/outside learning environment, with a larger provision of covered play created for Key Stage 1 children.

The building has been designed to accommodate community access and extended services, with access to the hall and flexible library space. A security line has been created when the classrooms are not operational. The outline proposals have been very well received during public consultations.

As the school is a Voluntary Aided School, there is a requirement that the School Governors contribute 10% of the funding towards the scheme. This report seeks approval to inject £393,700 of funding.

Gildersome Primary School

The project at Gildersome Primary School will deliver a fully refurbished facility with an extension to facilitate the increase from a one to a two form of entry school, including community facilities.

The total gross floor area of the building will be 2212m², incorporating 1060m² of new build modular accommodation. Two existing temporary units in poor condition will be removed through the scheme.

The school is being designed to ensure that major condition issues within the existing building and suitability issues such as undersized classrooms are rectified. The internal layout of the existing building will be completely remodelled to deliver a modern, flexible learning environment. The completed scheme will ensure that there are logical and functional adjacencies. The new facilities will support the introduction of modern ICT facilities into every teaching space, and will support the school's ambitions to adopt 'team teaching' principals.

The building will feature a clear and welcoming entrance, with easy management of visitors by admin/reception. The area will encompass a community facility that can also be easily managed by the reception and zoned off for safeguarding purposes.

Greenhill Primary School

The project at Greenhill Primary School will deliver a fully refurbished and extended 2 form of entry primary school including a 39FTE nursery, and extended service facility. The school will be consolidated in one main building, with the existing key stage 1 block demolished and landscaped to provide a level sports pitch. The total gross floor area of the school will be 2388m², of which 1087m² is new build

The project will create a safe and secure main entrance to the building, which will enable the school to manage safeguarding measures effectively. The extension will encompass a new foundation unit, extended services space, year 1 classrooms, school entrance and offices and small hall. The refurbishment of the main school building will resolve outstanding condition issues and ensure all pupils have access to a safe, warm, watertight environment.

The extension will be built as a single storey, in keeping with the design of the existing building and the topography of the site. Differing levels on site will be managed by the use

of timber retaining walls, which will provide opportunities for planting and the creation of vertical gardens for the pupils. The timber cladding around the existing will be repaired and repainted but the new build element will be distinct, in line with planning advise.

Oulton Primary School

The project at Oulton Primary School will deliver a fully refurbished two form of entry school on the one site, including a 39 FTE nursery, 100m² behavioural unit and extended services facility. The school will be consolidated into one block, with the existing north block being demolished and landscaped to provide sports pitches. The total gross floor area of the school will be 2576m², of which 1410m² is new build.

The design of the proposals embodies the principals of transformational change. The new teaching wing is organised around a multifunctional teaching hub heart space, flanked by circulation. Facilities such as IT and the library will be placed within these areas, defined by furniture and low walls. These spaces will be accessible to all and allow for a variety of learning environments. Adjacent these areas will be small group rooms and ‘serviced’ spaces contained within pods.

There are outdoor learning areas adjacent all classrooms. The staffroom will be remodelled to provide a separate workroom. A kiosk area within a shared learning area will promote teaching healthy eating to pupils and provide facilities for ‘breakfast club’. All existing and new sanitary provisions have been designed to take into account anti-bullying, modesty, hygiene and cultural requirements.

4 Consultations

4.01 This scheme has been the subject of extensive consultations, both during the formulation of the Strategy for Change, and throughout the early design of the schools. Stakeholders consulted include with Education Leeds colleagues from Learning Environments, School Organisation, School Improvement, National Strategies, Integrated Children’s Services, Resources, the school and governing body, Leeds City Council, Children’s Services and Early Years. Local ward members and residents have also been informed and consulted at various stages of design. Pupils have and continue to be involved in the design development through the Design Quality Indicator (DQI) process.

5 Programme

5.01 The strategic programme for the proposed schemes is as follows:

School	Start on Site	Completion (all phases)
Richmond Hill	January 2011	August 2012
Swillington	November 2010	February 2012
SS Peter & Paul Catholic Primary	December 2010	January 2012
Gildersome	May 2011	June 2012
Greenhill	November 2010	April 2012
Oulton	December 2010	August 2012

6 Implications for Council Policy and Governance

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

Cultural Life:

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

Enterprise and the Economy

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

Environment City

Provide a better quality environment for our children.

Harmonious Communities

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

Health and Wellbeing

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

Learning:

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

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

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

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

Thriving Places

Actively involve the community.

Improve public services in all neighbourhoods

Regenerate and restore confidence in every part of the city.

7 Scheme Design Estimate

7.01 The design and construction of these works will comprise as follows:

School	Construction (£,000's)	Fees and Other Costs (£,000's)	Total (£,000's)
Richmond Hill	8,839.6	1,895.1	10,734.7
Swillington	3,385.8	962.0	4,347.8
SS Peter & Paul Catholic Primary	3,336.4	600.6	3,937.0
Gildersome	3,162.6	929.6	4,092.2
Greenhill	3,658.0	1,024.7	4,682.7
Oulton	4,407.8	1,151.3	5,559.1
Total	26,790.2	6,563.3	33,353.5

8 Capital Funding and Cash Flow

8.01

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2010 £000's	FORECAST					
			2010/11 £000's	2011/12 £000's	2012/13 £000's	2013/14 £000's	2014 on £000's	
LAND (1)	0.0							
CONSTRUCTION (3)	338.0		110.0	228.0				
FURN & EQPT (5)	0.0							
DESIGN FEES (6)	17.0		17.0					
OTHER COSTS (7)	0.0							
TOTALS	355.0	0.0	127.0	228.0	0.0	0.0	0.0	0.0

Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2010 £000's	FORECAST					
			2010/11 £000's	2011/12 £000's	2012/13 £000's	2013/14 £000's	2014 on £000's	
LAND (1)	0.0							
CONSTRUCTION (3)	26562.2		6374.9	17531.1	2656.2			
FURN & EQPT (5)	0.0							
DESIGN FEES (6)	6563.3		4500.0	2063.3				
OTHER COSTS (7)	0.0							
TOTALS	33125.5	0.0	10874.9	19594.4	2656.2	0.0	0.0	0.0

Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2010 £000's	FORECAST					
			2010/11 £000's	2011/12 £000's	2012/13 £000's	2013/14 £000's	2014 on £000's	
PCP Grant SCE C	19126.2		11001.9	8124.3				
Modernisation SCE R	7023.7			7023.7				
New Pupil Places SCE R	5112.9			2456.7	2656.2			
Schools Access Initiative SCE R	1596.0			1596.0				
Governors' Contribution	393.7			393.7				
Extended Services SCE C	228.0			228.0				
Total Funding	33480.5	0.0	11001.9	19822.4	2656.2	0.0	0.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Scheme Title: Primary Capital Programme
Parent Scheme No: 15178

Scheme will be funded by the following:

Extended Services Grant SCE R (Authority to Spend approved by Executive Board 16th July 2008) – Scheme Number 14777
10% Governors' Contribution to scheme at SS Peter and Paul (to be injected as part of this report)
Primary Capital Programme Grant Funding SCE C Scheme Number 15178
Modernisation SCE R -Scheme Numbers 14168, 14169
New Pupil Places SCE R - Scheme Number 14172 and 14173
Schools Access Initiative SCE R -

9 Revenue Effects

9.01 Any additional revenue costs arising from the proposed scheme will be managed within the school budget share.

10 Risk Assessments

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

11 Recommendations

11.01 The Executive Board is requested to:

- a) Approve the design proposals in respect of the schemes to new build schools at Richmond Hill, Swillington and St Peter & Paul, and extension and refurbishment works at Gildersome, Greenhill and Oulton.
- b) Approve injection of Governors contribution to scheme number 15178/PET of £393,700
- c) Give authority to incur expenditure of £33,125,500 from capital scheme numbers 15178/ RIC, SWI, PET, GIL. GRE & OUL.

12 Background Papers

Executive Board Report "Primary Capital Programme Strategy for Change" – approved 11 June 2008

Executive Board Report "Early Years Capital Grants 2008-2011" – approved 16th July 2008

Executive Board Report "Proposed increase in Admissions Limits for September 2010" - Approved 22 July 2009

Executive Board Report "Proposal for Statutory Consultation for the Expansion of Primary Provision for September 2010" – Approved 14 October 2009

Executive Board Report "Proposal for Expansion of Primary Provision in the Richmond Hill Area" – Approved 14 October 2009

Executive Board Report "Proposal for expansion of Primary Provision in the Gildersome Area" – Approved 4 November 2009

Executive Board Report "Outcome of Consultations on the Expansion of Primary Provision at Gildersome Primary School in 2011 and at Richmond Hill Primary School in 2012" – Approved 12 February 2010

Executive Board Report "Outcome of consultation for the Expansion of Primary Provision for September 2010" Approved 12 February 2010

Executive Board Report “Outcome of Statutory Notices for Changes to Primary Provision for September 2010, 2011 and 2012. “ – Approved May 2010

Report to the Director of Children’s Services “Primary Capital Programme – Hugh Gaitskell Primary School – Learning Support Unit” – Approved 2nd June 2010

Report to the Director of Children’s Services “Primary Capital Programme – Hugh Gaitskell Primary School – Learning Support Unit” – Approved 11th June 2010

Report to the Director of Children’s Services “Primary Capital Programme – Hugh Gaitskell Primary School – Learning Support Unit and Internal Modification” – Approved 16th July 2010

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Agenda Item:

Originator: Jackie Green

Telephone: 0113 2477163

REPORT OF THE CHIEF EXECUTIVE OF EDUCATION LEEDS

EXECUTIVE BOARD: 25 August 2010

SUBJECT: Design & Cost Report and Final Business Case. Building Schools for the Future Phase 3 – Corpus Christi Catholic College

EXECUTIVE SUMMARY

1.0 PURPOSE OF THIS REPORT

1.1 The purpose of this report is to request Executive Board to approve the Final Business Case for the Corpus Christi Catholic College Project and authorise submission to Partnerships for Schools (PfS). This report seeks the approval of the Executive Board to proceed with the design and build project for Corpus Christi Catholic College and to approve the Final Business case for the Corpus Christi Catholic College Project ('Project').

2.0 BACKGROUND INFORMATION

2.1 The Strategic Partnering Agreement (SPA) signed on the 3rd April 2007, provided, contractually, for the Leeds Local Education Partnership (LEP) to benefit from a measure of "exclusivity", subject to the terms set out in the SPA. These terms are encapsulated within the SPA in the New Projects Procedure. This Procedure requires that the LEP's and Interserve's design and cost proposals (amongst other matters) for Corpus Christi Catholic College must proceed, successfully through two approval stages. This Final Business Case, which is available in the Members Library for inspection, will confirm that the proposals have successfully proceeded through these stages.

2.2 The current school is an 11-16 Voluntary Aided secondary school consisting of a 3 storey, 2 storey and a single storey block which constitutes as one building, constructed and extended at various times since the original construction in 1968. In 2001 the school became a designated Specialist Technology College, and was subsequently re-designated again in 2004.

2.3 It is anticipated that the pupil numbers will remain unaffected at 930

3.0 RECOMMENDATIONS

3.1 The Executive Board is requested to:-
Approve the submission of the Final Business Case for the Corpus Christi Catholic College Project to Partnerships for Schools (PfS)

REPORT OF THE CHIEF EXECUTIVE OF EDUCATION LEEDS

EXECUTIVE BOARD: 25 August 2010

SUBJECT: Design & Cost Report and Final Business Case. Building Schools for the Future Phase 3 – Corpus Christi Catholic College

Electoral Wards Affected:

Temple Newsam

Specific Implications For:

Equality & Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call-in

Not Eligible for Call-in
 (Details contained in the Report)

1.0 Purpose of this Report

The purpose of this report is to request Executive Board to approve the Final Business Case for the Corpus Christi Catholic College Project and authorise submission to Partnerships for Schools (PfS).

2.0 Background Information

The Strategic Partnering Agreement (SPA) signed on 3rd April 2007, provided, contractually, for the Leeds Local Education Partnership (LEP) to benefit from a measure of “exclusivity”, subject to the terms set out in the SPA. These terms are encapsulated within the SPA in the New Projects Procedure. This Procedure requires that the LEP’s and Interserve’s design and cost proposals (amongst other matters) for Corpus Christi Catholic College must proceed, successfully through two approval stages. This Final Business Case, which is available in the Members Library for inspection, will confirm that the proposals have successfully proceeded through these stages.

Corpus Christi Catholic College forms part of the Leeds’ Building School for the Future (BSF) Programme and is in Phase 3. It will proceed as a Design and Build scheme.

The current school is an 11-16 Voluntary Aided secondary school consisting of a 3 storey, 2 storey and a single storey block which constitutes as one building, constructed and extended at various times since the original construction in 1968. In 2001 the school became a designated Specialist Technology College, and was subsequently re-designated again in 2004.

It is anticipated that the pupil numbers will remain unaffected at 930.

3.0 Main Issues

Design Proposals / Scheme Description

The Corpus Christi Catholic College comprises of 29% new build, 46% refurbishment and 25% no works and will be procured through the Local education Partnership (LEP). It will be procured as a Design and Build (D&B) using conventional funding. A resource base for children with learning difficulties is included in this scheme.

It will deliver a school which will accommodate a planned number on Roll of 930. the breakdown is as follows:

930 -11 – 16
30 – Special Education Needs (SEN)

A Design Brief has been developed which reflects both Education Leeds' and the School's requirements in relation to design, functionality and service. This was used to inform the initial design options. Furthermore, Mark Burgess, (the Council's Design Champion) who has responsibility for ensuring that the buildings are consistent with Leeds City Council guidelines and for consulting with representatives from Leeds Architectural Design Initiative (LADI), Commission for Architecture and the Built Environment (CABE), Leeds City Council Planners and Education Leeds has been involved.

The desired aims and outcomes for the scheme can be summarised as follows:

- Corpus Christi Catholic College will be a high achieving school providing a curriculum that will help young people to feel empowered and optimistic about their future, allowing all young people to follow their individual learning pathways and thereby gaining high self esteem through achieving success
- The school will be a model of good practise for inclusion where all children and young people with a variety of needs achieve success and have access to the highest quality of education regardless of their background or disability
- It will be an e-confident school with ICT embedded in all teaching and learning to support it's specialism
- The school's extended services agenda will be developed through strengthening Community links and use of the high quality facilities for out of school provision

- There will be a range of different learning environments to support personalised learning and the 14-19 agenda.

These have been captured during the design and development process and the current design achieves these aims.

The Children's Services Project Board and Strategic Investment Board have reviewed the Final Business Case and recommended submission to PFS.

Consultations

The Design Development meetings and consultations which have taken place have provided a forum for the wider stakeholder interests associated with the Project during the procurement process. The head teacher of Corpus Christi Catholic College has been actively involved with the City Council's Project Team, as well as Education Leeds, the Diocese, the LEP, RM and Interserve to ensure that the design of the school will meet their aspirations relating to design, functionality, and services.

The School, Diocese and the Governing Body have been regularly consulted on the design development of the Output Specification and on design development as part of the Communication and Consultation Strategy.

The designs were prepared and developed with reference to relevant guidance (DCFS building bulletins, Commission for Architecture and the Built Environment (CABE), Sport England etc.) in order to ensure that Corpus Christi Catholic College will meet the transformational agenda inherent in the Building Schools for the Future Programme.

The Final Business Case has been reviewed by the Children's Services Project Board and Strategic Investment Board.

The Outline Planning Application was approved on 27 October 2009. Due to the revised location of the new build element, and the associated Flood Risk Assessment, a Full Planning Application was submitted on 23 April 2010 and the City Council is confident that this will be approved prior to Financial Close. The Project Team, the LEP and Interserve have worked closely with Planning Officers and the Environment Agency throughout the Design Process.

Executive Board have previously (22 August 2007 and 09 December 2009) authorised scheme expenditure from capital scheme number 13373 for Corpus Christi Catholic College;

Programme

The key project milestones for Corpus Christi Catholic College are summarised in the table below.

KEY MILESTONES	DATE
Executive Board Approval of the Outline Business Case for Phases 2 and 3 of Wave 1	22 nd August 2007
Approval of the Outline Business Case for Phases 2 and 3 of Wave 1 by Partnerships for Schools	12 th February 2008
Successful progress of Corpus Christi Catholic College proposal through Stage 1 of the New Projects Procedures	15 th March 2010
SIB Approval of the FBC	23 rd July 2010
Executive Board Approval of the Capital Works Pro-forma	25 th August 2010
Successful progress of the Corpus Christi Catholic College proposal through Stage 2 of the New Projects Procedures	11 th October 2010
Commercial and Financial Close	25 th October 2010
Contractor Mobilisation	31 st January 2011
Construction Complete	9 th July 2012

4.0 Implications for Council Policy and Governance

The Corpus Christi Catholic College project will impact on the 'Narrowing the Gap' and 'Going up a League' agendas. Schools in Leeds have the potential to contribute to the ambitious targets to meet key priorities within the Children and Young People's Plan and the work on the Local Area Agreement.

The Director of Children's Services (or delegate) now has the powers (delegated under section 3E of the Constitution (Officer Delegation Scheme)) to award a Design and Build Contract under BSF where the Director is satisfied that the project remains within the affordability and other tolerances approved by the Executive Board.

5.0 Legal and Resource Implications

The period between Stage 2 of the New Projects Procedure and Commercial and Financial Close, programmed for 25 October 2010, will be utilised by the City Council, the LEP and Interserve to prepare contract documents.

Scheme Design Estimate

Estimated costs for this scheme have been reviewed and validated by an external qualified cost consultant based on an approved costing system, using previous schemes cost information and industry knowledge, to ensure value for money is achieved.

The construction cost and total budget envelope of the project is £14,314,063, subject to PfS approval of the FBC. In addition the Authority has made a budgetary provision of £365,000 for associated authority works.

The overall Construction cost of £14,314,063 includes £1,610,963 held as part of a programme level contingency fund which was authorised by Executive Board on the 9 December 2009 and which can be accessed by any of the Wave 1 BSF

projects where unforeseen cost pressures arise during the construction phase. The City Council's approved construction budget for the scheme is therefore £12,703,100.

Executive Board have previously (22 August 2007 and 09 December 2009) authorised scheme expenditure from capital scheme number 13373 for Corpus Christi Catholic College.

Capital Funding and Cash Flow

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2010 £000's	FORECAST		
			2010/11 £000's	2011/12 £000's	2012/13 £000's
CONSTRUCTION (3)	12703.1	41.3	3178.7	8110.0	1373.1
FURN & EQPT (5)	0.0	0.0	0.0	0.0	0.0
DESIGN FEES (6)	0.0	0.0	0.0	0.0	0.0
OTHER COSTS (7) - Ath Works	365.0	0.0	365.0	0.0	0.0
TOTALS	13068.1	41.3	3543.7	8110.0	1373.1

Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2010 £000's	FORECAST		
			2010/11 £000's	2011/12 £000's	2012/13 £000's
CONSTRUCTION (3)	0.0	0.0	0.0	0.0	0.0
FURN & EQPT (5)	0.0	0.0	0.0	0.0	0.0
DESIGN FEES (6)	0.0	0.0	0.0	0.0	0.0
OTHER COSTS (7)	0.0	0.0	0.0	0.0	0.0
TOTALS	0.0	0.0	0.0	0.0	0.0

Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2010 £000's	FORECAST		
			2010/11 £000's	2011/12 £000's	2012/13 £000's
Sub 01 LCC Funding (Ath Works)	365.0	0.0	365.0	0.0	0.0
Sub 39 SCE 'C' - PfS	11330.0	41.3	3178.7	8110.0	0.0
Sub 41 SCE 'R' - PfS	1373.1	0.0	0.0	0.0	1373.1
Total Funding	13068.1	41.3	3543.7	8110.0	1373.1
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0

Scheme Title: Building Schools for the Future Phase 3 – Corpus Christi Catholic College

Parent scheme number: 13373 (BSF Phase 3)

Revenue Effects

Procurement costs (approx £857,866), for the project will be met from Education Leeds revenue budgets.

Risk Assessments

Operational risks will be addressed by effective risk management procedures as outlined in the PPPU governance procedures.

The outline risks to the project are:

- Scheme becomes unaffordable or de-scoping required due to poor quality design, cost control or construction cost overruns. The council is working closely with the LEP and its supply chain to ensure early identification of issues and have developed a robust and thorough evaluation process.

- Failure to engage with all relevant stakeholders including sponsor and ward members, in a manner appropriate to their involvement in the scheme. Key stakeholders have been identified and a Communications plan implemented which includes regular briefing of Ward members to maintain their support.
- The Council or Diocese may require changes to the design during procurement, construction and operation, leading to additional costs. A Change process and Responsibility Matrices have been developed and implemented along with Design Meetings to ensure the design proposals are within agreed funding envelope and specification.

6.0 Conclusions

The approved budget envelope for the project is £12,703,100. In addition a contingency provision of £1,610,963 and Authority Works provision of £365,000 has been made to ensure that the City Council can appropriately manage the risks remaining with it during the construction phase of this project. Subject to PfS approval of the FBC, the Council will enter into a contract for this project.

7.0 Recommendations

The Executive Board is requested to:

Approve the Final Business Case for the Corpus Christi Catholic College Project and authorise submission to Partnerships for Schools (PfS).

8.0 Background Papers

Executive Board Report - Proposed Variations to the BSF Capital Programme – 09 December 2009

Executive Board Report – Submission of the Outline Business Case for BSF Phase 2 & 3 – 22 August 2007

The Final Business Case document has been placed within the Members Library for inspection, Access to this document can be obtained from the clerk named on the agenda

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Originator: Jane Cash

Tel: 2243493

Report of the Director of City Development

Executive Board

Date: 25th August 2010

Subject: Crematoria Mercury Abatement

Electoral Wards Affected:
 Adel and Wharfedale
 Beeston and Holbeck
 Horsforth

Ward Members consulted
 (referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

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

EXECUTIVE SUMMARY

Cremations account for 83% of funerals in Leeds, and there is no sign that this proportion will reduce in the future. There are three crematoria, all owned and operated by the Council and all located to the south, north and west of Leeds. These are Cottingley, Rawdon and Lawnswood.

This report explores a preferred approach for the Council to meet requirements under Government legislation to abate mercury emissions from cremations by 50% on or before 31st December 2012. However, any decision on installing equipment for mercury abatement is closely linked to decisions on the replacement of the existing cremators, which are nearing the end of their service lives at all three of the Council's crematoria.

The report sets out a preferred strategy for mercury abatement, and the required renewal of cremators at each of the three sites when they reach their reliable service term, starting at Rawdon to be operational in 2012 followed by Cottingley in 2016 and Lawnswood in 2018. It is proposed that capital funding for Rawdon will be provided by Prudential Borrowing, with the costs met by continuing the Environmental Surcharge on cremations which was introduced in 2008 for this purpose.

1.0 Purpose of the Report

1.1 The purpose of the report is to consider how the Council meets Government legislation targets on mercury emissions abatement during the cremation process and the requirement to renew its cremation facilities on a phased basis.

1.2 Executive Board is requested to:-

- Note the legislative requirements relating to the need to achieve 50% mercury abatement on cremations and the requirement to implement a solution by 2012
- Consider and approve the preferred option to replace cremators and abate mercury at Rawdon, the need to replace cremators at Cottingley in 2016 and to replace cremators and abate mercury at Lawnswood in 2018.
- Note that to ensure this strategy meets the target of 50% abatement by the end of 2012, it will be necessary to increase the proportion of cremations at Rawdon to 2,800 until abatement is fitted at one of the other cremator sites
- Approve commencement of the procurement process for Rawdon, to be funded through Prudential Borrowing and the continuation of the surcharge on cremations introduced in 2008.
- Note the requirement to monitor any developments in legislation regarding mercury abatement when finalising plans for Cottingley and Lawnswood.
- Agree to a fully funded injection of £2.9m into the Capital Programme to finance Mercury Abatement works financed through the Council exercising its prudential borrowing powers using the fees generated by the Environmental surcharge introduced for this purpose in 2008.

2.0 Background Information

- 2.1 Leeds is a statutory burial and cremation authority, and the Parks and Countryside service is responsible for the management of three crematoria, 23 cemeteries and 22 closed churchyards. It is the fifth largest burial authority in the country, dealing with approximately 5,600 cremations and the creation of 542 new graves per annum.
- 2.2 In 2000, legislation was introduced to amend Regulation 37 of the Pollution Prevention (England and Wales) Regulations 2000, SI 1973. Specifically, PG5/2(04) requires that at least 50% of mercury emissions from crematoria should be abated before the 31st December 2012. This can be achieved by installing filtration plant to cremators to extract the mercury and thereby reduce emissions. A trading scheme is also to be introduced which allows operators to sell or buy mercury abatement above or below their 50% requirement, as an alternative way of fulfilling their quota. Failure to comply with the legislation would constitute a breach in the operator's license issued by the Government, and could result in the forced closure of cremators.
- 2.3 There is a suggestion by the European Regulatory body OSPAR Commission (Oslo and Paris Commission) that 100% abatement may be required by 2020, but currently there is no legislation in place requiring cremation authorities to do so. However the Government is currently reviewing progress on installation of abatement equipment. If there is insufficient progress nationally, it is possible that orders may be introduced requiring selected (probably larger) authorities which have not yet committed to installing equipment to meet a higher target - possibly 100%.
- 2.4 In 2008, the Government asked authorities what their intentions were on installation of abatement equipment. Leeds advised that it would comply with the 50% mercury emissions abatement by December 2012 and that it was the Council's intention to consider all three crematoria as a single entity and filter accordingly at the most appropriate sites. The crematoria were subsequently down graded from high risk to medium risk installations by Environmental Health.

3.0 Main Issues

3.1 Environmental considerations

3.1.1 The legislation exists to ensure that mercury emissions are reduced over the longer-term in a planned and regulated way. The Council could seek to abate emissions from all its sites at the earliest opportunity. However, the approach taken in this report is to achieve the 50% requirement imposed under legislation. It should be noted however that there is a possibility that there will be further legislation which may increase the requirement in future and the Council's long-term planning should therefore have regard to this possibility, to ensure that the Council can continue to meet its legislative requirements.

3.2 **Mercury Abatement Trading.**

3.2.1 The Federation of Burial and Cremation Authorities has prepared a burden sharing scheme (the Crematoria Abatement of Mercury Emissions Organisation, or CAMEO) under which a mercury levy on cremations would be transferred from operators with a shortfall of abatement capacity and shared among operators with surplus. In addition, DEFRA has issued guidance that crematorium operators can trade spare capacity and shortage of capacity directly with one other authority. The Council has to balance the benefit of avoiding the capital cost of abatement, the opportunity of selling surplus capacity (with the corresponding risk of market rates being unremunerative) and the risk of having to pay a disproportionate price for "buying" abatement credits (with the corresponding possibility that if there is national overcapacity, market rates will be low).

3.2.2 As yet, there is no certainty as to the market conditions which will prevail. However it is predictable that the rates will be highly geared, i.e. if there is oversupply, rates could be low, while if there is undercapacity, rates could be high. Under these circumstances, and other things being equal, the risk minimisation approach of abating about 50% of cremations is probably the most commercially advantageous position. Relying on meeting the legal requirement by purchasing all the necessary credits would leave the Council exposed commercially; moreover this approach may not even be deliverable, as the Government may intervene. Finally, there will be a need to replace the cremators over the next few years in any case: this strategy would not avoid capital expenditure. This is of course, linked to the procurement strategy and building costs.

3.3 **Location of crematoria.**

3.3.1 The three crematoria are located to the South, North and West of Leeds at Cottingley, Rawdon and Lawnswood. The capacity and location of the existing cremators is considered sufficient to meet the long-term demand for the city with the number of families that choose to take funerals across the local authority boundary to a neighbouring site being relatively insignificant.

3.3.2 The three crematoria in Leeds are all owned and operated by the Council. They use different makes of cremators, none of which meet the legislative requirements for mercury abatement. The table below sets out key details of the sites. There are

Site	Number of Cremators	Cremations per annum	Future service life of cremators
Rawdon Crematorium	3	1,900	2011/12
Cottingley Crematorium	2	1,400	2015/16
Lawnswood Crematorium	3	2,300	2017/18
Total	8	5,600	

burials and cremations at Lawnswood and Cottingley, but only cremations at Rawdon.

3.3.3 The size and distribution of crematoria in the city is historic and whilst the position could be reviewed, it is felt that, following discussions with Funeral Directors, the provision of facilities at present is balanced and appropriately located for the size of the city.

3.4 Replacement of cremators

3.4.1 The working life of a cremator is approximately 25 years. The table at 3.3.2 above shows that all Leeds' cremators are nearing the end of their operating lives. Abatement equipment can be fitted to existing cremators but if these are due for replacement in the near future, there are strong reasons relating to service continuity and risk to undertake both tasks together. Above all, as manufacturers focus on fitting abatement equipment to their own cremators, the procurement decision for abatement is unavoidably linked to the decision for the cremator itself. In addition, the opportunity to bring a larger package of works to the market is likely to bring forward a more attractive competitive response. For the same reason, it is proposed that all cremators at any one site would be replaced at one time.

3.4.2 Executive Board is asked to note that there are new technologies being promoted as alternatives to cremation, for example the Resomator that uses a chemical decomposition process. While these may offer acceptable, cost effective and environmentally friendly alternatives to cremation, in the absence of a firm date for their being licensed for use in the UK it is not possible to include them in a procurement strategy at this time. The position can however be kept under review as the procurement process develops.

3.5 Capacity required

3.5.1 Cremations account for 83% of funerals in Leeds compared to 72% nationally, but the trend is upwards, and there is no sign that this proportion will reduce in the foreseeable future. For as long as the Council provides sufficient capacity it is unlikely that a competitive provider will set up in the district, in view of the high capital costs of doing so. The case for installing abatement equipment and for renewing cremators can be made with reasonable confidence on future demand, apart from the local issues discussed above in relation to site location.

3.5.2 City-wide, Leeds undertakes 5,600 cremations per year. In managing these and considering the future operational requirements of the service, it is anticipated that this level of provision could be achieved with one less cremator city wide a reduction from 8 to 7. This would either be at Rawdon or Lawnswood, which both have 3 cremators currently, rather than at Cottingley which only has 2.

3.5.2 The required minimum 50% abatement translates into at least 2,800 abated cremations per annum. None of the three crematoria currently handles this many cremations, but it would be possible to achieve this at a three cremator site with modifications to working practices, through proactive dialogue and management with Funeral Directors, increasing cremations at one site to 2,800. Despite these disadvantages, this possibility introduces important flexibility into the procurement

strategy as the legislative requirement can be met at one site in the short to medium term.

3.6 Way Forward – Assessment

3.6.1 Having discounted abating mercury through the burden sharing scheme CAMEO and in recognising the requirement to abate mercury by 50% on or before December 2012, the Council needs to determine how it wishes to progress. In considering the replacement and abatement strategy for the City's three crematoria, options have been appraised in the context of the following objectives:-

- To achieve the mercury abatement of at least 2,800 cremations per annum by the end of 2012
- The requirement to replace cremators on a phased basis relative to their operational life at Rawdon by 2011/12, at Cottingley by 2015/16 and at Lawnswood by 2017/18
- To utilise the Environmental Surcharge on cremations, introduced in 2008, to fund the delivery of replacement cremators with associated abatement

3.6.2 In assessing the most pragmatic solution to the objectives listed above, there are several considerations to be taken into account:-

- The 3 cremators at Rawdon require replacement by 2012, at an approximate cost of £350k, whether mercury abatement is fitted here or not
- 3 cremators will be required to meet the 2,800 cremations per year abatement target
- Cottingley, with its 2 cremators, is unsuitable for mercury abatement equipment, as the cremators are fitted below ground level and fitting abatement equipment would require significant building modifications and consequently incur greater costs
- Bringing forward any cremator replacement at Lawnswood, before its operational requirement of 2018 will forego the opportunity to maximise the usage of its facilities
- The Lawnswood Crematorium building is listed and any modification approvals could be more complex, costly and time consuming to deliver

3.7 Preferred Approach

3.7.1 On balance, taking into account the considerations listed above, it is proposed to address the mercury abatement legislative requirements faced by the Council by installing 3 new cremators and mercury abatement equipment at Rawdon Crematorium by 2012. This approach defers procurement of the works and equipment at Cottingley and Lawnswood to a date when, more information may be known regarding any requirement to abate to 100% by 2020, which would also fit better with the existing lifespan of the cremation equipment at these sites. This will also allow Lawnswood to be reduced from 3 cremators to 2 allowing the provision of 7 in total across the City.

3.7.2 In proposing to phase the abatement, the three cremators at Rawdon will be replaced and a triple cremation flue gas filtration system will be installed in the cellar. There would be no requirement to extend the current building. Some civil works would be required to fit the filtration system and there would be a need to upgrade the electrical supply to accommodate the new equipment.

3.7.3 In pursuing this option, consideration must be given to how the Council focuses a greater number of cremations to Rawdon to achieve the 50% threshold. This will be

achieved through proactive dialogue with Funeral Directors. In order to address this, informal discussions with undertakers within the city have been undertaken.

3.8 Consultation

- 3.8.1 Informal discussions have been undertaken with local Funeral Directors regarding mercury abatement and how the Council achieves the 50% threshold at Rawdon Crematorium. Initial feedback received, indicates that due to the balanced location of crematoria across the city, Funeral Directors feel that any operational changes will not have any detrimental impact on service provision and income.

4.0 Implications For Council Policy And Governance

- 4.1 The work described in this report will contribute to the following strategic outcomes:
- Strategic outcome: Environment – Reduced ecological footprint through responding to environmental and climate change and influencing others.
 - Strategic outcome: Environment – Cleaner, greener and more attractive city through effective environmental management and changed behaviours.

5.0 Legal And Resource Implications

- 5.1 In anticipation of the mercury abatement legislation requirements, the Council introduced an Environmental Surcharge in November 2008, which was set at £30 and was increased to £32 in January 2010, to build up funding for the introduction of abatement equipment. The fund value is £220k as at March 2010 and it is proposed to use the current fund arrangement to finance the Prudential Borrowing costs over a 20 year period for each crematoria. In 2009 the Federation of Burial and Cremation Authorities (FBCA) indicated that a levy charge of £40 per cremation would be appropriate to assist in delivering the abatement requirements. This will be taken into consideration when setting the charges for the cemetery and crematoria service at the beginning of the year and when final costs for the scheme are known. However based on a 20 year timeframe the Environmental surcharge, index-linked at 2% per annum will generate a fund of £2.9 million to finance the mercury abatement works required across the City.
- 5.2 Due to the specialist nature of this work it is proposed to deliver the scheme, whereby the provision of the plant and the ancillary building works required are integrated into a single design and build contract. This approach transfers risk to the successful contractor/supplier and also ensures better management of interfaces between new plant installation and building works. The early estimated costs of the abatement works and replacement of cremators at Rawdon and Lawnswood (reducing Lawnswood down to 2 cremators) and the replacement of the cremators at Cottingley.
- 5.3 The works proposed at Rawdon Crematorium, which will be undertaken as phase one will consist of:-
- Construction works to the basement area, ground floor area and general works relating to asbestos removal, planning and building regulations
 - Removal of the existing cremators
 - Supply and installation of 3 new cremators with abatement filters
 - Upgrading of the electrical supply
 - Contingencies, contract administration etc
- 5.4 The estimated costs of these works inclusive of fees, are shown below. These will be detailed more fully in the in the DCR that is forecast to come to Executive Board in 2011. However, it is intended to draw down £1,650,000 as capital to facilitate the delivery of works to Rawdon Crematoria as phase one of the works required for mercury abatement city-wide

Total for the required associated building Works	200,000
Total for the Cremator replacement and Mercury Abatement Installation	1,450,000
TOTAL for RAWDON	1,650,000

5.6 Risk assessment

5.6.1 The key risks associated with the recommended strategy are:

- Some exposure to achieving the 50% abatement target until abatement equipment is fitted at Lawnswood, a period of about six years. There would be little or no spare capacity for breakdown, maintenance shutdown etc during this period. However a shortfall could be redressed from the emissions trading scheme and as it would be a low figure, the commercial risk is considered to be correspondingly low.
- No room for slippage if abatement equipment is to be installed by the 2012 deadline. This applies to all options. It is proposed to use a project manager from Asset Management to run the procurement, to minimise the risk, and to offer it as a design and build project, to avoid the complexities and potential delays that would arise from separate procurements of building works, abatement equipment and cremators.
- High cost due to high demand from councils seeking to install equipment ahead of the deadline. The recommended strategy minimises this risk by spreading procurement packages.
- Loss of scale economies in procurement overheads and in market response – the recommended strategy has the highest exposure to this risk of the options. Nevertheless it is a substantial procurement in its own right and limits the Council's exposure to service continuity issues.

5.6.2 In recognising these risks, the project will have a risk log which will be maintained and monitored during the lifetime of the project and these issues will be reported to the Project Board

5.7 Project Programme

5.7.1 An initial outline timetable of works is set out as follows:

Description	Timescale
Executive Board approval	August 2010
Development of Output Specification and sketch design development	Sept – Nov 2010
Work package tendered	Dec - Feb 2011
Award of contract	March 2011
Development of works to Stage D and Submission of Planning Application	March – May 2011
DCR to Executive Board	May 2011
Successful contractor/supplier undertakes detailed design	May – August 2011
Start on site	August 2011
Completion/Handover	May 2012

6.0 Conclusion

6.1 Leeds is a statutory burial and cremation authority, and the Parks and Countryside service is responsible for the management of three crematoria, 23 cemeteries and 22 closed churchyards. It is the fifth largest burial authority in the country, dealing with approximately 5,600 cremations and the creation of 542 new graves per annum.

In 2000, legislation was introduced to amend Regulation 37 of the Pollution Prevention (England and Wales) Regulations 2000, SI 1973. Specifically, PG5/2(04) requires that at least 50% of mercury emissions from crematoria should be abated before the 31st December 2012.

6.2 The Council is proposing to achieve this target of 2,800 cremations per annum through the installation of abatement equipment when the cremators at Rawdon Crematorium reach the end of their usage in 2012, through the generation of funds by Prudential Borrowing, utilising the environmental surcharge introduced in 2008 for this purpose. This would require some operational management to achieve it, but allows all of the city's abatement to take place on one site.

7.0 **Recommendation**

7.1 Executive Board is requested to:

- (i) note the legislative requirements relating to mercury abatement and the need to implement a solution by 2012.
- (ii) approve the preferred approach to replace cremators and abate mercury at Rawdon by December 2012.
- (iii) to agree the longer-term strategy to replace cremators at Cottingley in 2016 and to replace cremators and consider future abatement for mercury at Lawnswood in 2018, subject to further detailed business cases and funding plans being brought forward.
- (iv) note that to ensure this strategy meets the target of 50% mercury abatement by the end of 2012, it will be necessary to increase the proportion of cremations at Rawdon until abatement is fitted at Lawnswood.
- (v) approve initiation of the design and development of the specification for Rawdon, to be funded from Prudential Borrowing and a continuing surcharge on cremations.
- (vi) Agree to a fully funded injection of £2.9m into the Capital Programme to finance Mercury Abatement works financed through the Council exercising its prudential borrowing powers using the fees generated by the Environmental surcharge introduced for this purpose in 2008.
- (vii) Request that a Design and Cost Report is brought back to Executive Board once a more detailed cost estimate for the Rawdon works has been developed.

BACKGROUND PAPERS

Pollution Prevention (England and Wales) Regulations 2000,



Originator: Martin Gresswell

Tel: 39 52094

Report of the Director of City Development

To Executive Board

Date: 25 August 2010

Subject: Design & Cost Report - The development of Middleton Park through a Heritage Lottery Fund Parks for People grant – Scheme no 14898

Electoral Wards Affected:
 Middleton Park
 Beeston

Specific Implications For:

Equality and Diversity	<input checked="" type="checkbox"/>
Community Cohesion	<input checked="" type="checkbox"/>
Narrowing the Gap	<input checked="" type="checkbox"/>

Eligible for Call In

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

Executive Summary

On the 9th December 2009 Executive Board resolved that an injection of £1,797,929 into the 2010/11 Capital Programme and the submission of a Stage 2 Parks for People/Heritage lottery fund bid be approved.

In June 2010 the Heritage Lottery Fund approved the council's application and awarded £1,465,000 towards the restoration of Middleton Park. Further funding is being provided by Wades Charity (£287,500) and Leeds City Council (£125,079) giving a project total of £1,877,579 of which £79,650 is revenue spend.

This report seeks Authority to Spend against the £1,797,929 injected into the scheme, accept the HLF award and enter into a contract with HLF.

1.0 Purpose of this Report

1.1 Further to the approval of the HLF/Parks for People grant, and on reaching Stage E design freeze, the purpose of the report is to:-

- 1.1.1 Request Executive Board authority to spend the £1,797,929 injected into the capital programme in December 2009.
- 1.1.2 Inform Executive Board of the proposed capital development works, and the cost profile of the scheme.
- 1.1.3 Request authority to accept the grant of £1,465,000 and delegate approval to the Chief Recreation Officer.

2.0 Background Information

- 2.1 Middleton Park is operated and managed by Leeds City Council with the majority of the land held on a 999 year lease from Wade's Charity. In October 2008, a Stage 1 application to the Heritage Lottery Fund was approved. In December 2009 a Stage 2 application was submitted and approved in June 2010. The stage 2 grant award from the HLF is £1,465,000
- 2.2 For many years Middleton Park has not received any significant capital investment and as a consequence, the infrastructure of the park, the conservation of its features, the perceived maintenance of the site, including horticulture and arboriculture, as well as the quality of the existing facilities, all score poorly in a Green Flag Assessment of the park. Accordingly, the site falls well short of reaching the Green Flag Standard in contrast to the other large parks in Leeds.
- 2.3 Despite the condition of the park's infrastructure, Middleton Park receives over two million visits each year, the majority of which come from the wards of Middleton, City and Hunslet and Beeston and Holbeck

3.0 Main Issues

3.1 The development consists of:-

- The redevelopment of entrance points involving interpretation boards, signage, gates art works and features
- The demolition of the existing visitor centre and construction of a replacement facility
- Improvement works to the existing ponds
- The construction of a bandstand and performance area
- The redevelopment of the rose garden and interpretation
- The improvement of existing footpaths and creation of new seating areas
- Creation of new artworks within the park including a horse gin
- The creation of heritage trails throughout the park with directional signage.

3.2 The cost of these proposals including development costs, project preliminaries, construction and fees is forecast at £1,797,929 capital works and £79,650 revenue spend giving a total of £1,877,579. The HLF award also supports additional revenue expenditure of £328,410 over ten years for maintenance. The scheme has now reached RIBA Stage E (design freeze), the costs have been subject to regular review by a Quantity Surveyor during design development.

3.3 The funding for the scheme is as follows:-

- | | |
|---|------------|
| • Heritage Lottery Fund (capital and revenue) | £1,465,000 |
| • Wades Charity | £287,500 |
| • Leeds City Council (capital) | £125,079 |

TOTAL	£1,877,579
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3.4 A legal agreement has been concluded with Wades Charity confirming that they will match fund the scheme to the value of £287,500. Originally, this funding was linked to the sale of 218 and 220 Town Street, Middleton which was in the freehold ownership of Wades Charity and leased to Leeds City Council. However, Wades have agreed to underwrite their match funding separate to the sale of the cottages.

- 3.5 Notwithstanding the above, the Council's match funding was dependent on the surrender value of the lease on the cottages at 218 and 220 Town Street, Middleton, the value of which had been established at half of the freehold sale value of both cottages. A sale has been completed and the Council has received half of the net sale value (after fees) which comes to £56,438. The funding proposal brought to Executive Board in March 2008 forecast a receipt for the Council of £125,000 from the surrender of the leases. Consequently there was a funding shortfall of £68,562.
- 3.6 In December 2009 Exec Board agreed to secure this £68,562 shortfall from the Parks Renaissance scheme 12523, which aims to make infrastructure improvements to the city's parks.

4.0 Implications for Council Policy and Governance

4.1 In assessing the scheme consideration has been given to:

- The Council's Strategic Plan
- The Council's Equal Opportunities Policy
- The Corporate Plan/Council Plan
- The Parks and Countryside Greenspace Strategy

5.0 Legal and Resource Implications

5.1 The total cost of the implementation of the works, following robust checks by Quantity Surveyors, and as per the stage 1 submission is:

• Capital redevelopment works	£1,208,827
• Preliminaries	£181,324
• Design Fees/Admin	£231,375
• Revenue Costs	£79,650
• Inflation	£36,929
• Contingency	£139,474
• Total	£1,877,579

5.2 Subject to approval of the recommendations in this report, the following timetable provides an indication of the likely timescales.

- Enter into agreement with the HLF by August 2010
- Planning application submitted September 2010
- Final design ready for tender December 2010
- Appointed of contractor by March 2011
- Start on site by March 2011
- Completion and handover April 2012

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2010 £000's	FORECAST				
			2010/11 £000's	2011/12 £000's	2012/13 £000's	2013/14 £000's	2014 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	0.0						
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	134.8	134.8					
OTHER COSTS (7)	0.0						
TOTALS	134.8	134.8	0.0	0.0	0.0	0.0	0.0

Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2010 £000's	FORECAST				
			2010/11 £000's	2011/12 £000's	2012/13 £000's	2013/14 £000's	2014 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	1566.9			1410.2	156.7		
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	231.0		57.7	150.1	23.2		
OTHER COSTS (7)	0.0						
TOTALS	1797.9	0.0	57.7	1560.3	179.9	0.0	0.0

Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2010 £000's	FORECAST				
			2010/11 £000's	2011/12 £000's	2012/13 £000's	2013/14 £000's	2014 on £000's
LCC Funding (PUR)	68.5		57.7	0.7	10.1		
Capital Receipt (Sale of Lease)	56.5			5.5	51.0		
Lottery	1486.5	101.1		1266.6	118.8		
Private Sector	33.7	33.7					
Gifts / Bequests / Trusts	287.5			287.5			
Total Funding	1932.7	134.8	57.7	1560.3	179.9	0.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0	0.0

5.3 Revenue Effects

5.3.1 As part of the holistic development of the project longer term, the HLF have allocated as part of the overall grant to The Council, a revenue grant of £79,650. Each of the cost headings listed below has been developed under the Stage 2 application. A procedure for the management, implementation and outputs of these items will need to be agreed with the HLF.

• Project Officer post at £22,500 p.a	£45,000
• Freelance or short term contract staff	£10,000
• Specific costs of designing, writing and printing information, educational and promotional materials	£6,000
• Training costs for staff and volunteers	£1,500
• Consultancy and expert advice	£7,650
• Travel for staff and volunteers	£1,500
• Measuring the project success	£7,000
• Office stationary and software updates	£1,000
• TOTAL	£79,650

Additional revenue expenditure of £32,800 per year over the next ten years forms part of the HLF award.

5.4 Risk Assessments

5.4.1 The project development will have a risk log associated with it to ensure that issues are highlighted as the scheme progresses and that the works are delivered on programme, within budget and to the required specifications.

5.5 Procurement

- 5.5.1 An officer from City Development will act as Project Manager for the scheme. Further design work, tender documentation preparation, planning application activities and contract management will be carried out by the Strategic Design Alliance.
- 5.5.2 A Procurement strategy for the main contracts was submitted as part of the HLF stage 2 bid. Due to the different specialisms required and in order to reduce the risk to the Council the landscape and building elements of the project will be tendered separately.
- 5.5.3 It is considered that there may be scope to carry out some of the landscaping works via community projects. This option will be further explored now that the Stage 2 bid has been successful.

6.0 Conclusions

- 6.1 The project will deliver significant and long lasting improvements to one of the largest parks in the city, enabling it to reach the standard required to meet Green Flag criteria.

7.0 Recommendations

- 7.1 Executive Board is requested:-
 - 7.1.1 To approve expenditure against the injection of £1,797,929 made into the 2010/11 Capital Programme by Executive Board in December 2009.
 - 7.1.2 To note the proposed capital development works, and the cost profile of the scheme.
 - 7.1.3 To authorise acceptance of the grant of £1,465,000 and delegate approval to the Chief Recreation Officer.

Background Papers

Heritage Lottery Fund award letter

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Originator: Dennis Holmes
Tel: 74959

Report of the Director of Adult Social Services

Executive Board

Date: 25th August 2010

Subject: Response to the Deputation to Council – The Access Committee for Leeds.

Electoral Wards Affected:

Ward Members consulted (referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

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

Executive Summary

This report provides the Executive Board with information regarding the deputation to Council by the Access Committee for Leeds presented to the Council on the 14th July 2010 “Please help us to save Woodlands Respite Care Centre York”. The Deputation describes the Multiple Sclerosis Society facility, Woodlands, at York as ‘unique in our region’ offering ‘specialist support therapies and care’. The deputation goes on to note the ‘potential closure of Woodlands next year’. This report highlights that in the last year, 32 Leeds residents assessed as having eligible social care needs, were provided with respite care at Woodlands and funded by Adult Services

The report highlights the extensive consultation process undertaken by the Multiple Sclerosis Society in relation to their revised strategy for respite care and for the future role of their organisation.

The report concludes by committing Adult Social Services commissioners and care managers to work closely with the Society and those people currently using the Woodlands care facility (and their carers) to attempt to minimise any potential future disruption of care arrangements.

1.0 Purpose of Report

1.1 The purpose of this report is to provide the Executive Board with a response to the Deputation to Council made on the 14th July this year by members of the Access Committee for Leeds. The deputation highlighted concerns regarding proposals made by the Multiple Sclerosis Society to transfer ownership or to close their Woodlands respite care centre near York. This report sets out the background to the development of the proposals highlighted by the deputation and sets out how adult social services officers propose to work with the MS Society and any individuals affected.

2.0 Background

2.1 On 9 June 2010 the MS Society's Board of Trustees decided on a new direction for the Society's respite care strategy, following the respite care review conducted by the MS Society over the previous year. The Society assert that their new approach will help the organisation to reach more people affected by MS, wherever they live in the UK, and support them to access the short breaks and respite care they want. The Society's new approach is to develop services that provide a more personalised system of support.

2.2 The new strategy of the Society, as set out on their website, is designed to focus on five key areas:

- **Providing information** – to signpost people to existing services and guide people through the process of accessing respite care.
- **Accreditation** – The Society indicate that there is a role for them to play in accrediting services, formally or informally.
- **Giving grants** – the Society are concerned that they don't provide equitable grants for respite or short breaks, they commit to look at how they can financially support more people with MS through their grants programme.
- **Campaigning for better services** – the MS Society recognises that it has a powerful role to play in campaigning to improve care and services for people with MS and carers, including campaigning for access to properly undertaken carers' assessments
- **Influencing other providers** – The Society commit to work with other organisations "to make sure people with MS have access to respite care and short breaks, how they want it and wherever they live. These might be other care providers, other organisations working with people with long term neurological conditions or travel companies."

2.3 Implications for the MS Society's respite centres

2.31 As a result of this new approach, the MS Society will no longer directly provide residential respite care.

2.32 The decision to take a new approach to respite and short breaks is the result of the year-long respite care review. The Society currently runs four respite care centres, three in England and one in Scotland, which will now be transferred to another provider where possible, or closed if no alternative owner is forthcoming. The Society contend that this action will allow them to invest more of their resources in

helping more people with MS access the respite and short breaks they need and want.

- 2.33 The Society advise that guests who have stayed at one of the centres over the last year have received a letter with information about the review and what to expect. They commit themselves to working individually with their guests, their families and carers to find alternatives.
- 2.34 The Society describe their year-long respite care review as comprehensive, the consultation part of the review included a survey, as well as sixteen focus groups across the UK where they report that they held in-depth talks with 85 people. The Society did not seek the views of Leeds care commissioners during this process, however, it is clear from the description of their consultation that their primary audience were the members of the Society and the people using their facilities and their carers. Health and Social Care Professionals are reported to have responded to the invitation to submit their views as part of the more general consultative process.
- 2.35 The Society report that, in total 1,637 people responded to the survey: 1,030 people with MS and 607 carers.
- 2.36 The Society report that they were keen to hear the views of those people who use their services and their centres and they wrote to guests inviting them to take the survey. They report that 32% of people who responded to the survey used the care centres, and they report themselves to be confident the views of their guests have been represented through the consultation process.

3.0 Main Issues

- 3.1 The MS Society describe their current priority now as being to find another organisation to take over the running of the centres, and to support their guests and staff during this time of change. Although it is still early in this process, the Society describe that they are in discussions with other organisations and indicate that they should have a clearer picture of the future over the coming months.
- 3.2 However, they contend that if another organisation cannot be found to take over a centre, closure would be the next step. At the moment however, their centres in England are open for business and no bookings are being cancelled.
- 3.3 As the Society seeks an appropriate alternative organisation to take over all the centres, they indicate that they will not be able to give firm dates when arrangements might change. However, they indicate that it is unlikely that there will be any change in the near future and they expect their three centres in England to operate as normal for the rest of this financial year.
- 3.4 Within Leeds, in the last year, 32 people were funded by the Authority to attend the Woodlands centre at York, the nearest such MS Society facility. Adult Social Care Managers involved with the people using the Centre and their carers have been advised of the Societies plans and will be working closely with their clients and the MS Society to ensure alternative venues of care can be identified in the event that the facility cannot be transferred into alternative ownership .
- 3.5 No 'block' or long term contractual commitment exists between this Authority and the Multiple Sclerosis Society for the purchase of respite breaks at the centre, each of these having been individually ('spot') purchased as required for those people assessed as having eligible social care needs.

4.0 Implications for Council Policy and Governance

4.1 There are no immediate implications for Council Policy and Governance. The decision to attempt to transfer ownership of the Woodlands Centre, or to close if no alternative owner is forthcoming, is a decision which has been made by the Board and Trustees of the Multiple Sclerosis Society following a year long consultation process.

5.0 Legal and Resource Implications

5.1 There are no resource implications as the costs of placements at the Woodland centre are met from within the Adult Social Care Community Care base budget, this will continue to be the case regardless of the future venue of care.

5.2 Legally, the future of the four care centres operated by the MS Society is a matter for the Society and it's members whom, it is apparent, have been provided with appropriate opportunities to participate directly in a lengthy consultation process.

6.0 Conclusions

6.1 It is apparent that the Multiple Sclerosis Society have developed their new strategy, set out at para 2.2, after a period of consultation with their members and a wider constituent audience. This has indicated a wish to concentrate the focus of the Society away from the direct provision of care. This approach mirrors the wider national Adult Social Care agenda, supported by Adult Social Care in Leeds, designed to support much greater autonomy and choice through the availability of more flexible resources.

6.2 The deputation to Council urge the assistance of the Council in 'saving the exemplar resources available at Woodlands'. Information presented in this report clearly indicates that the Multiple Sclerosis Society are themselves seeking to transfer ownership of the care facility and its resources as their preferred first option.

6.3 However, Commissioning Officers will continue to monitor developments in relation to the ownership of the centre and will ensure that care managers working with those 32 Leeds residents funded to use the Centre and their carers are kept fully apprised of developments and advised of appropriate alternative venues of care in the region.

7.0 Recommendations

7.1 Members are requested to note response to the deputation and the proposed actions of Adult Social Services officers as outlined in this report.

Background Papers -

- The Access Committee for Leeds – Deputation to Council Speech transcript – 14th July 2010

The Multiple Sclerosis Society – Board reports (all June 2010 & available at <http://www.mssociety.org.uk>)

- Respite Care Review Board paper - This report provides the Board of the MS Society with details of the outcome of the year long review of respite care services operated by the organization.
- Respite Care Review – This report sets out the recommendations for the future involvement of the Society in the support of respite care arrangements
- Respite Care Review, Appendix 1 – Consultation Summary – This report summarises the approach taken to consulting with members of the Society with regard to respite provision
- Respite Care Review, Appendix 2 – Summary of other services – This report summarises other services that the Society feels it should become a greater focus for its work to compliment and facilitate respite opportunities
- Respite Care Review, Appendix 3 – This report summarises papers submitted to the Board of the Society in 2009 at the start of the consultation process
- Respite Care Review – Survey Report – This report summarises the views of respondents to the consultation process
- Respite Care Review – Thematic summary of focus groups – This reports sets out the results of the thematic focus groups which formed an important part of the consultation process.

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DEPUTATION ONE
ACCESS COMMITTEE FOR LEEDS

THE LORD MAYOR: Good afternoon and welcome to today's Council meeting. Please now make your speech to Council, which should not be longer than five minutes, and please begin by introducing the people in your deputation.

MR T McSHARRY: Thank you, Lord Mayor. The members of our deputation are David Littlewood, Margaret Belton, Judith Smith, Peter Rushton and myself, Tim McSharry.

The title of our deputation is - Please help us to save Woodlands MS Respite Care Centre, York.

It is often said that nothing is certain other than death and taxes, but when we consider the demographic changes facing society, there is one other increasing certainty that, as a result of ill health, injury, age, disability or family caring commitments, the provision of quality respite services will become a growing issue for everyone in society with the potential to impact on the lives of each of us here today.

For many individuals living with ill health and disability and their family carers, respite offers not just an opportunity for a short break to recharge batteries, it can also provide a critical life-line to maintaining independence and family relationships, which may face great challenges and personal demands as a result of 24/7 caring commitments and, of course, this is no different for anyone in Leeds who is living with or caring for someone with MS.

MS or Multiple Sclerosis affects about 1 in 1000 people in the UK. MS is an illness that affects three times as many women than men. It can also affect anyone at any age, although it is more often diagnosed between the ages of 20 and 40.

Woodlands MS Respite Care Centre in York is unique in our Region and offers specialist support, therapies and care from highly trained and dedicated staff, supported by exemplar on-site facilities that many people living with MS in Leeds have used and benefited from for many years. People like Judith Smith, who has been going for ten years and who said, "It's a real home from home. The care you receive really does make you feel a whole lot better, it gives a chance for a break for people back home and they don't need to worry about how you are being looked after because they know you are amongst friends and there is nowhere you can go to be better looked after"

Peter Rushton said, "Woodlands is the perfect respite resource, it would be a terrible loss to many people in Leeds if it closes. It is a fantastic environment, with highly trained and understanding staff which can make a real difference when you are living with MS. It has made a big difference to both me and my wife and it's important that family members get a proper break".

Margaret Belton has been using Woodlands for three years and says that, "If it closes the family doesn't get a break, it's an integral part of our lives. Woodlands specialist MS help makes a massive difference, the staff can't do enough for you. If we lost it there would be nothing on the same standard to replace it".

Nationally it has been estimated that carers save the UK economy £87b a year and there can be no doubt that the availability of such specialist respite facilities benefits many people and families across Leeds. The loss of Woodlands may also have implications for Leeds Adult Social Care and how their commissioning officers could find an acceptable or suitable alternative MS service within the Region.

The potential closure of Woodlands next year also raises additional concerns, especially given the Government cuts to public services and Local Authority funding. Many disabled people are concerned how these cuts will directly impact on the provision of essential services, like respite. The Government has indicated a hope that large charities will somehow respond to the needs of people who require core services, but clearly on this evidence there are still many questions to answer.

Disability, ill health, injury and caring commitments can become a part of anyone's life. Respite can offer a much needed break that enable families to continue to provide support and care. On behalf of our members living with MS, their family and carers, we would humbly ask for any assistance that Leeds City Council could offer to help save the exemplar resources available at Woodlands and help to maintain the dignity, wellbeing and family support of the many Leeds people living with MS.

Thank you. *(Applause)*

THE LORD MAYOR: Councillor Gruen?

COUNCILLOR GRUEN: Lord Mayor, I move that the deputations matter be referred to the Executive Board.

COUNCILLOR LOBLEY: I second, Lord Mayor.

THE LORD MAYOR: Can I call for the vote, please? *(A vote was taken)* Thank you for attending and for what you have said. You will be kept informed of the consideration which your comments will receive. Good afternoon to you, ladies and gentlemen.

MR T McSHARRY: Thank you, Lord Mayor. *(Applause)*

Originator: D Meeson

Tel: x74250

Report of the Director of Resources

Executive Board

Date: 25th August 2010

Subject: Financial Health Monitoring 2010/11 – First Quarter Report

Electoral Wards Affected:

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In

(Details contained in the report)

Executive Summary

1. The purpose of this report is to inform members of the financial health of the authority after three months of the financial year in respect of the revenue budget and the housing revenue account.
2. The report identifies a number of pressures, particularly affecting income and demand led budgets. Directorates have already developed and implemented action plans but nevertheless an overall overspend of £3.6m is projected at this stage. It is imperative that these action plans are kept under review, are robust, and will deliver a balanced budget by the year end. Detailed directorate reports are included at Appendix 1.
3. Members are asked to note the projected financial position of the authority after three months of the financial year together with the impact on reserves should directorate spending not be maintained within approved estimates.
4. Members are also requested to approve budget adjustments as detailed in the report.

1. PURPOSE OF REPORT

- 1.1 This report sets out for the Board the Council's financial health position for 2010/11 after three months of the financial year. The report covers revenue expenditure and income projected to the year end. The report also highlights the position regarding other key financial indicators, including Council Tax collection and the payment of creditors.
- 1.2 A separate report on the Capital Programme can be found elsewhere on this agenda.

2. BACKGROUND INFORMATION

- 2.1 Members will recall that the net budget¹ for the general fund was set at £569.3m, which was not supported by the use of any general fund reserves. As a result, the level of general fund reserves at 31st March 2011 were estimated to be £12.0m.
- 2.2. As reported to Corporate Governance and Audit Committee² in the 2009/10 Statement of Accounts report on 30th June 2010 the balance carried forward at 31st March 2010 was £16.0m. This figure could change if there any significant events which occur prior to the sign off of the accounts by external audit. Any variations will be reported back to Corporate Governance and Audit Committee as part of the approval of the final accounts and reported back to this Board as part of the second quarter financial health report.
- 2.3 Budget Monitoring is a continuous process throughout the year, and this report reviews the position of the budget after three months and comments on the key issues impacting on the overall achievement of the budget for the current year.
- 2.4 This year a new projections module has been developed within the financial ledger which requires budget holders to complete projections for their services in conjunction with finance officers. Full details of directorate variations are appended to this report, prefaced by a summary of the position by chief officer.

3. MAIN ISSUES

- 3.1 After three months of the financial year an overspend of £3.6m is projected as detailed in table 1.
- 3.2 As part of the budget monitoring process, action plans built into budgets have been reviewed and the above projections do assume the continuing delivery of action plans both corporately and within directorates.
- 3.3 The projections also take into account the recent cuts in government grants and the implications of these on the Council are explained more fully in a separate report elsewhere on this agenda. This report gives details of £15.0m of cuts with proposals to deal with £13.5m, leaving a £1.5m shortfall.

Table 1

Directorate	(Under) / Over Spend for the current period			
	Staffing	Other Expenditure	Income	Total (Under) Overspend
	£000	£000	£000	£000
City Development	1,062	(2,455)	1,862	469
Environment & Neighbourhoods	690	(2,469)	3,763	1,984
Children's Services	(1,351)	8,763	(2,695)	4,717
Adult Social Care	(1,653)	8,746	349	7,442
Resources	(1,645)	881	(820)	(1,584)
Corporate Governance	(115)	137	(330)	(308)
Planning, Policy and Improvement	59	(577)	402	(115)
Total Directorate Pressures	(2,953)	13,027	2,531	12,605

Corporate issues	
Rolled up interest	(600)
Capitalisation	(2,500)
Contingency Fund	(3,200)
Loss of LABGI grant	500
Use of balance sheet items	(3,200)
Total Authority Pressures	3,605

3.4 Full details of directorate variations and proposed actions to help achieve a balanced budget are attached as Appendix 1. The main variations can be analysed as follows:

3.4.1 Staffing

The overall staffing budget is projected to underspend by £2.9m. This reflects careful management of vacancies, overtime and the use of agency staff throughout the Council. In some areas, services are managing workforce change and redesigning services to meet reduced demand. This particularly applies to City Development and Neighbourhoods and Housing.

3.4.2 Other Expenditure Variations

Other expenditure variations total £13.0m. Externally provided placements, both residential and with independent fostering agencies, continue to be a major pressure on the Children's Services budget and are projected to be £8.0m overspent at the end of the financial year. Within Adult Social Care, residential and nursing care placements have exceeded the budget provision and the service is forecast to be £3.3m above the budget. This trend is repeated in Domiciliary Care, projected to be

£4.3m higher than budget. Direct payments spend is currently projected to be £0.5m higher than budget and Service User contributions for home care and residential care is reduced by £0.7m which reflects trends in the final quarter of 2009/10 and more residential beds unoccupied or occupied by transitional care cases which do not generate a service user contribution.

3.4.3 Income

Income trends are still declining especially within car parking £1.0m, sport £0.5m, and architectural design services £0.6m. In addition, within Environment and Neighbourhoods, Yorkshire Forward has reduced its grant to the Jobs and Skills service £0.4m, and the Leeds Asylum service is to have the number of asylum seekers in the contract reduced, which coupled with the loss of the Hillside Induction contract amounts to a net cost of £0.6m.

3.4.4 Grant Reductions.

The net effect of the proposals to deal with the in year reduction in grants gives a £1.5m pressure on the Council's budget and this is included in directorate projections shown in table 1 above.

3.4.5 Corporate Issues

The 2010/11 budget included a challenging savings target in respect of debt charges. As at month 3 £3.3m is still to be achieved, although it is anticipated that by pro-active treasury management this saving will be achieved.

The latest projection assumes additional capitalisation of £2.5m can be achieved at the year end, based on the levels achieved in 2009/10.

A general provision of £3.2m for unforeseen events was included in the contingency fund. It is now proposed to earmark this amount to reduce the impact of directorate pressures.

A detailed examination of balance sheets has resulted in £3.2m being made available to support in year budget pressures. This is one off funding and will have implications for future years, which will require addressing as part of the budget preparation for 2011/12. In addition, it is proposed to utilise the remaining Education Leeds operating surplus to offset the budget pressures in Children's services. Again this is one off.

3.5. It is important that budget pressures are addressed by directorates who are required to continue to develop and implement action plans to manage their pressures within available resources. It is imperative that these action plans are robust and will deliver a balanced budget by the year end.

3.6 The extent to which these action plans are not effective in containing spending within approved estimates will impact on the Council's reserves which will clearly have implications on the medium term financial plan assumptions going forward.

4. Risks

4.1 The Council has prepared and maintained a financial risk register for a number of years. The register details the risk and consequences, existing controls to mitigate against the risk, the value in monetary terms of the risk, review dates and progress

towards managing the risk within existing resources. The register is prepared before the start of each financial year and is monitored on a regular basis. Any significant changes will be reported to this Board as part of the financial health report.

- 4.2 After three months of the year there remain 14 risks which are high or very high. As shown in the table below there is 1 new risk, 3 have moved from high to very high, 1 has moved from medium to high and for 1 risk the probability has increased although the overall rating remains the same.

	Risk	Key Budget Impacted	Initial Position			Quarter 1		
			P	I	Corporate Rating	P	I	Corporate Rating
↑	Independent sector domiciliary care packages may exceed the budgeted number	Adult Social Care Access & Inclusion	3	4	High	5	4	Very High
↑	Reduced domiciliary care (or alternatively placements) spend through the development of the reablement service may not be fully achieved. Reduced workload for the care management service may not generate cashable savings.	Adult Social Care Support & Enablement/ Access & Inclusion	3	4	High	5	4	Very High
↑	Community care placements may exceed the budgeted number	Adult Social Care Access & Inclusion	3	4	High	4	4	Very High
NEW	Proposed actions (developed in year) for dealing with grant fall-out are not achievable	Children's Services ALL	N/A			3	3	High
↑	Car Parking income is affected by reduced patronage and/ or a combination of delays in the implementation of additional car parking capacity and new charging arrangements in the City Centre. Car Park fee income budget is £8.9m	Environment & Neighbourhoods Environmental Services - HEAS	3	2	Medium	5	3	High
Probability increased ↑	Savings released from traditional services may not be sufficient to fund budgeted growth in cash payments through direct payments/ personal budgets	Adult Social Care Access & Inclusion/ Support & Enablement	3	3	High	4	3	High

5 HOUSING REVENUE ACCOUNT

- 5.1 At the end of the first quarter the HRA is projecting a surplus of £129k primarily due to posts being held vacant.
- 5.2 Average void levels for the first quarter are lower than budgeted, which if maintained will generate additional rental income of £1.0m. This will be paid over to the ALMOs as additional void incentive payments.

6. SCHOOLS

- 6.1 School reserves stood at £17.1m as at 31st March 2010. This comprised overall surpluses of £12.4m in primary, £4.3m in secondary and £0.4m in Specialist Inclusive Learning Centres (SILC). The average primary school balance is 6.2%, the average secondary school balance is 2.1% and the average SILC balance is 2.5% of the school budget. Excess individual school surpluses above specified limits are subject to claw back and redistribution to the other schools. It should be noted that within these overall surpluses there are some individual schools with deficit balances.
- 6.2 In line with the Leeds Scheme for Financing Schools, any school which had a deficit at the close of 2009/10 and were planning to set a deficit budget for 2010/11 are required to submit an action plan showing in detail how they intend to achieve a balanced budget position within three years. All of these action plans have now been submitted to Education Leeds and are being evaluated for their viability with implementation monitored regularly. These deficit action plans will be submitted to the Director of Resources by the end of September 2010 as per the approved policy.

7. OTHER FINANCIAL PERFORMANCE

- 7.1 The level of Council Tax collected at the end of June 2010 is 28.57% of the debit for the year of £260m. This is marginally ahead of the same period last year, and on track to hit the target set by Executive Board for the year of 96.5%.
- 7.2 The collection of non-domestic rates for the first three months is 32.92% of the current net debit of £333.1m. The collection rate is 0.2% behind the rate at the end of the first quarter last year, however this is well within the normal range of fluctuations caused by the timing of monthly payments and does not represent an underlying trend.
- 7.3 In terms of Sundry income, the collection rate at the end of June is 90.8% of the amount due of £32.8m. The collection rate is ahead of the rate at the same point last year and on course to hit the yearly target of 97.0%
- 7.4 The prompt payment result for the first quarter of the year is 90.21% of undisputed processed within 30 days against a target of 92%. During the period 101,595 invoices were paid, of which 9,101 were paid after 30 days. Overall 94% of invoices are paid within 40 days and 100% of small suppliers are paid within 20 days.

8. RECOMMENDATION

- 8.1 Members of the Executive Board are asked to note the projected financial position of the authority after three months of the new financial year and request that directorates continue to develop and implement action plans which are robust and will deliver a balanced budget by the year end.
- 8.2 Members are also requested to approve a virement of £0.5m from the training budget into the domiciliary care budget as detailed in the attached Adults report.
- 8.3 Members are also requested to note the reallocation of budgets within Adult Social Care to reflect revised management arrangements as detailed in the attached Adult Social Care report.

BACKGROUND

¹ Revenue Budget and Council Tax 2010/11 – report to Executive Board 12th February 2010

² The Statement of Accounts 2009/10 – report to Corporate Governance and Audit Committee 30th June 2009

Appendix 1

Reporting Period June 2010
 Financial Year 2010/11

Directorate Adults Social Care

Traffic Light	Service	Chief Officer	(Under) / Over Spend for the current period			
			Staffing £000	Other Expenditure £000	Income £000	Total (Under) Overspend £000
A	Partnership & Organisational Development	Deputy Director-Partnership and Organisational Effectiveness	(27)	83	(35)	22
R	Access & Inclusion	Chief Officer Access and Inclusion	(1,539)	8,700	473	7,634
R	Support & Enablement	Chief Officer Support & Enablement	349	(535)	558	372
G	Strategic Commissioning	Deputy Director Strategic Commissioning	(172)	255	57	140
G	Resources	Chief Officer Resources & Strategy	(103)	(458)	22	(539)
G	Learning Disabilities Service	Chief Officer Learning Disabilities	(161)	701	(726)	(186)
R	Total		(1,653)	8,746	349	7,443

ADULT SOCIAL CARE DIRECTORATE: 2010/11 BUDGET – PERIOD 3 REPORT

1.0 Introduction

This report sets out the financial position for the Adult Social Care directorate for Period 3.

2.0 Overall Summary

The Period 3 position for the Adult Social Care Directorate is a projected overspend of £7.4m after assuming achievement of in-year action plans of £2.8m. It also includes the projected achievement of £11.2m of the £18.4m savings included within the 2010/11 budget.

3.0 Explanation of the Projected Overspend

The main reasons for the projected overspend are:

- **Community Care Packages - £8.1m**

- Residential and Nursing Care Placements

- Residential and nursing care placements are projected to be £3.3m higher than budgeted at the year-end. In the first three months of 2010/11 placements exceeded the budget provision by 62 and if this trend continues throughout the year spend will be £1.8m above the budget. During the first quarter 158 placements were made direct from hospital without a further period for recovery and assessment, which is contrary to good practice guidelines and is being pursued with Leeds Teaching Hospitals Trust. Work is underway with health colleagues to address urgent care procedures, but actions arising from this have not yet been implemented and at this stage any reductions in demand for Adult Social Care services cannot be quantified. The projection also reflects the potential impact of former continuing health care cases becoming the responsibility of the Council on review and cases where legal services are involved in determining which local authority has financial responsibility. One inter-authority case has a potential cost to Leeds of £450k which is included within the projection to be prudent and a former continuing care case for which the Council assumed financial liability in March 2010 has an annual cost of £170k.

- Domiciliary Care

- The independent sector domiciliary care projection is £4.3m higher than budgeted after action plan savings are taken into account. This reflects higher than budgeted demand, some of which is due to increased activity levels after the 2010/11 budget was set that also impacted on the 2009/10 outturn. Hospital admission and discharge rates are a contributory factor and work is underway with NHS Leeds and Leeds Teaching Hospitals Trust to fully understand and address this. The 2009/10 budget includes planned savings that are challenging to deliver, for example establishing a city-wide reablement service and reducing people's requirements for long term care as a result. Some slippage in delivering these major transformation programmes in line with the budgeted timescales are reflected in the projection. However, there have been improvements within the directly provided home care service this year in productivity and sickness levels, which have contributed to an increase in the number of new care packages being taken on that would otherwise have increased the pressure on the independent sector budget.

Direct Payments

Directs payments expenditure reflects the extent to which customers choose to receive their services as a cash payment rather than through traditional services and the level of need being met by the care package. This expenditure is currently projected to be £0.5m higher than budgeted based on trends in spend over recent months.

- **Staffing – (£1.7m)**

This reflects the careful management of vacancies, agency staff and overtime across services. This includes the impact of contingency actions being implemented by Chief Officers to mitigate the pressures within the community care budget.

- **Service User Contributions - £0.7m**

This partly reflects the roll through into 2010/11 of the lower than budgeted home care income identified in the final quarter of 2009/10. It also reflects residential care income being below the budget as more beds than anticipated have been either unoccupied or occupied by transitional care cases which do not generate a customer contribution.

4.0 Revised Management Arrangements

During the first quarter of 2009/10 the Chief Officer Support & Enablement left the Council and these functions have been transferred to other Chief Officers. Budget holder responsibility for grants and some contract payments previously held in operational services has been transferred to the Deputy Director Strategic Commissioning. Members are requested to note the adjustments to net budgets as follows:

Chief Officer Support & Enablement	£40.4m Cr
Chief Officer Access and Inclusion	£3.7m Dr
Chief Officer Learning Disability	£28.1m Dr
Deputy Director Strategic Commissioning	£8.6m Dr

5.0 Other Budget Adjustments

Approval is sought for a virement of £0.5m from the training budget (Chief Officer Resources) into the independent sector domiciliary care budget (Chief Officer Access and Inclusion). This reflects a contingency action agreed within Adult Social Care to help to address the significant budget pressures on community care packages.

Reporting Period June 2010

Financial Year 2010/11

Directorate Children's Services

Traffic Light	Service	Chief Officer	(Under) / Over Spend for the current period			
			Staffing £000	Other Expenditure £000	Income £000	Total (Under) Overspend £000
G	Early Years	Chief Officer Early Years and Youth Services	(1,445)	61	(116)	(1,500)
R	Integrated Youth Support Service	Chief Officer Early Years and Youth Services	(12)	585	(331)	242
R	Children's Social Care	Chief Officer Children and Young People's Social Care	7	7,964	(278)	7,693
G	Youth Offending Service	Chief Officer Early Years and Youth Services	97	(103)	(63)	(69)
R	Dcs Unit	Deputy Director – Commissioning	(3)	257	(3)	251
G	Support Costs and Central Accounts	Deputy Director – Commissioning	5	(1)	(4)	0
G	Education Leads	Deputy Director – Commissioning	0	0	(1,900)	(1,900)
R	Total		(1,351)	8,763	(2,695)	4,717

CHILDREN'S SERVICES: 2010/11 BUDGET – PERIOD 3 REPORT

1.0 Introduction

This report sets out the financial position for Children's Services for period 3.

2.0 Overall Summary

The period 3 position for Children's Services is a projected overspend of £4.7m. This forecast overspend, which is net of £7.75m of budget action plan savings, recognises the in-year reductions in funding, including the £5m reduction in Area Based Grant, and the actions necessary to deal with these budget reductions. Appendix 2 to this report provides further details of these reductions as well as the proposed strategies and budget action plans.

3.0 Explanation of the projected over/underspend

3.1 Within the overall Children's Services budget the individual service position is;

	Period 3 Over/(under) £m
DCS Unit & Central	0.2
CYPSC	7.7
IYSS & YOS	0.2
Early Years	(1.5)
Education	(1.9)
Total – Children's Services	4.7

3.2 Summary of key issues

3.2.1 In CYPSC, the main financial pressure continues to be in the externally provided residential and fostering budgets. At present, the forecast impact in 2010/11 of the current placements, less revised action plan savings, is **£8m**. In Summary, the £8m is made up of externally provided general residential placements (£4.3m), placements with Independent Fostering Agencies (£3.3m) and a £0.4m pressure around other externally provided residential placements (secure welfare, parental assessments and secure remand placements). In addition, there are pressures on the cost of legal advice (£0.1m), and transport (£0.25m) although the latter is mitigated in full by a budget action plan. These pressures are offset in part by savings on the allowances & fees for in-house carers (£0.3m) and on the costs of support for Care Leavers (£0.15m). In response to the £0.3m of ABG funding reductions in respect of Care Matters, Child Trust Funds, Children's Workforce Development and Designated Teacher funding, the service has developed action to reduce spend by £0.2m which include the plans to reduce the cost of personal tuition for Looked After Children and ceasing the top-ups for Child Trust Fund for Looked After Children.

3.2.2 In Early Years, the £1.5m forecast underspend is largely being generated across the staffing budgets and in particular across the Early Years managed Children's Centres, as part of the ongoing sustainability programme. In recognition of the £0.5m in-year reduction in ABG funding in respect of the Leeds Children's Fund, the service has developed a detailed strategy to immediately systematically review and reduce all Early Years and Leeds Children's Fund contracts & funding agreements across both

in-house and external provided services. In addition, the service is also implementing actions to manage the in-year reductions in the Nursery Education Pathfinder Grant (£0.15m), the Buddying grant (£0.18m) and Playbuilder grant (£20k).

- 3.2.3 Across IYSS (including YOS), we are anticipating an overspend of £0.2m. This forecast recognises the £2m in-year reduction in ABG funding (£1.6m for Connexions and £0.4m for Positive Activities for Young People). In response, the service have put in place a budget strategy which includes action to review and reduce all contracts & funding agreements across both in-house and externally provided services. This strategy will seek to prioritise remaining funding towards targeted and specialist provision although recognising that the Council still has a statutory responsibility for universal advice & guidance. In addition, the forecast overspend recognises the slippage on the implementation of the budget action plan in respect of the Community Use of Schools and also the reductions in LPSA2 Reward Grant funding
- 3.2.4 The forecast balanced position on the DCS & Central budgets assumes at this stage that the £1.25m integration & commissioning budget action plan savings will be delivered in full in 2010/11. Against, this £1.25m target, we have actioned £0.4m of savings and it is anticipated that more opportunities will be identified as part of the creation of the new Children's Services Directorate and the processes for back-office and front-line integration. The £0.2m forecast overspend reflects the reductions in ABG & LPSA2 funding in respect of the LSC staff transfer (£0.14m) and Teenage Pregnancy (£0.1m), although the service is developing proposals to reduce costs in line with these budget reductions.
- 3.2.5 The £1.9m forecast underspend on the Education budgets relates wholly to the budget action plan proposal to utilise the remaining Education Leeds operating surplus to offset the budget pressures elsewhere in Children's Services. In addition, Education Leeds have developed a detailed budget strategy to mitigate the in-year grant reductions, including the £1.9m reduction in ABG. These budget reductions, which will necessitate an in-year variation to the Education Leeds contract, include the scaling back of expenditure through in-year efficiencies, continued non-filling of vacant posts, etc.

4.0 Budget Adjustments

- 4.1 In order to enable the implementation of the new projections module and support automated financial reporting it is necessary to make some adjustments to the budget hierarchy within Children's Services.
- 4.2 These changes to the Chief Officer level within the budget hierarchy will enable the schools budgets to be isolated and thereby enable meaningful budget reporting directly from within the financial ledger across Children's Services. These changes are procedural and will not have any service or financial impact.

Reporting Period June 2010

Financial Year 2010/11

Directorate City Development

Traffic Light	Service	Chief Officer	(Under) / Over Spend for the current period			
			Staffing £000	Other Expenditure £000	Income £000	Total (Under) Overspend £000
G	Economic Services	Chief Economic Development Officer	(92)	(1,148)	160	(1,080)
R	Asset Management	Chief Officer Asset Management	129	(131)	569	567
G	Highways and Transportation	Chief Officer Highways and Transportation	(486)	(656)	(739)	(1,881)
G	Libraries, Arts and Heritage	Chief Libraries, Arts and Heritage Officer	2	(74)	42	(30)
R	Recreation	Chief Recreation Officer	889	(492)	476	873
G	Support Services	Chief Officer Resources and Strategy	4	(159)	85	(70)
R	Planning and Sustainable Development	Chief Planning and Sustainable Development Officer	617	204	1,267	2,088
R	Total		1,062	(2,456)	1,860	469

CITY DEVELOPMENT DIRECTORATE: 2010/11 BUDGET – PERIOD 3 REPORT

1.0 Introduction

This report sets out the financial position for City Development Directorate for Period 3.

2.0 Overall Summary

The Period 3 position for City Development Directorate is a projected overspend of £0.469m. There have been some notable changes in the financial position of individual service areas, mainly due to the impact of the in year grant reductions and in the savings put forward across the directorate. These are explained in more detail below. The directorate will also continue to identify other saving options and will be bringing options forward to achieve a balanced position.

3.0 Explanation of the Projected Overspend

The main reasons for the projected overspend continue to be a shortfall in income from building fees, some shortfalls in income in Recreation Services and reduced workloads in Architectural Design Services. In addition an overspend on staffing is forecast in some areas where not all the assumed savings have been fully realised and some overspends on running costs where budget actions have yet to be achieved. The projected outturn position also reflects the in year reductions to a number of grants and agreed savings to manage these reductions and address other budget pressures within the directorate.

The overspend can be summarised as follows:

	£000s
<u>Major Budget Pressures:</u>	
Building Fees shortfall	648
ADS net income shortfall	598
Recreation income	500
Net Staffing	983
Loss of HPDG	900
Net other pressures	<u>332</u>
	3,961
Offset by:	
Contingency release requests	(876)
'Pot Hole' additional grant	(774)
LEGI Legacy	(842)
Additional directorate saving plan	<u>(1,000)</u>
Total	<u>469</u>

Income

In 2009/10 there was a shortfall on key external income sources of £4.7m. This included shortfalls on planning and building fees, sport income, parks and countryside income, museums income and income in Asset Management. The 2010/11 budget has been adjusted to partly reflect the income trends in 2009/10 but it has been assumed that in some cases income trends will start to pick up in 2010/11 as the general economic position was expected to improve. Whilst planning fee income at period 3 is in line with the budget, building fee income is below the phased budget and there is no indication of an improvement at least in the short to medium term. The projected shortfall on building fee income is £648k. There is provision in central contingency of £400k for shortfalls in planning and building fee income.

Workloads are still an issue for ADS and this may become a greater problem following the recent announcement of reductions to various capital grants and the review of the current capital programme. There is a projected shortfall in income of £598k after allowing for reduced staffing costs and other savings. The service is actively working on a budget action plan to deal with this situation; this will include managing staffing downwards to an appropriate level. A further recent request for ELI's in this service has resulted in up to 12 expressions of interest, and the Chief Asset Management Officer is preparing a report with clear recommendations as to the future makeup of the service. Until firm decisions are made, ADS will continue to not achieve budget targets.

Whilst it is still early in the financial year, it is apparent that a number of income targets across Recreation Services are unlikely to be met. Some of the shortfall in income will be offset by reduced expenditure.

The recent announcement of cuts to various grants included the abolition of the Housing and Planning Delivery Grant. The directorate had budgeted to receive £900k in 2010/11. The loss of this grant has increased significantly the forecast overspend for Planning and Sustainable Development services. The government grant for the Free Swimming scheme has also been withdrawn from 31.7.10. Although charges will be re-instated there will still net a net shortfall in income in 2010/11. To partly offset these pressures it is proposed to reduce spend on highway maintenance which had already been enhanced by additional grant earlier in the year.

Staffing

The 2010/11 budget includes challenging saving targets for staffing. Over 70 Early Leaver Initiative (ELI) cases were approved during 2009/10 and planned restructures are being progressed in a number of services. Most services are forecast to achieve these targets although in some areas such as Planning and Sustainable Development, Parks and Countryside and Sport and Active Recreation the targets will need to be reviewed and an overspend on staffing is likely.

Restructures are currently in progress in Parks and Countryside, Building Control and Sport and Active Recreation.

Measures to actively manage staffing will continue to be pursued, and all requests for post releases are presented to the City Development Directorate management team, and then approved individually by the Cors, and mostly on a temporary basis, and then only front line posts, where they are required to keep the service open, generate income, or health and safety. The ELI has been advertised again in areas continuing

to experience reduced workloads such as Building Control and ADS and this will be widened to other service areas within the directorate.

Operational Budgets

Some operational budget overspends are due to delays in the implementation of actions assumed in the 2010/11 such as a delay in the planned closure of South Leeds Sport Centre estimated at an additional cost of £130k.

A major impact on operational budgets in Period 3 has been the reduction in Area Based Grant for the LEGI programme, Road Safety and two travel plan schemes in Highways. Services have now identified proposals to meet these reductions in grant.

Within the LEGI programme, some schemes have been delayed and it is proposed to utilise the unspent revenue balance of £842k to offset in year directorate pressures.

The Period 3 projection also incorporates a further £1m of saving proposals. These include a further reduction in highway maintenance spend of £476k, a reduction to the library book fund of £200k and a number of other savings in running costs across all services.

Reporting Period June 2010

Financial Year 2010/11

Directorate Environment & Neighbourhoods

	Traffic Light	Service	Chief Officer	(Under) / Over Spend for the current period			
				Staffing £000	Other Expenditure £000	Income £000	Total (Under) Overspend £000
G		Safer Leeds Drugs Team	Chief Community Safety Officer	(177)	(2,062)	2,239	0
R		Street Scene Environmental Services	Chief Environmental Services Officer	54	764	(136)	682
R		Health and Environmental Action	Chief Environmental Services Officer	458	108	(482)	84
R		Car Parking Services	Chief Environmental Services Officer	(228)	(3)	1,016	785
R		Community Safety	Chief Community Safety Officer	129	(165)	144	108
G		Safer Leeds Partnership	Chief Community Safety Officer	(32)	(94)	(41)	(167)
R		Regeneration	Chief Regeneration Officer	662	1,588	(1,735)	515
R		Jobs & Skills	Chief Regeneration Officer	298	536	(309)	525
G		Community Centres	Chief Regeneration Officer	0	(71)	(134)	(205)
R		Housing Services	Director of Environment and Neighbourhoods	(57)	(2,891)	3,294	346
G		General Fund Support Services	Chief Officer Resources and Strategy	(116)	50	0	(66)
G		Waste Management	Chief Environmental Services Officer	(301)	(229)	(94)	(624)
R		Total		690	(2,469)	3,763	1,984

ENVIRONMENT & NEIGHBOURHOODS: 2010/11 BUDGET – PERIOD 3 REPORT

1.0 Introduction

This report sets out the financial position for Environment and Neighbourhoods Directorate for Period 3.

2.0 Overall Summary

The period 3 position for Environment and Neighbourhoods Directorate projects an overspend of £1.98m. This projection reflects actions identified to address the in year reductions in both Area Based grant and LPSA2 reward grant.

3.0 Explanation of the Projected Overspend

Neighbourhoods and Housing Services are projecting an overall variation of £1.056m, with the impact of reductions in Area Based grant, and LPSA2 grant (£1m) being addressed through a combination of the utilisation of other funding sources and the identification of efficiency savings.

Staffing variations of £1.3m largely reflect a combination of grant fallout in 2010/11, the costs associated with staff who are currently in managing workforce change and the implementation of a redesigned Jobs and Skills service within the Regeneration Division.

Income reductions of £0.40m largely relate to a reduction in the level of grant receivable in the Jobs and Skills service.

The Leeds Asylum Service has received notification from the Regional Migration Team that UK Borders & Immigration Agency (UKBIA) will reduce the number of asylum seekers in the current contract. As a result of this decision income is forecast to reduce by £0.989m which is partially offset by savings on running costs of £0.576m. Further, UKBIA have also terminated the Hillside Induction Contract from 1 October, the half year effect of this is a net loss of income of £0.203m.

These pressures are partially offset by the identification of expenditure for which is more appropriate to charge to the Housing Revenue Account (£0.5m), whilst a review of all items of expenditure has targeted further savings of £0.345m across all services.

Through a combination of identified efficiencies, combined with a higher level of voids with the subsequent reduction in payments to providers, an underspend of £0.5m on the Supporting People grant is projected.

Following the withdrawal of and the cessation of previously ring fenced grants to the Safer Leeds partnership, it is been determined that it is more appropriate that the partnership be fully integrated into Community Safety function so that the Chief Officer for Community Safety will now have full responsibility for the integrated service.

Within Environmental Services an overspend of £0.928m is forecast.

Staffing projections (excluding grant fallout) across the Division indicate a saving of £0.6m achieved. However potential costs resulting from the implementation of equal pay within Streetscene Services are estimated at £0.2m after the utilisation of contingency.

The delivery of the Streetscene Change Programme has been impacted upon by the fact that the process for the delivery of the identified efficiency savings has proved to be complex and this has resulted in a variation of £0.6m when compared to the targeted level of saving. However as a result of this, the full year savings are now anticipated to increase to £2.4m from the £2m originally projected.

Ongoing increased fuel prices across Streetscene are estimated at £0.2m.

The loss of £1.2m LPSA2 grant has been partially offset by a retraction of resources utilised of £0.4m and alternative funding is being sought for £0.5m, leaving a budget pressure of £0.3m.

Car parking income is projected to be £1.0m lower than the budget and this is largely as a result of reduced patronage of car parks and a reduction in the number of parking offences. The implementation of bus lane enforcement in the City Centre is now scheduled for January 2011.

After a review of all running costs across the division, including waste disposal costs, savings of £0.6m have been identified. Additional income of £0.1m is estimated from the increased price of recycled scrap metal and glass.

Housing Revenue Account (HRA)

At the end of Period 3 the HRA is projecting a surplus of £129k.

Void levels for the first three months are lower than budgeted which if maintained will generate additional rental income (£1,069k). This income will be paid over to the ALMOs as additional incentive payments. The increase in income, due to a reduction in the number of void properties, is partially offset by Right to Buy (RTB) sales for 2009/10 being higher than anticipated.

Current projections are that 114 properties will be sold in 2010/11, which is 23 more than in 2009/10, which will further reduce the amount of rental income. To the end of June 2010 there were 16 completions

Property Services are currently projecting a shortfall in fee income from the ALMOs (£137k) although it is envisaged that this will be partially offset by increased income from other sources. The projected costs associated with downsizing the service to match future workloads will continue to be met from the earmarked reserve set aside for this purpose.

The increase in pass through costs and the need to meet the cost of access refusals in relation to the Swarcliffe PFI scheme will be funded from the Sinking Fund (£225k). In addition, the cost of environmental works (£180k) will be funded from a reserve set up in previous years for this purpose.

There are projected savings of £218k on salaries and wages, primarily due to posts being held vacant and a number of additional officers taking early retirement at the end of March 2010.

At Quarter 1 a review of the position in respect of the contribution to the bad debt provision indicates a saving of £94k.

Reporting Period June 2010

Financial Year 2010/11

Directorate Resources

Traffic Light	Service	Chief Officer	(Under) / Over Spend for the current period			
			Staffing £000	Other Expenditure £000	Income £000	Total (Under) Overspend £000
G	Financial Management	Chief Officer Financial Management	17	(5)	(11)	1
G	Business Support Centre	Chief Officer Financial Management	(69)	(16)	(20)	(105)
G	Financial Development	Chief Officer Financial Development	(87)	12	(9)	(84)
G	Cost of Collection	Chief Revenues and Benefits Officer	0	(14)	0	(14)
R	Revenue Services	Chief Revenues and Benefits Officer	87	78	12	177
G	Benefits Service	Chief Revenues and Benefits Officer	(187)	(6)	0	(193)
G	Student Support	Chief Revenues and Benefits Officer	(113)	(8)	0	(121)
G	Housing Benefit	Chief Revenues and Benefits Officer	0	(248)	0	(248)
G	Information Technology	Chief ICT Officer	(546)	398	26	(121)
G	Human Resources	Chief Officer HR	(391)	213	60	(117)
G	Audit & Risk	Chief Officer Audit and Risk	(335)	(23)	33	(325)
R	Support Services and Directorate	Chief Officer Resources and Strategy	113	2	0	115
R	Public Private Partnership Unit	Chief Officer PPPU	(111)	(33)	224	80
G	Corporate Property Management	Chief Officer CPM	(113)	(206)	223	(97)
G	Commercial Services	Chief Officer Commercial Services	(373)	226	116	(31)
G	Commercial Services Trading	Chief Officer Commercial Services	461	514	(1,475)	(500)
G	Total		(1,645)	882	(819)	(1,583)

Reporting Period June 2010

Financial Year 2010/11

Directorate Corporate Governance

Traffic Light	Service	Chief Officer	(Under) / Over Spend for the current period			
			Staffing £000	Other Expenditure £000	Income £000	Total (Under) Overspend £000
G	Legal, Licensing and Registration	Chief Legal Services Officer	(256)	106	(200)	(350)
A	Democratic Services	Chief Democratic Services Officer	15	19	7	40
G	Procurement	Chief Procurement Officer	127	12	(136)	2
G	Total		(115)	137	(330)	(308)

Reporting Period June 2010

Financial Year 2010/11

Directorate Planning, Policy and Improvement

Traffic Light	Service	Chief Officer	(Under) / Over Spend for the current period			
			Staffing £000	Other Expenditure £000	Income £000	Total (Under) Overspend £000
R	Executive Support	Assistant Chief Executive	32	42	(64)	10
G	Customer Services	Chief Officer Customer Services	124	(280)	146	(10)
G	Leeds Initiative & Partnerships	Chief Officer LIP	90	(65)	(116)	(90)
R	Business Transformation	Chief Officer Business Transformation	(165)	(111)	430	154
G	PPI Management & Support	Assistant Chief Executive	(21)	(163)	6	(178)
G	Total		60	(577)	402	(115)

CENTRAL AND CORPORATE FUNCTIONS: 2010/11 BUDGET – MONTH 3

1.0 Introduction

This report sets out the financial position for Central and Corporate Functions for period 3 of 2010/11.

2.0 Overall Summary

The year end projection shows an overall underspend of £2m.

3.0 Explanation of the projected underspend

Resources (£1,584k underspend)

The main elements of the savings action plan are:

- Pay savings of £1,266k mainly through non-filling of vacancies
- Savings on running costs of £638k, mainly within Commercial Services
- Review of Housing Benefits overpayments bad debt provision: £200k
- Offset by a net reduction of income to PPPU of £224k

Commercial Services and Corporate Property Management have also identified savings totaling £750k that will be passed though to internal clients. Also, PPPU charges to clients are projected to be £281k less than the Original Estimate.

In addition an amount of £177k will be brought into the revenue account from the 'PPPU staff retention' reserve as this will no longer be required. This is a one-off gain.

Unfortunately the £270k reduction in external audit fee is not now expected. KPMG have currently advised that next year's fee will reduce by £24k although discussions are ongoing.

Within ICT, a shortfall in the budgeted savings of conversion of DEL lines of £348k is offset by pay savings of £546k.

Planning, Policy and Improvement (£115k underspend)

The service is projecting an overall underspend of £115k due to action plan savings - the main elements being:

- Reduction of 'About Leeds' from 4 to 2 editions, stop residents survey follow up, BT and Yellow Pages ads and other consultation work (£109k)
- Customer Services, £143k, mainly staffing savings
- Reduction in 'grant' to Marketing Leeds (£50k)
- Leeds Initiative and Partnership running costs (£30k)

Corporate Governance (£308k underspend)

The £308k projected underspend is largely as a result of the savings action plan of £30k from Democratic Services running costs plus various initiatives within Legal Services amounting to £200k. The remaining £78k is a combination of other variations, both underspends on running costs and additional income.

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APPENDIX 2 NOT FOR PUBLICATION

Exempt/Confidential under Rule 10.4 (3)

Report of the Director of Resources

Executive Board

Date: 25th August 2010

Subject: REDUCTIONS IN GRANTS - IMPLICATIONS FOR SERVICES

Electoral Wards Affected:

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

X

Not Eligible for Call In

(Details contained in the report)

EXECUTIVE SUMMARY

As part of the Government's accelerated deficit reduction plan, details of reductions in grants to Local Authorities totaling £1.166 billion in the current financial year were announced on the 10th June 2010ⁱ.

As reported to members on 22nd June 2010, there is a significant impact on the Council and the latest position is a reduction in revenue grants of £15.0m. The impact on capital grants is £10.2m, which is the subject of a separate report on this agenda.

This report outlines proposals from directorates on how the reductions are to be dealt with although there is still a funding gap of £1.5m. The impact of this gap is reflected in the first quarter financial health report which is a separate item on this agenda.

1.0 Purpose of this report

- 1.1 As reported to the Board on the 22nd June, as part of the Government's accelerated deficit reduction plan, details of reductions in grants to Local Authorities totaling £1.166 billion in the current financial year were announced on the 10th June 2010ⁱ.
- 1.2 The purpose of this report is to provide details of the reductions in grants for Leeds and proposals to deal with these.
- 1.3 This report contains information relating to the financial or business affairs of third parties and also contains information which is subject to ongoing negotiations. As such the release of information would be likely to prejudice the interest of all the parties concerned. Whilst there may be a public interest in disclosure, in all the circumstances of the case maintaining the exemption is considered to outweigh the public interest in disclosing this information at this time. It is therefore considered that Appendix 2 should be treated as exempt under Rule 10.4 (3) of the Access to Information Procedure Rules.

2. Impact of Grant Reductions

- 2.1 As previously reported, the impact of the Government announcement was to reduce the level of specific revenue grants to Leeds by £15.0m as follows:-

Area Based Grants	£m
Department for Education	5.089
Home Office	0.100
Supporting People	0.393
LEGI	0.912
Prevent	0.084
Road Safety Revenue	0.841
Sub Total ABG	7.419
Other Grants	
Housing Planning Delivery Grant	0.900
Free Swimming Grant	0.413
LABGI	0.628
Children's Services	0.349
Education	1.854
LPSA2 Reward Grant	3.482
Total	15.045

- 2.2 The scale of these grant reductions and the fact that they have been notified part way through the year does present the Council with a significant difficulty in managing them. Directorates were tasked with bringing forward proposals for dealing with the reductions and these are discussed below. It should be noted that it has not been possible to identify savings to the equivalent scale of the grant reductions and also that the proposals that have been put forward are not without risk.

3. Proposals

3.1 Appendix 1 provides details of directorate proposals for dealing with the reduction in grants shown above and Appendix 2 summarises the impact on external providers.

3.2 Area Based Grant

3.2.1 Area Based Grants (ABG) are not ringfenced and can be used by the Council as it sees fit. The total allocation for 2010/11 is £73.5m and these sums have been allocated to projects and approved by Council as part of the 2010/11 budget.

3.2.2 Children's Services - £21.323m was allocated to Children's Services of which £5.061m has been cut. The Directorate has identified proposals for £4.8m of savings to reduce the gap. This leaves £0.25m of schemes unfunded.

3.2.3 Within Environment and Neighbourhoods, whilst the Supporting People initiative has not been cut, the whole of the administration grant of £0.393m has, and it is proposed to contain this within the main Supporting People funding of £31.981m by identifying efficiency savings. Other ABG schemes total £1.455m and this can be managed or alternative funding found, with the exception of £0.015m for Respect – task force.

3.2.4 City development has two schemes within the ABG - £3.9m of the Local Enterprise Growth Scheme and an allocation of £3.157m for Road Safety throughout West Yorkshire. The LEGI programme has now been reviewed and all planned projects will still operate in 2010/11 but at a reduced level. The West Yorkshire Road Safety reduction of £841k will be managed by reducing spend on road safety initiatives. The Leeds element of this is £282k.

3.3 Other Revenue Grants – LPSA 2 performance reward grant

3.3.1 The Leeds reward grant, for targets achieved between 2006 and 2009, was agreed at £13m by the previous government, of which 50% was revenue and 50% capital. CLG have now confirmed that authorities will receive only 50% of the value of any targets achieved, so Leeds will now receive £6.5m.

3.3.2 The Council's 2010/11 revenue base budget includes £1.532m within Environment & Neighbourhoods, mainly supporting schemes previously funded by NRF. The directorate has identified proposals to address £1.167m of this pressure.

3.3.3 Around £2m has been allocated to partners within the LAA, many of whom contributed significantly to achieving the agreed targets that helped to earn the Reward Grant. Of this, £938k was the subject of a bidding process co-ordinated through the Public Sector Resources Partnership Group to provide funding for innovation and challenge schemes. However, no funding agreements were signed for these schemes and it is proposed that these schemes will not now be supported.

3.3.4 Of the remaining £1m, proposals totaling £0.783m have been identified to mitigate the loss of funding.

3.4 Other Revenue Grants - Other

3.4.1 Housing and Planning Delivery Grant was included in the 2010/11 budget at £0.9m, although no formal notification had been received from Government. This grant has

now been abolished and the shortfall will be managed within City Development's overall budget, including reducing highway maintenance which had already been enhanced by additional grant earlier in the year.

- 3.4.2 The Free Swimming grant of £0.619m came to an end 31st July 2010, giving a reduction for the year of £0.413m. Although the service plans to reintroduce charges to mitigate this reduction, there is expected to be a net cost of £0.15m which is currently unfunded.
- 3.4.3 The Local Authority Business Growth Incentive Scheme (LABGI) funding was assumed in the budget at £0.5m, although the Council was subsequently notified that the allocation for the year would be £0.628m. This grant has now been abolished, and will now be a pressure of £0.5m on the Council's overall bottom line.
- 3.4.4 Nursery Education Pathfinder Grant of £0.153m is to be managed by reducing funding to early education providers, and Buddying and Playbuilder grants of £0.178m and £0.018m respectively are to be dealt with by ceasing programmed spend.
- 3.4.5 Specific Education grant reductions of £1.854m are to be managed by reducing programmed spend.

4. Conclusion

- 4.1 There remains £1.5m of revenue spending supported by grants which have now been cut and the impact of this is reflected in the first quarter financial health report.

5. Recommendation

- 5.1 Members are requested to approve the following virements in respect of the in year reductions in grant as detailed at paragraph 2.1:

- a virement from the Strategic budget to services to reflect the reductions in Area Based Grant and the LPSA2 Reward grant which are held centrally;
- a virement within City Development directorate to reflect the loss of Housing and Planning Delivery Grant and Free Swimming grant;
- a virement within Children's Services in respect of Nursery Education Pathfinder Grant, Buddying, Playbuilder, Training and Development Agency, Contact Point, Harnessing technology and Local Delivery Support grants.

and

- the reductions in expenditure/additional income as detailed in Appendix 1.
- 5.2 Members are also requested to note the proposed reductions in payments to external providers detailed at Appendix 2. Decisions will be taken by officers under delegated powers in consultation with the appropriate Executive Members when negotiations have been concluded.

Background Documents

ⁱ 'Local Government's Contribution to £6.2bn efficiencies in 2010-11', Letter from DCLG to Local Authority Chief Executives, 10th June 2010.

Proposed Actions for dealing with grant fall out - 2010-11

Appendix 1

Service	Grant	BUDGET 2010-11	Reduction	Proposed Saving	Proposed Action	Revised Pressure
		£	£	£		
Area Based Grant						
Community safety	Crime Reduction, Drugs Strategy and Anti-Social Behaviour (SSCF)	937,163	73,000	(73,000)	Service to continue. SSCF funding will be re-directed to fund the Business Development Manager and an application for £10k will be made to the Joint Commissioning Group for funding for the Chief Officer Drugs from the Safer Leeds Drugs Budget	-
Community safety	Respect - Youth Task Force	230,000	55,200	(40,200)	Service reduction. Contribution of £9k to the Needle-picking service will not now be made. This will be absorbed within Streetscene Services. Activities such as delivering burglary and personal safety advice to all new students during freshers week will cease as will the parking meet and greet scheme which provides crime reduction advice in city centre car parks to Christmas shoppers. Discussions will take place with the universities on a plan to mitigate this funding reduction. Taxi Marshalling (£15k) throughout the Christmas and New Year period will remain.	15,000
Regen	Preventing Extremism	287,830	84,000	(84,000)	Service to continue. Other funding sources have been secured to replace this reduction in funding. These include West Yorkshire Police, the Home Office and CLG.	-
housing	Supporting People Administration	392,752	392,752	(392,752)	Service to continue. Savings to compensate for these reductions have been identified through efficiencies and a higher level of voids.	-
total E&N		1,847,745	604,952	(589,952)		15,000
IYSS	Connexions	6,529,178	1,987,011	(1,987,011)	There is a detailed strategy in place to review all contracts and funding agreements across in-house, private and voluntary sectors to reduce overall cost in line with the budget reductions and also to prioritise resources toward the targeted & specialist provision. Whilst there is a strategy and implementation plan in place, the scale of the reductions mean that this will be challenging to implement in full in 2010/11. The impact/risk will be against the NEET/Not known figures although this will be mitigated by focussing the remaining funding on the targeted & specialist provision. LCC still has a statutory responsibility for universal advice & guidance. In addition, the budget strategy recognises the removal of the ring-fence on the Youth Opportunities Fund.	-
IYSS	Positive Activities for Young People	1,750,036				-
CYPSC	Care Matters	889,705	213,529	(223,059)	Detailed proposals are being worked up to reduce 2010/11 spending plans in respect of personal tuition for Looked After Children, although alternatives that have less impact on vulnerable groups are being evaluated.	9,530
CYPSC	Designated Teacher Funding	39,708	9,530		see care matters above	9,530
CYPSC	Child Trust Fund	32,158	7,718	(25,000)	It is proposed to cease this function. There is a requirement to top-up Child Trust Funds for LAC. Given that other local authorities have never put this in place, the risk/impact is minimal	(17,282)
CYPSC	Children's Social Care workforce	226,279	54,307		Budget funds recharge from in-house team (Employee Development Unit) - no specific savings proposals identified at period 3, although all opportunities will be explored to reduce costs in line with the budget reductions.	54,307
DCS	LSC Staff Transfer (Special Purpose Grant)	597,293	143,350	(50,000)	Minimal risk. Savings will be delivered against the staffing budget (minor impact on running costs). Other options will be explored to deliver the £93k remaining budget shortfall.	93,350
DCS	Teenage Pregnancy Support	448,000	107,520	(60,000)	Minimal risk. Savings will be delivered via reductions in the TP commissioning programme. Other options will be explored to deliver the £48k budget shortfall.	47,520
DCS	Child Death Review Cases	95,823	22,998		No specific savings proposals have been identified at period 3, although the service is working on options to reduce costs in line with the budget reductions.	22,998
YOS	Substance Misuse	95,835	23,000		No specific savings proposals have been identified at period 3, although the service is working on options to reduce costs in line with the budget reductions.	23,000
Early Years	Children's Fund	2,092,599	502,224	(502,224)	There is a detailed plan to review and reduce all Early Years & Leeds Children's Fund grants and contracts, across both internal and externally provided services, in order to deliver the £0.5m budget reduction in 2010/11.	-
City Dev	School Travel Advisers	84,000	20,160	(20,160)	The budget is mostly staffing but the service will reduce running costs where possible and manage the rest of the reduction from other operational budgets.	-
City Dev	Sustainable Travel - General Duty	51,222	12,293	(12,293)	The budget is mostly staffing but the service will reduce running costs where possible and manage the rest of the reduction from other operational budgets.	-
Education Leeds	Various - includes National Strategies, school Development and Intervention, Extended Services and School Improvement Partners	8,043,696	1,930,487	(1,930,487)	Vacant posts across all EL services, reduce running costs, reduce provision for Soulbury pay award. Freeze filling of non-critical posts and restricting non-essential spend. A £1.9m variation to the Education Leeds contract will be made to reflect the reduction in funding.	-
Total DfE Grants		20,975,532	5,034,127	(4,810,234)		223,893
Home Office Grants - CYPSC	Substance Misuse	347,660	27,000			27,000
Total Children's		21,323,192	5,061,127	(4,810,234)		250,893
Economic Services	LEGI	3,900,000	912,000	(912,000)	Agreement has now been reached with all projects to manage this reduction from the current in year programme. Individual project budgets have been reduced but all planned projects will still operate in 2010/11 but at reduced levels.	-
Highways	Road Safety (West Yorkshire Total)	3,156,695	841,000	(841,000)	This is a grant for all West Yorkshire districts (£3,156.7m). All the districts contribute to a road safety district partnership and the impact of the cut will be to reduce spend on road safety initiatives in the sum of £841k in total.	-
Total City Development		7,056,695	1,753,000	(1,753,000)		-
Total Area Based Grant		30,227,632	7,419,079	(7,153,186)		265,893

Service	Grant	BUDGET 2010-11	Reduction	Proposed Saving	Proposed Action	Revised Pressure
		£	£	£		
Other Grants						
Planning	Housing Planning Delivery Grant	900,000	900,000	(900,000)	Although no formal announcement for 2010/11 the budget provided for £900k based on announcements regarding the size of the national pot. This pot has now been abolished. The loss of grant will be managed by savings options put forward by the directorate. These include reducing spend on highway maintenance which had already been enhanced by additional grant earlier in the year.	-
Sport and Active Recreation	Free Swimming Grant	619,000	413,000	(263,000)	The free swimming grant will end on 31.7.10. The service will re-introduce charges for over 60s from 1 August but charges for under 16s will not be re-introduced until 1 September. There will be a net cost of approximately £150k which will need to be funded by saving options currently being looked at by the directorate.	150,000
Strategic	Local Authority Business growth incentive scheme	628,000	628,000	(128,000)	The budget provided for £500k based on the national pot. The Council received formal notification of an increase to £628k. However this grant has now been abolished. As this is a strategic budget the shortfall will have to be met from within overall council resources.	500,000
Education Leeds	TDA Grant - School Support Staff Training	242,000	242,000	(242,000)	Grant funded training for school support staff to cease.	-
Education Leeds	TDA Grant - Workforce Reform	180,000	65,000	(65,000)	Staff to be redeployed. (Nov 2010)	-
Education Leeds	Contact Point	244,000	142,000	(142,000)	Staff to be redeployed. (Aug 2010)	-
Education Leeds	Harnessing technology (Standards Fund)	652,000	326,000	(326,000)	Renegotiate contract with external provider, scale back Leeds Learning Network development work, reduce support for Primary Capital & Basic Need Schools.	-
Schools	Harnessing technology (Standards Fund)	1,958,000	979,000	(979,000)	Schools already notified of devolved grant reduction.	-
Schools, Colleges and Education Leeds	Local Delivery Support Grant	472,000	100,000	(100,000)	Reduction in funding for Schools, Colleges and Education Leeds to support the delivery of diplomas	-
Children's	Nursery Ed Pathfinder Grant (Standards fund)		153,000	(153,000)	Reduced funding to early education providers, including schools, children's centres and other providers	-
Children's	Buddying		178,000	(178,000)	Programme stopped	-
Children's	Playbuilder		18,000	(18,000)	Programme stopped	-
Sub-Total Other Grants		5,895,000	4,144,000	(3,494,000)		650,000
LPSA2 Reward Grant						
Innovation Schemes						
Voluntary Sector		938,287	938,287	(938,287)	This element of the reward grant was the subject of a bidding process co-ordinated through the Public Sector Resources Partnership Group. £938k was allocated to innovation and challenge schemes, although no funding agreements have been signed. These schemes will not now be supported (see Appendix 2)	-
Sustaining High Performance/Not on Track						
E&N	Fire Service	55,584	55,584	(55,584)	Grant stopped. This element of the reward grant was to be used to second a police officer to the fire service. However the secondment process has been delayed and it is proposed not to progress the scheme.	-
EL	Healthy Schools	150,000	150,000	(150,000)	Funding was to be devolved to 75 schools in the most deprived areas of the city in order to help them achieve the Healthy School Standard which focuses on teenage pregnancy, obesity, emotional health, alcohol/drugs/tobacco. These schools have proved particularly difficult to engage with and this funding was to provide them with the incentive to kick-start the process.	-
Children's	Youth Offending Service	60,249	60,249	0	No specific proposals but hoped to be achieved by youth justice workers staff turnover	60,249
E&N	Domestic Violence	51,850	51,850	(51,850)	Service to continue. Alternative funding identified within the Safer Leeds Partnership.	-
EL	Improving Attendance - Pupil Referral Unit/WY Police Safer Schools Police officer	43,552	43,552	0	The implication of not receiving this funding means that the project would be unable to go ahead. This in turn would impact on the prevention and reduction of fixed term exclusions across the city. In addition considerable value for money would be lost in respect of cost of custody and exclusion per pupil head.	43,552
E&N	Worklessness	250,000	250,000	(250,000)	Service reduction. This funded the 4Families project which provided support to families who are in the 4 worst areas for benefit dependency. This scheme has now ceased. The results of the pilot are being considered in an overall review of family support services.	-
Children's	NEET	200,000	200,000	(176,000)	Programme stopped	24,000
Children's	Safeguarding	200,000	200,000	(100,000)	Initial proposal to utilise LPSA reward funding to support 3 projects - workforce development/training to support the development of an integrated service for looked after children (£50k), project management to develop pathways into employment (£30k) and a Family Group Conferencing (FGC) pilot aimed at reducing the need for children to come into care (£120k). Only the Family Group Conferencing scheme will now proceed and budget resource will need to be re-prioritised from elsewhere within the service.	100,000
Base Budget						
Jobs and Skills	Leeds Incapacity employment project - Area Ambassadors	22,320	22,320		Service to continue.	22,320
Jobs and Skills	Jobstart	31,360	31,360		Service to continue.	31,360
Community Safety	PCSOs	51,350	51,350	(51,350)	Service to continue. Total spend is £1465k which contributes towards the costs of 170 PCSOs. Leeds City Council match fund the Police Community Support Officers to work as part of Ward based Neighbourhood Policing Teams. PCSOs are employed by West Yorkshire Police. Shortfall in funding means redirecting SSCF resources that were earmarked to support priority areas.	-
Community Safety	CCTV - Leedswatch Local and Mobile CCTV vans	192,280	192,280	(192,280)	Service to continue. £50k has been identified from within the Community Safety budget. The balance, £142k, is funded by redirecting SSCF resources.	-
HEAS	Empty Property team	49,500	49,500	0	Service to continue	49,500
HEAS	Out of Hours Noise Service	100,000	100,000	0	Service to continue	100,000
HEAS	Community Enforcement officers	293,100	293,100	(293,100)	No reduction in service. Alternative funding to be sought.	-
HEAS	Contribution to seconded police officer	10,000	10,000	(10,000)	Post Vacant	-
Environmental Services	Bin Yards	115,120	115,120	(54,490)	Additional funding identified but the balance is a pressure to the service.	60,630
Environmental Services	Graffiti Teams	102,380	102,380	0	This is a budget pressure to the service.	102,380
Environmental Services	INM Street Cleansing	565,510	565,510	(565,510)	Service Reduction;- Budget provision of £250k has been realigned to the Street Cleansing service from central contingency to partially offset the loss of grant. The loss of the remaining balance has meant a reduction of 23 operatives in the service (non LCC employees). The service is revising its operations to mitigate some of the impact, but inevitably there will be some reductions in service.	-
Total LPSA Reward Grant		3,482,442	3,482,442	(2,888,451)		593,991
Grand Total		39,605,074	15,045,521	(13,535,637)		1,509,884

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Originator: Maureen Taylor

Tel: 74234

Report of the Director of Resources

Executive Board

Date: 25th August 2010

Subject: Capital Programme Update 2010-2014

Electoral Wards Affected:

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality & Diversity

Community Cohesion

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 latest capital programme position for both the general fund and housing. During the first quarter of 2010/11, announcements on Government cuts and clawback of grants have resulted in reductions to the programme.
2. Following Executive Board in February 2010, a detailed programme of vehicle replacements has been drawn up and a similar programme for equipment replacements is in progress.
3. A review of all Leeds funded capital schemes has commenced with a view to reducing borrowing costs. The outcome of this will be reported to Executive Board at a later date.

1.0 Purpose Of This Report

- 1.1 To provide Members with an updated financial position on the 2010 – 2014 Capital Programme. The report sets out the implications of the recent cuts to capital grants announced by central government and reports on a review of uncommitted schemes which has taken place.
- 1.2 The report also includes details of a small number of capital projects for which specific approvals are sought.

2.0 Background Information

- 2.1 The Capital Programme 2009/10 – 2013/14, approved by Council in February 2010, projected expenditure of £1,105.5m from 2009/10 to 2013/14. General Fund overprogramming over that period of £40.2m was assumed, which whilst higher than the previous year was considered to be manageable. The position approved in February also included a reserved programme of £49m which can only be progressed if additional resources become available.
- 2.2 Since June 2010 the new coalition government have announced a number of in year capital grant cuts which for Leeds currently total £10.1m. The resources available to local authorities over the coming four years will become clearer in the Comprehensive Spending Review to be announced on 20th October 2010 but indications are that reductions of 25% over the period could be expected.
- 2.3 In addition to cuts in grants funding specific capital projects and programmes, the reductions in revenue grant are expected to be significant. Many of our schemes are funded through borrowing, the costs for which are met by the Council. In view of the expected reductions in revenue resources going forward a review has commenced of all uncommitted projects funded by the Council and this is further described in section 3.4.
- 2.4 In February 2010 it was reported that detailed work was to take place on the vehicle and equipment programmes and progress on this is set out in section 3.2.

3.0 Main Issues

3.1 Changes to Capital Funding 2010/11

- 3.1.1 As part of the £6bn government cuts package announced in early June, £6.53m of capital grant due to be received in 2010/11 was cut. Since this, further grant reductions and clawbacks have been instigated by Government departments. A summary of the latest position is shown in Table 1.

Table 1 – Cuts in Capital Funding 2010/11

Grant Area	£m
Integrated Transport Block	1.95
Primary Route Network funding	1.06
Road Safety Capital (note 1)	0.27
Additional Regional Transport Funding (see para 3.1.3)	
LAA Reward Grant	3.25
Extended Services Grant (54% reduction)	0.35
Children's Centres and Quality & Access Grants – subject to review and awaiting confirmation of reduction	
Youth Capital Grant (50% reduction)	0.21
Youth Hub funding (My Place DfE Big Lottery funding, clawback of the uncommitted balance)	1.15

'Pot 4' Free Swimming Grant (Aireborough & Kirkstall)	1.91
Total confirmed funding cuts /clawback to date:	10.15

Note 1: £0.7m cut for West Yorkshire, Leeds element is £265k

- 3.1.2 Consideration has been given to the impact these reductions will have on the highways and transportation capital plans. Slippage in earlier years on the Integrated Transport Block meant that resources of £2.8m had already been slipped back to later years. To compensate for the reductions above, £1.4m of this slippage has now been brought forward to 2010/11 which will bring the 2010/11 programme of works back on track. In terms of the Primary Route Network, the cut in grant means that some elements of the programme will need to be deferred to later years.
- 3.1.3 During 2009, the Regional Transport Board agreed to devolve part of the regional budget down to authorities by means of a 20% uplift to Local Transport Plan funding, in order to partly address an underspend on the Regional Budget. The first instalment of £10.983m in 2009/10 was paid directly to authorities and Leeds received £2.957m. For 2010/11 and 2011/12 the remaining £24.272m was allocated to the WY Integrated Transport Authority and prioritised for a programme of 'reserve' schemes which had not previously secured funding from the RTB. Of this funding £4m was to be allocated to the Leeds Inner Ring Road Tunnel in 2011/12 (no funding was allocated to Leeds in 2010/11). As part of the government reductions, this uplift funding has been reduced by 50% and the WY Local Transport Partnership will need to discuss how this reduction will impact on individual planned projects. It should be noted that £2m of the work on the Leeds Inner Ring Road Tunnel is considered essential for safety reasons.
- 3.1.4 In addition to the reductions above, Government have announced that for some grants the ringfence has been removed. Table 2 shows the balance of the uncommitted element of these grants. By removing the ringfence, there is now scope to use these grants for other priorities.

Table 2 Un-ringfenced Grants

Grant Description	Balance still uncommitted £000
Fair Play Playbuilders	600.0
Capital Investment for Transformation in Adult Social Care	426.0
Social Care IT Infrastructure	241.0
Detrunking	745.0
Total Unringfenced grants	2012.0

It should be noted that subsequent to the announcement of the ring fence being removed from Fair Play Playbuilder grant, the DfE on 15 July 2010 instructed all authorities not to commit any further Playbuilder funding until further guidance is issued .

3.2 Vehicle and Equipment Programmes 2010/11

- 3.2.1 In February 2010 it was reported that detailed work was to take place on the vehicle and equipment programmes with a view to extending the life of assets and thereby reducing the cost of these programmes. In relation to vehicles, a detailed review has taken place of service operational requirements, fuel and maintenance costs and developments in safety and environmental impacts and operational requirements, to arrive at a recommended vehicle replacement programme for 2010/11. Due to the

need to provide the vehicles necessary to support business needs, this replacement programme, totalling £3.051m has commenced. Any proposals for new vehicles will require a business case to be considered and funding to be identified before purchase.

- 3.2.2 Similarly, a review has commenced of the equipment programme to determine priorities for equipment purchases and replacements. This work is still in progress but £3.138m of equipment purchases have been approved to date. Business cases are being assessed to determine priorities for allocating the remaining provision and it is anticipated that priorities will be contained within the budget level set in February.

3.3 Capital Programme Resources Position

- 3.3.1 The capital grant cuts shown in Table 1 have now been substantially reflected in the General Fund capital programme. For 2010/11 the forecast capital spend stands at £344.2m with forecast resources of £325.2m leaving overprogramming of £19m. Over the 4 year period to 2013/14, forecast capital spend stands at £699m with forecast resources of £647.9m leaving overprogramming of £51.1m.
- 3.3.2 To fund the current capital programme (excluding overprogramming) will require unsupported borrowing of £215.7m, the cost of which is met by the Council. As referred to in paragraph 3.4, a review has commenced of all uncommitted Leeds funded schemes with a view to making reductions to save borrowing costs and this process is explained further below.
- 3.3.3 For the Housing Revenue Account, forecast spend in 2010/11 stands at £73.9m with resources of £65.6m leaving overprogramming of £8.3m. Over the 4 year period to 2013/14, spend of £181.1m is forecast with resources of £163m leaving overprogramming of £18.1m.

3.4 Review of General Fund Uncommitted Schemes

- 3.4.1 Many of the schemes funded wholly or partly by the Council are funded from borrowing, the costs of which fall to the revenue budget. Each £1m of capital spend results in annual borrowing costs of £85k. Reducing capital schemes funded by borrowing will save money in the revenue budget and in light of the expected reductions to revenue funding in future years a review has commenced of all uncommitted Leeds funded schemes. In addition, any projects seeking to utilise the now un-ringfenced grants shown in Table 2 are also preparing business cases for consideration.
- 3.4.2 To focus this review it was necessary to determine some high level priority areas and these are:
- **Invest to Save** – does the scheme save revenue costs in the future or generate additional income? Is the business case robust?
 - **Avoidance of Future Costs** – does the investment mean that costs will be avoided in future?
 - **Protecting our assets** – does the investment protect our existing assets and/or meet compliance/regulatory requirements
 - **Adult and Children's Social Care** - Following the principles above in terms of sound business case, does the investment support improvements in Adult or Children's Social Care?

- **Environmental Impacts** – Does the investment reduce energy costs and/or carbon emissions?

3.4.3 A group of Chief Officers across the Council are re-considering business cases and proposals for all the schemes in relation to the above priorities. The group will consider how existing schemes meet the above priorities, whether business cases and proposals are well defined and robust, whether the current scope of projects is appropriate and necessary and whether schemes could be deferred to a later date. Recommendations from the group will be drawn up and reported to Executive Board at a later date. In the meantime, all projects are on hold.

3.5 Specific Project Issues

3.5.1 **Relocation of services to Adams Court** – Education services currently carried out at sites at Blenheim and Elmete are due to relocate to Adams Court from October 2010 onwards; this will free up the Elmete site for disposal. Some works need to be carried out at Adams Court to facilitate this move and these are funded from unsupported borrowing the cost of which will be met by the savings from the two sites vacated. Refurbishment and relocation costs of £300k are anticipated and approval is sought to these works.

3.5.2 **City Card Leisure and Arts** - In light of the constraints placed on the capital programme this project is no longer considered a priority and it is proposed to remove the scheme from the capital programme resulting in a saving of £1.3m.

3.5.3 **Home Insulation Scheme** – The Council is working towards drawing up proposals for the introduction of a Home Insulation scheme within the city. To commence an initial phase of this it is proposed to make available the funding released from the above project.

3.5.4 **Fire Risk in Adult Social Care (ASC) buildings** – There is currently £1.7m funding remaining on this scheme that will not be required in full to address fire risk issues in ASC buildings. The Chief Officer, Corporate Property Management is therefore seeking amendment to the original £3.1m funding approval given by Executive Board as part of the February 2008 Capital Programme report, to enable this funding to be used to address fire safety issues in all the Council's operational buildings wherever those risks are identified. Individual schemes making a call on this funding will require the requisite financial approvals to be obtained.

3.6 Housing Capital Programme

3.6.1 The approved February 2010 Capital Programme reported an overall HRA programme of £235.4m for 2009/10 through to 2013; this included an additional programme of £16.4m for which resources were not available. The 2010/11 programme approved in February 2010 was £64.9m (gross, including £2.2m overprogramming); by comparison the 2009/10 outturn position was £54.1m.

3.6.2 The reduction in the overall value of the ALMO programmes for 2010/11 and the forward years reflects 2008/09 having been the final year in which the government provided funding to the ALMOs via supported borrowing in order to progress to all HRA properties meeting Decency standards by March 2011. The ALMOs are now reliant on their annual Major Repairs Allowance (MRA) grant funding as their main source of funds for tackling Decency.

3.6.3 In addition on the 14th July 2010, full Council approved the proposals for the use of the £4.6m HRA subsidy refund which will provide added value to the Council over and above planned works. The funding will be allocated across the 3 ALMOs, BITMO and the Strategic Housing function specifically targeted to work additional to mainstream decency work. The detailed schemes include fire safety and security works at multi storey blocks, additional adaptations, tackling non traditional housing, energy efficiency work and support for the Council's key regeneration schemes.

4.0 Implications For Council Policy and Governance

4.1 The economic downturn is continuing to have a significant effect on our ability to resource investment in our strategic priorities. In addition central government cuts and grant clawbacks are also limiting capital investment. As reported in section 5, a review of all uncommitted schemes funded by Leeds resources has commenced, the outcome of which will be reported to Executive Board at a later date.

4.2 The main risk in developing and managing the capital programme is that insufficient resources are available to fund the programme. A number of measures are in place to ensure that this risk can be managed effectively:

- monthly updates of capital receipt forecasts prepared, using a risk based approach, by the Director of City Development;
- monthly monitoring of overall capital expenditure and resources forecasts alongside actual contractual commitments;
- quarterly monitoring of the council's VAT partial exemption position to ensure that full eligibility to VAT reclaimed can be maintained;
- ensuring written confirmation of external funding is received prior to contractual commitments being entered into;
- provision of a contingency within the capital programme to deal with unforeseen circumstances;
- promotion of best practice in capital planning and estimating to ensure that scheme estimates and programmes are realistic;
- compliance with both financial procedure rules and contract procedure rules to ensure the Council's position is protected;
- the use of unsupported borrowing by directorates based on individual business cases and in the context of identifying the revenue resources to meet the borrowing costs;
- the introduction of new schemes into the capital programme will only take place after completion and approval of a full business case and identification of the required resources.

5 Legal and Resource Implications

5.1 The resource implications of this report are detailed in section 3 above. For the capital programme to be sustainable, the Director of Resources must be satisfied that spend in each year of the programme can be afforded. A level of overprogramming is suitable for the capital programme to take account of the nature of capital schemes where timing is not always easy to predict. The capital

programme approved in February 2010 was overprogrammed by £40.2m over a 5 year period. The latest position shows overprogramming of £51.1m on general fund which is considered manageable with careful monitoring. For HRA, ALMOs will realign their programmes within the funding available and therefore any overprogramming will be contained.

- 5.2 In the February 2010 capital programme report Members agreed that no further injections can be made to the capital programme without a corresponding reduction or identification of additional resources. In light of the current resources position and the economic climate in general it is imperative that this principle is maintained.
- 5.3 Given the current and increasing financial constraints placed on the Council with regard to the delivery of the capital programme, this may require the Director of Resources to exercise his statutory Section 151 financial responsibilities to ensure the overall capital programme position remains affordable.

6 **Conclusions**

- 6.1 The latest general fund forecast expenditure for 2010/11 is £344.2m with resources available of £325.2m resulting in overprogramming of £19m. This forecast expenditure level is considered optimistic and will be addressed by departments reviewing and adjusting the spending profiles for their schemes to ensure they are realistic and achievable. Overprogramming for the general fund programme through to 2013/14 stands at £51.1m which is higher than reported in February 2010. This is largely due to variations in funding used to resource the 2009/10 capital programme.
- 6.2 For HRA, resources available in 2010/11 are £65.6m and expenditure plans will be contained within this total. HRA resources through to 2013/14 stand at £163m.
- 6.3 In light of reductions in local government funding in future, a review of all uncommitted schemes funded by Leeds resources has commenced with a view to reducing the level of borrowing required to fund the programme. This in turn will reduce debt costs in the revenue budget.

7 **Recommendations**

- 7.1 Executive Board are requested to:
- a) Confirm approval to spend of £3.051m on the vehicle replacement programme.
 - b) Give authority to spend of £3.138m on the equipment replacement programme.
 - c) Note the capital review process currently underway which will be reported back to Executive Board at a later date.
 - d) Approve an injection of £300k to the capital programme funded through unsupported borrowing and give authority to spend in respect of the relocation of services from Blenheim and Elmete to Adams Court.
 - e) Approve the removal of the remaining funding of £1.3m for the City Card scheme.
 - f) Approve an injection to the capital programme of £1.3m to implement the first phase of the Home Insulation scheme, details of which will be presented to a future meeting of Executive Board for approval.

- g) Approve the use of the balance of ASC fire safety funding to address identified fire safety risks across all operational buildings within the Corporate Property Management portfolio.

Associated Documents

- a) Capital Programme 2009/10-2013/14 – Executive Board 12th February 2010



Originator: S Carey

Tel: x43001

Report of the Director of Resources

Executive Board

Date: 25th August 2010

Subject: Shared Business Rates Service

Electoral Wards Affected:

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

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

EXECUTIVE SUMMARY

1.0 There is an opportunity to set up a shared service arrangement between Leeds and Calderdale for the billing and collection of Non Domestic Rates.

The first phase of a shared service would see Leeds City Council provide account maintenance and payment services for both Leeds and Calderdale Business Rates payers. Further phases would see the shared service develop to provide a fully comprehensive shared service covering annual billing, account maintenance and payments using a single system solution.

The savings from the proposed shared service are relatively modest at this stage but the initiative is seen as an important step in demonstrating the feasibility of shared services and establishing a platform for further development of shared Business Rates services between Leeds and Calderdale and on a wider basis with other local authorities.

A Project Board has been established to oversee the implementation of the arrangements. A key element for the Project Board is to secure formal approval for the provision of the shared service. Subject to approval, it is expected that the first phase of the Shared Service will go live in the autumn of this year..

1.0 Purpose Of This Report

- 1.1 The report is seeking approval to establish a shared service for the billing and collection of Business Rates for Leeds and Calderdale businesses which will be delivered by Leeds City Council.
- 1.2 The report provides information on the work undertaken to date and timescales within which a shared service could be delivered.

2.0 Background Information

- 2.1 Officers within Revenues and Benefits, with the support of the Director of Resources, have been looking at opportunities to deliver services on behalf of other authorities. Business Rates is seen as a relatively low risk first option for a shared service arrangement as the scheme is a national scheme with rates set by central Government rather than being set locally. Calderdale indicated they were interested in exploring the option of a Shared Business Rates Service and discussions have taken place to develop the options and agree the preferred model.
- 2.2 The common measure of performance for Business rates is the in-year collection rate. Both Leeds and Calderdale are achieving good rates in comparison to peer authorities – see table below.

Business Rates					
Authority	05/06	06/07	07/08	08/09	09/10
Bradford	97.90%	98.00%	98.00%	96.18%	96.80%
Calderdale	97.8%	98.60%	98.70%	97.37%	97.80%
Kirklees	97.70%	97.60%	97.50%	95.30%	95.81%
Leeds	98.60%	98.60%	98.70%	97.70%	97.80%
Wakefield	99.60%	99.70%	99.60%	98.80%	98.60%

- 2.3 A West Yorkshire Collaborative Working Group has been established to oversee a number of collaborate working proposals and the Leeds/Calderdale Shared Business Rates Service reports directly to this group. The Group has been successful in securing funding from RIEP and an element of this funding will support the development of the Shared Business Rates service.
- 2.4 A more formal project for the initiative has been set up with membership from both Leeds and Calderdale and there have been regular meetings between Revenues officers and ICT officers from Calderdale and Leeds. Progress to date has been encouraging.

3.0 Main Issues

- 3.1 The intention is to establish a fully comprehensive shared Business rates service. This will require, among other things, a move towards a single system solution for the shared service. Currently Leeds uses Capita's Academy system for Business Rates and Calderdale uses an in-house solution. The first phase of the

implementation will see Leeds delivering a full accounts maintenance, in-year billing and payment service for both Leeds and Calderdale businesses using both the Capita system and Calderdale's in-house system. Each council will, at this time, retain responsibility for the annual billing process in their areas and for carrying out court work required to recover unpaid business rates. It is hoped that the first phase will be operational in the autumn of this year.

- 3.2 Once operational, there will be the opportunity to thoroughly evaluate the systems used by Leeds and Calderdale with the intention of identifying the best options for achieving a single system solution which will better support a fully comprehensive shared service encompassing initial billing and court action. The working assumption is that the Shared Service will look to develop the Calderdale solution as the single system solution.
- 3.3 Using the Calderdale solution also supports the collaborative working initiative around the development of a Public Sector Network (PSN) for the delivery of shared ICT systems. An outline of the PSN initiative is provided at appendix 1.
- 3.4 The efficiencies generated by the shared services approach are relatively modest in the first instance and arise, in the main, from management and staffing efficiencies. It is anticipated that annual savings from the first phase will be between £60k and £80k. However, further efficiencies are expected with the adoption of a single system solution and there will be opportunities for further efficiencies through rolling out the shared service to other councils.
- 3.5 The Project Board's key activities are:
- Secure formal approvals for the Shared Service;
 - Deliver technical solution to allow use of Calderdale system in Leeds;
 - Agree operational procedures requirements;
 - Agree Governance, legal and performance framework;
 - Consult, identify and implement options for staffing related issues.
- 3.6 In keeping with the spirit of the Shared Service approach, Calderdale will provide the Project Sponsor for the Project Board and Leeds will provide the Project Manager. The Board will meet on a monthly basis and will continue to meet until a fully comprehensive shared service is delivered.
- 3.7 This Shared Service initiative is important for a number of reasons. It delivers a degree of efficiency, demonstrates the viability of shared services, provides a platform and a model that allows for the shared business rates service approach to be widened to encompass other local councils and supports other initiatives such as the PSN Cloud Computing initiative being developed by Leeds and Calderdale ICT Services.

4.0 Implications For Council Policy And Governance

- 4.1 There are no direct implications on council policy in relation to Business Rates but there will need to be agreed Governance arrangements put in place that enable each council to comply with its statutory requirements.

5.0 Legal And Resource Implications

- 5.1 There will need to be an appropriate legal framework put in place to support the service and consideration needs to be given to the application of TUPE and related

staffing matters as well as business continuity matters, especially under a single system solution.

- 5.2 Phase 1 costs are small but further costs will be incurred around the migration of data from one system to another and potential development costs around a single system solutions. These are expected to be controllable and are likely to be met from efficiencies and by a funding contribution secured by the West Yorkshire Collaborative Working Group for its package of initiatives.

6.0 Conclusions

- 6.1 The proposal to introduce a shared service for the provision of Business Rates between Leeds and Calderdale is an opportunity to prove the concept can work. It will also provide a stepping stone to develop the concept for other similar services as well as being able to offer the Business Rate option to other local authorities.

7.0 Recommendations

- 7.1 That authority be delegated to the Director of Resources to make the necessary decisions and approvals to allow the scheme to proceed.

8.0 Background Papers

- 8.1 None

The Public Sector Network for Yorkshire and the Humber

This project seeks to develop the business case for a Public Sector Network (PSN) and associated services for the Yorkshire and the Humber that would deliver a minimum of a 10% cashable efficiency saving over existing arrangements. The network services framework(s) will be compliant with the national PSN standards that all government departments are mandated to comply to, which means connecting to other public sector partners (e.g. Health, Police etc) will be more seamless. This network also provides secure connectivity to shared ICT systems provisioned as part of the “G Cloud” programme, both at a regional and national level that should, if obtained instead of on premise systems, reduce the overall cost of ICT for Authorities.

This approach by its nature will move local public services and government as a whole to common processes and systems that would more easily enable shared services. Partners who have been engaged at an initial level are Local Government, Health (through the Strategic Health Authorities and some PCTs), Universities (who have a significant under utilised investment), Blue light emergency services, Passenger Transport organisations, West Yorkshire Joint Services, Housing Associations and National Park Authorities. The voluntary sector is also a consideration. In the interest of practicality and pragmatism not all of these organisations will be included in the initial phase and will be able to come on at a later stage.

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Originators: Alan Gay

Tel: 74226

Not for Publication: Appendix 2 of this report is Exempt/Confidential under Access to Information Procedure Rules 10.4 (3)

Report of the Director of Resources/ Deputy Chief Executive

To: Executive Board

Date: 25th Aug 2010

Subject: Transforming Leeds – Phase 1 Changing the Workplace

Electoral Wards Affected:

All

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

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

EXECUTIVE SUMMARY

Members are fully aware of the significant pressures on public sector organisations to optimise resources, deliver significant efficiencies and maintain excellent services to customers. To this end Executive Board have received and agreed business cases over the last 2 years to transform the organisation to meet this challenge including the outline business case for Phase 1 of Changing the workplace in February 2010.

The Council's Business Transformation agenda consists of three strategic change programmes: Changing the Workplace, Customer Focus and Business Management; supported by an enabling programme of technology improvements which will underpin their delivery. Through this programme of change the Council will deliver significant efficiencies and improved service delivery in the short, medium and long term.

This report sets out the current position on the Changing the Workplace programme and focuses on the fitness for purpose of the Council's city centre office portfolio. The report builds on the February report with specific reference for the need to rationalise and modernise this portfolio as an essential platform to enable broader efficiencies to be delivered. Approvals are sought to move forward on the preferred delivery option with specific approval sought to enter into detailed negotiations and related work on a preferred city centre accommodation proposal. The report also highlights the early wins identified through this programme of work.

1.0 Purpose Of This Report

- 1.1 The purpose of this report is to update Members on the current position on the Changing the Workplace Programme and in particular to consider proposals to rationalise and modernise the Council's city centre office portfolio to support delivery of further long-term efficiencies. The report seeks approval to move forward with negotiations and related work on the preferred accommodation option in the city centre. The report also highlights areas where the programme can deliver short term benefits within the context of the wider business transformation programme.

2.0 Background Information

- 2.1 The Government has recently stated its intention of significantly reducing budgets to public sector organisations, with the details for local authorities to be confirmed in the October spending review. There is expected to be a reduction in grant finding to local authorities of at least 25%.
- 2.2 This significantly increases the pressure on local authorities to realise efficiencies in how they operate whilst maintaining service delivery levels. It is an unprecedented challenge that the Government has set local authorities and Leeds City Council needs to explore options to deliver efficiencies in its operational costs that helps to protect front line services and modernises the organisation.
- 2.3 As part of the agreed wider transformation agenda to deliver the required change, an outline business case for Changing the Workplace Phase 1 was approved at Executive Board in February 2010. As part of this outline business case options were considered for rationalising the Council's office portfolio into fewer, more modern, premises. The proposed consolidation and investment in city-centre properties would provide a platform to deliver significant business change and thus long-term savings for the Council. This would include a movement away from the traditional fixed office based working that currently exists across most of the Council and introduce more modern and flexible working practices that supports improvements in service delivery and makes optimal use of office accommodation. Accordingly, Executive Board agreed that a further report would be brought back with a preferred delivery option and supporting business case.

3.0 Main Issues – Overarching Business Transformation agenda

- 3.1 The Business Transformation agenda is made up of three strategic change programmes supported by an enabling programme of technology improvements and business change. A diagrammatic representation is provided at Appendix 1
- 3.2 the three strategic programmes are:
- **Changing the Workplace**
 - **Customer Focus:**
 - **Business Management**
- 3.3 Significant work has been undertaken over the previous 2 years to develop an overarching business case for business transformation that will support:
- Procurement of the enabling infrastructure
 - Delivery of the Delivering Efficient Corporate and Transactional Services (DECATS) diagnostic; and
 - Delivery of Changing the Workplace

- 3.4 Work in these three areas has now enabled the business transformation programme to be defined, providing high level costs and benefits for the whole programme.
- 3.5 There is heavy investment in business, process, people and technology change in order to drive out the projected benefits however whilst these costs are undoubtedly significant, benefits realisation would only need to be 30% of those currently projected to ensure that the expected costs were fully covered.
- 3.6 Overall, the projection for the business transformation agenda (through the three strategic change programmes and the enabling infrastructure programme), has the potential to deliver real and significant cashable savings to the authority.

4.0 Main Issues – Approval to proceed with Phase 1 of Changing the Workplace with particular focus on the property related issues arising

- 4.1 Following the Executive Board in February 2010, officers have looked in detail at the options for rationalising and modernising the Council’s city-centre office portfolio so that it can provide a sound platform for the delivery of longer-term efficiencies through the Changing the Workplace agenda.
- 4.2 In summary, the Council’s original office portfolio in scope consisted of the following premises held on a mixture of freehold and leasehold basis.

Building	Tenure
Belgrave House	LH
Thoresby House and Leonardo	FH
St George House	LH
Canon House	LH
Apex House	FH
Leeming House	LH
*Phoenix House	LH
*Gallery House	LH
Enterprise House	LH
2 Great George Street	FH
Civic Hall	FH
Adams court	FH
Westgate Gflr, 5th and 6th Flr	LH
Merrion House	LH

* these have already been released

- 4.3 Based on the information provided above a number of issues are evident:
- The Council’s city centre office portfolio is split 5:9 in terms of freehold and leasehold accommodation respectively
 - The Civic Hall is the Council’s long-standing civic centre with no proposals to change this position.

- The Council's city centre offices present quite disparate and relatively dated accommodation which is challenging to modernise in a practical and meaningful way.
- There are opportunities to release some freehold properties such as Leonardo and Thoresby, together with some shorter term leases over the next few years.
- The future of the Council's occupation of Merrion House, as our largest city-centre office, is fundamental to determining the detail of any programme of rationalisation.

4.4 In recognition of the points detailed above, officers have considered the options for rationalising our city centre office portfolio and these considerations are outlined in detail in the Confidential Appendix 2 attached to this report.

4.5 The outcome of the above, together with the wider Changing the Workplace considerations, has resulted in a number of areas being identified where early benefits can be delivered through Changing the Workplace: these include release of leased buildings, development of an interim single point customer access facility and delivery of more efficient support functions including mail room, receptions, directorate and administrative support, which will all deliver financial efficiencies. Further details are outlined in the exempt Appendix 2

4.6 The Appendix 2 is deemed Not for Publication under Rule 10.4.3 of the Access to Information Procedure Rules. The public interest in maintaining the exemption in relation to this document outweighs the public interest in disclosing the information by reason of the fact that it contains information and financial details which, if disclosed, would adversely affect the business of the Council and may also adversely affect the business affairs of the other parties concerned.

5.0 Conclusion

5.1 The recommended way forward for Phase 1 of Changing the Workplace, as detailed in the exempt Appendix 2, shows that a consolidation in our city-centre offices will support the transformational change and efficiencies to be delivered through the wider Changing the Workplace programme. The identified efficiencies to be delivered will support appropriate investment in people, process, technology and workplace and also deliver significant financial and non financial benefits to the Council.

5.2 The approach outlined has the potential to deliver an estimated net present value cashable saving in the order of £46M over 25 years. This sum is based on detailed work undertaken on the current business case model for the preferred phase 1 solution. It is however evident that with further work there is a real prospect of even greater, long-term savings being achieved through this programme of activity. Phase 1 delivery will also deliver wider non financial benefits to underpin transformation of services across the Council.

5.3 It is acknowledged that there is currently an early years affordability gap in the model, however this gap could be reduced with further work as discussed in the confidential appendix. It should also be noted that there is an affordability gap if the Council continues with a no change option due to the significant costs to bring the current property portfolio up to an acceptable condition. This option would be a higher cost

to the Council over the medium to long term and would not deliver the platform for transformational change described above.

- 5.4 The early year affordability gap for delivery of Changing the Workplace could be supported by anticipated delivery of early savings through the wider business transformation agenda as detailed in paragraph 3 above.

6.0 Council Policy and Governance

- 6.1 The proposals are in line with the Council Business Plan and will support delivery of the three stated outcomes. The agenda underpins the stated organisational vision for the future by embracing new ways of working, making best use of technology, innovating and collaborating, and continuously improving to deliver real customer benefits.
- 6.2 An Equality Impact Assessment for Changing the Workplace took place in July 2010. The assessment team was drawn from across Business Transformation, HR, ICT, Facilities Management, the pilot projects and the Equality Team and has taken account of the positive impacts as well as the potential adverse impacts for individuals and the business. The experience of colleagues involved in the pilot projects and the views from staff networks have informed the overall EIA. Equality considerations arising from the EIA will inform where appropriate the on-going work of the CTW work streams.

7.0 Recommendations

- 7.1 Executive Board is asked to:-

- (i) Note the overarching business transformation context outlined in the report
- (ii) Approve the recommendations for progressing phase 1 of the Changing the Workplace programme as detailed in paragraph 7 of exempt Appendix 2
 1. Negotiate terms and undertake related work required to secure the proposed accommodation solution as detailed
 2. Agree the level of fees at risk proposed for external legal, space planning and building advice prior to formal approval of heads of terms for the accommodation solution up to gateway 1
 3. To progress required notices in line with procurement advice
 4. Agree to the initial investment up to gateway 1 required to support delivery of the workplaces, technology, programme resource and training for phase 1.
 5. Agree that a further report is brought back to this Board with finalised heads of terms for the proposed workplace solution

Background Papers

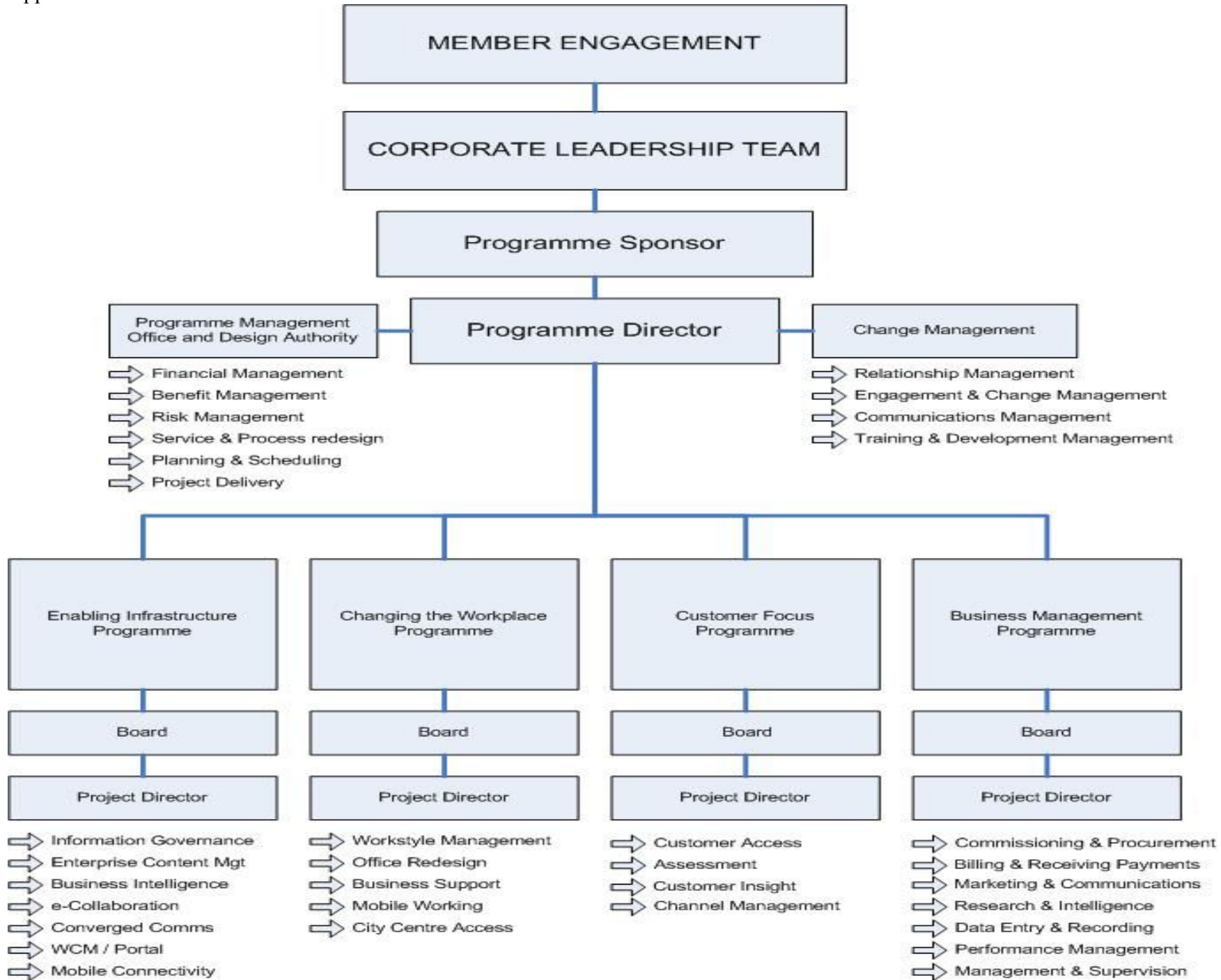
Exec. Board Feb 2010: Changing the workplace report and business case

Exec. Board Dec 2008: Business Transformation in Leeds City Council

Exec. Board January 2009: Business Transformation in Leeds City Council report 2

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Appendix 1 – Business Transformation Structure



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Originator: M.J. Turnbull

Tel: 2474408

Report of the Chief Officer, Legal, Licensing and Registration Services, and the Director of Environment and Neighbourhoods

Executive Board

Date: 25 August 2010

Subject: RIPA – Adoption of New Council Policy

Electoral Wards Affected:

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

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

EXECUTIVE SUMMARY

The Regulation of Investigatory Powers Act 2000 (RIPA) is designed to ensure that public bodies respect the privacy of members of the public when they carry out investigations which involve the use of covert surveillance, and that privacy is only interfered with when the law permits and there is a clear public interest justification. The Council only uses the RIPA powers in a small number of serious cases, subject to a number of safeguards.

New codes of practice which came into force in April 2010, require local authorities to involve elected Members in strategic oversight, including setting the policy and reviewing use at least once a year, and considering reports on use on at least a quarterly basis. This report outlines current practices in Environment & Neighbourhoods, the main user of the RIPA powers, and proposes a draft policy on directed surveillance conducted under RIPA.

1.0 Purpose Of This Report

- 1.1 The Regulation of Investigatory Powers Act 2000 (RIPA) is designed to ensure that public bodies respect the privacy of members of the public when their investigations involve the use of covert surveillance, and that privacy is only interfered with when the law permits and where there is a clear public interest justification.
- 1.2 This report outlines the Council's proposed policy on covert surveillance conducted under RIPA in Appendix 1. The report explains why and how covert surveillance is used, and by whom. The Covert Surveillance and Property Interference Revised Code of Practice provides that elected Members "should review the authority's use of the 2000 Act and set the policy at least once a year. They should also consider internal reports on the use of the 2000 Act on at least a quarterly basis to ensure that it is being used consistently with the local authority's policy and that the policy remains fit for purpose". This policy is not part of the Policy Framework as specified in the Council's Constitution, and therefore it needs to be approved by Executive Board.

2.0 Background Information

- 2.1 RIPA provides an authorisation process for certain types of surveillance and information gathering, and that process can be used as a defence against human rights claims. At present, the Council is entitled to authorise its own directed surveillance under RIPA. However, there are a number of safeguards to prevent the over-use of authorisations.
- 2.2 The only purposes for which the Council can authorise such surveillance are for "preventing or detecting crime or preventing disorder". In addition, the level at which authorisations can be granted by local authorities has recently been raised, and it has been agreed that generally this should be at Director level. An authorisation can only be given where the authorising officer believes the authorisation is "necessary" for the purposes mentioned above, and that the surveillance is "proportionate" in relation to what is sought to be achieved by carrying it out. In addition, the Office of Surveillance Commissioners (OSC), the regulatory body for covert surveillance, carries out regular inspections of the Council's arrangements for authorisations, including "spot checking" individual authorisations

3.0 Main Issues

- 3.1 The Coalition programme for government states "We will ban the use of powers in the Regulation of Investigatory Powers Act (RIPA) by councils, unless they are signed off by a magistrate and required for stopping serious crime". The Home Secretary has announced a review of six key areas which include the use of RIPA by local authorities. Consequently, it appears that the current "self authorisation" powers will eventually be removed, and that the purposes for which an authorisation can be granted will also be changed. As yet however, there is no indication from the Home Office how long this review will take, and when changes will be made.
- 3.2 At present, apart from exceptional cases, the only Directorate which uses RIPA authorisations for covert surveillance is Environment & Neighbourhoods, and then only the Anti-Social Behaviour Unit (Community Safety) (ASBU) and Health and Environmental Services (HEAS). In the 18 month period between 1 April 2008 and 31 December 2009 48 authorisations were given, of which 23 were for the purposes

of tackling anti-social behaviour and 25 were for environmental enforcement. There has been only 1 authorisation since the new codes of practice came into effect in April.

- 3.3 With most investigations concerning anti-social behaviour, fly-tipping and other waste offences, a range of information can be accessed without any recourse to covert methods. This can be by gathering evidence directly from victims and witnesses, by encouraging reporting to the Council, Police or other agencies, by overt staff observation or by using overt surveillance, such as public safety CCTV. Overt investigations, apart from gaining evidence to resolve the problem and/or progress legal action, also make the Council's actions visible to victims, witnesses and the wider community and thus provides reassurance that the Council is acting on their concerns. There are therefore advantages in using "normal" investigation methods, other than the covert gathering of evidence, and indeed many Council services other than the ASBU and HEAS use overt techniques to obtain information about possible regulatory breaches. Therefore, the presumption applied by the Directorate will always be towards overt surveillance.
- 3.4 However, in some circumstances overt methods might not yield results. For instance, in some neighbourhoods witnesses may be too intimidated to give evidence against perpetrators.
- 3.5 The Directorate's practice is that covert surveillance is only considered as an option when these other means of acquiring information about the problem have been considered, or where overt methods have been used and failed. Moreover, covert surveillance is only considered when the problem is serious and/or persistent, and where overt surveillance would not provide evidence of the offences and/or might displace the problem elsewhere. The Directorate does not use covert surveillance to address minor matters, but instead focuses on those issues which are of greatest concern to the community – environmental damage such as flytipping and graffiti, and anti-social behaviour where individuals or families are targeted or threatened.
- 3.6 Whilst covert surveillance does not always lead to evidence that can be presented at court, it has led to positive outcomes in a number of cases through the positive identification of perpetrators. Examples are: prosecutions for breaches of ASBO and tags; possession orders; prosecutions for waste offences; legal notices on individuals; seizure of vehicles; evidence of other offences passed to the Police. Whilst it is difficult to provide a precise definition of the circumstances where an authorisation may be appropriate, Appendix 2 gives some examples of the use of covert surveillance by the ASBU.
- 3.7 In such cases, covert surveillance may be used. Thus far the Directorate has only used directed surveillance, but it is also able to use a "covert human intelligence source". As the Council is not expecting to use this method however, the proposed policy does not cover it. Nor does the policy cover intrusive surveillance, which the Council is not permitted to authorise.
- 3.8 The procedures adopted by the Council when undertaking directed surveillance are:
- To ensure it adheres to the letter and spirit of RIPA;
 - To take seriously issues of privacy, intrusion and risk;
 - To ensure a robust process through the use of training;
 - To follow the recommendations of the OSC.

- 3.9 A Corporate Guidance and Procedure document issued by Legal, Licensing and Registration Services, is available for use by applicants and authorising officers.
- 3.10 It is proposed that the Council's RIPA policy should reflect current practice within Environment & Neighbourhoods, and also the requirements of the new Covert Surveillance and Property Interference Revised Code of Practice issued by the Home Office.
- 3.11 A proposed policy is set out in Appendix 1.
- 3.12 The policy should ensure that the Council continues to use the RIPA powers in a balanced and proportionate way in serious and/or persistent cases, where overt methods are not appropriate, or where overt methods have been used and have failed.

4.0 Implications For Council Policy And Governance

- 4.1 The Code of Practice mentioned above must be taken into account by the courts, and by the OSC when carrying out inspections. The Council can be required to justify, with regard to the Code, the use or granting of authorisations generally.
- 4.2 The terms of reference of Corporate Governance and Audit Committee include the review of the "adequacy of policies and practices to ensure compliance with statutory and other guidance". It is therefore proposed that quarterly reports on the use of RIPA, and the annual review of the policy should be dealt with by Corporate Governance and Audit Committee.

5.0 Legal And Resource Implications

- 5.1 The legal implications of the proposals in this report are as set out above.
- 5.2 The resource implication is that strategic oversight and reviews by Members, are now required. In addition, authorisations are required to be dealt with at the more senior level of Director, and an overview of designated authorising officers by a member of CLT, is also required.

6.0 Conclusions

- 6.1 The Council needs to adopt a clear policy about the use of RIPA authorisations, to the effect that they will only be granted in serious cases, after overt methods have been considered, and that there will be a demonstrable balance between the impact of the surveillance proposed, and the gravity and extent of the perceived crime or disorder.

7.0 Recommendations

- 7.1 Members are recommended to approve the proposed policy set out in Appendix 1.

8.0 Background Papers

Covert Surveillance and Property Interference Revised Code of Practice 2010

Regulation of Investigatory Powers Act 2000 (RIPA) Policy

1.0 Extent

This policy applies to the authorisation of directed surveillance under Sec 28(1) of RIPA. This policy does not cover the authorisation of covert human intelligence sources under Sec 29 of RIPA. Nor does it cover intrusive surveillance (which the Council is not entitled to authorise under RIPA).

2.0 Safeguards

- 2.1 The Council will apply a presumption in favour of overt investigation methods. The Council will always consider using a variety of overt investigatory tools, before considering whether an authorisation is required. Covert investigation will be used only when other reasonable options have been considered, and ruled out.
- 2.2 In order to comply with the duties in Sec 28(2) of RIPA, that a person shall not grant an authorisation for the carrying out of directed surveillance unless they believe that the authorisation is “necessary” on the ground of preventing or detecting crime or preventing disorder, and in accordance with the Covert Surveillance and Property Interference Revised Code of Practice, the Council will
- balance the size and scope of the proposed activity against the gravity and extent of the perceived crime or offence, or disorder;
 - explain how and why the methods to be adopted will cause the least possible intrusion on the target and others;
 - consider whether the activity is an appropriate use of the legislation and a reasonable way, having considered all reasonable alternatives, of obtaining the necessary result;
 - evidence, as far as reasonably practicable, what other methods were considered and why they were not implemented.
- 2.3 The Council will only use covert surveillance when the problem is serious and/or persistent, and where overt surveillance would not provide evidence and/or might displace the problem elsewhere.
- 2.4 The Council will not use covert surveillance to address minor matters, but instead will focus on those issues which are of greatest concern to the community – environmental damage such as flytipping and graffiti, and anti-social behaviour where individuals or families are targeted or threatened.
- 2.5 The Council will only use covert surveillance either to obtain evidence that can be presented at court, or where another positive outcome relating to the prevention or detection of crime or the prevention of disorder has been identified, for example through the positive identification of perpetrators.
- 2.6 The Council will give responsibilities to a single member of its Corporate Leadership Team, Nicole Jackson, Assistant Chief Executive (Corporate Governance) to ensure

that designated authorising officers meet the standards required by the Office of Surveillance Commissioners.

- 2.7 The Council will ensure that the quality of authorisations is monitored by Legal, Licensing and Registration Services.
- 2.8 The Council will ensure applicants and authorising officers receive an appropriate level of training.
- 2.9 The Council will ensure that in accordance with The Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010, authorisations will only be granted by Directors. This will avoid any perception that authorising officers are directly involved with the investigations they authorise. Authorising officers will therefore be able to apply more independently reasoned judgment of the issues
- 3.0 **Review**
- 3.1 This policy will be reviewed on an annual basis, and reports on the use of authorisations will be considered on a quarterly basis, in each case by Corporate Governance and Audit Committee.

Appendix 2

Examples of use of RIPA by Anti Social Behaviour Unit

Location	Date Applied	Reasons for RIPA	Outcomes Obtained	Date Cancelled
LS13	10.10.08	The purpose of the investigation was to monitor and record the activities of a number of known suspects who were congregating in a small cul-de-sac. It was believed that this group were responsible for high levels of crime, anti social behaviour, intimidation and property damage in the locality. It was hoped that with the use of covert surveillance equipment it would be possible to confirm the identities of those involved in the nuisance and disorder and where possible secure evidence to facilitate criminal prosecutions and or further civil enforcement measures towards individuals themselves or tenancy enforcement action against their properties/tenancies. Local residents were not willing to give evidence for fear of reprisals.	Four pieces of footage were used to identify seven breaches of an anti social behaviour order (ASBO), and three stills were used to prove breach of ASBO and tenancy and eleven offences of trespass by other family members. There was also a breach of a tag. All this was used to prove breaches of the ASBO, to obtain possession of the property, and to prove breach of the tag.	28.10.08
LS11	20.10.09	The authorisation was obtained due to reports of crime and anti social behaviour occurring in an area in Leeds 11. Many of the residents in the area were extremely vulnerable and because of their fear of reprisals, were reluctant to attend court as witnesses. The purpose of the surveillance was to confirm the identity of young people whom the Council and West Yorkshire Police believed were involved in persistent anti social behaviour, and to document their behaviours. Surveillance was carried out on a number of occasions.	Acts of anti social behaviour were witnessed on these occasions and the evidence was used at court on 29 th October 2009. On this date a possession order was granted on one of the properties. A Notice of Intention to Seek Possession was also served on another property.	29.10.09
LS12	17.11.09 Renewed 15.12.09 Renewed 14.1.10	The authorisation was given in connection with the investigation of crime and anti social behaviour. It was hoped that with the use of existing overt surveillance equipment and recorded observations, that it would be possible to confirm the identities of persons involved in drug dealing	The surveillance was of significant value to this operation, resulting in a "Crack House" closure, the obtaining of seven Anti Social Behaviour Orders (ASBO) against street sex workers and the agreeing of six Acceptable	14.1.10

		and prostitution within certain Council owned properties and the surrounding streets.	Behaviour Contracts (ABC) with identified kerb crawlers	
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Originator: Max Rathmell

Tel: 0113 2478156

Report of the Director of City Development

Executive Board

Date: 25 August 2010

Subject: Lease of the St.Aidan’s Trust Land to the Royal Society for the Protection of Birds

Electoral Wards Affected:

Site is almost wholly located in Garforth & Swillington Ward
 Small area in Kippax & Methley Ward
 Adjacent to Oulton (Rothwell Ward)

Specific Implications For:

Equality and Diversity
 Community Cohesion
 Narrowing the Gap

Eligible for Call In

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

EXECUTIVE SUMMARY

1. St. Aidan’s is the name for a larger area of former opencast coal and coal mining land between Methley and Swillington. Under a 1991 legal agreement all this land , “the Trust Land” has to be offered by UK Coal Mining Ltd. (“UK Coal”)(as successor to British Coal) to the St. Aidan’s Trust, of which the sole trustee is Leeds City Council.
2. In 2005 the Council’s Executive Board acting as the Trust agreed that when the transfer takes place and subject to its final approval it will forthwith lease the land to the Royal Society for the Protection of Birds (“RSPB”) . A number of matters would have to be addressed to allow this decision to be implemented.
3. There is now a real possibility that all substantive outstanding matters will be completed in September, thus potentially allowing title of the whole of the Trust Land to be passed to the Trust and for the Trust to immediately lease the Trust Land to the RSPB. The site can then be opened to the public at very short notice.
4. This report sets out the current position with respect to those matters which had to be satisfied in order to complete the lease to the RSPB and recommends the lease be concluded as soon as possible when the Trust Land has been transferred from UK Coal.

1.0 Purpose of this report

- 1.1 To seek approval to the completion of the lease of the Trust Land to the RSPB.

2.0 Background Information

- 2.1 St. Aidan's is a former opencast coal site and is the short hand name for a larger area of land which also includes the former Lowther North opencast coal site plus that part of Savile Colliery at Methley which was not incorporated into the new river and canal works in 1995. It includes a nature area known as North West Lake (also known as Astley Lake) which was created in 1986, again from opencast coal workings and which is now a local nature reserve. The whole extends to 400 ha or 1.5 square miles. The Trust Land extends either side of the Aire river channel, the presence of which adds to the impression of scale in the landscape.
- 2.2 By virtue of a planning permission for opencast coal working granted in May 1991 and an attendant legal agreement the owners of the land are obliged to transfer the whole of the land shown as the Trust Land to the Council or such other organisation set up to administer the Trust. This Trust was established by the Council in 1994 for the purpose of receiving the land and then procuring the management of the landscape created from the opencast and mine reclamation workings. The Trust was endowed with £1 million by British Coal in 1994 for the purposes of managing the Trust Land. This fund has now risen to £2.28 million ("the Trust Fund").
- 2.3 On 6th July 2005 the Executive Board considered a report from the Director of Development concerning a proposal to lease the St. Aidan's Site (i.e. the whole of the Trust Land) to the RSPB. It was recognised that the value of the Trust Fund is very far from adequate to fund the development and management of the site and in any case the specialist habitats being created on site require expertise not available within the Council. Nor could it fund a new visitor centre. Executive Board was advised that the RSPB was interested in managing the site and indeed other sites which may become available in the Lower Aire Valley, such as Skelton Lake. [The RSPB already leases its Fairburn Ings location from Leeds City Council].
- 2.4 Accordingly Executive Board resolved to approve a lease of the Trust Land to the RSPB at a peppercorn rent subject to satisfactory proposals for the long term management and enhancement of the area, precise terms for the lease and checks with the Charity Commissioners. Other requirements were that the annual interest from the Trust Fund would be transferred to the RSPB and that the development proposals for the site in terms of informal recreation and nature conservation would be subject to local consultation.
- 2.5 Subsequently a steering group was established under the umbrella of the White Rose Forest "Green Infrastructure Group" with a programme of schemes and £2 million of funding from Yorkshire Forward. £100,000 was awarded to work for St. Aidan's in recognition of the scale of its contribution to green infrastructure within the Leeds City Region. The steering group includes council officers, UK Coal Mining Ltd (the site owners), the Environment Agency, Natural England, a WRF officer and of course the RSPB. The EA and EH provided further substantial funding which together with the RSPB's and the Trust's contribution took the total budget over £200,000. This was used to fund a number of feasibility studies which are listed at Appendix 2.

- 2.6 During this process in 2007 the RSPB carried out public consultations in local town centres, by mail shot, by face to face interviews and by drop in sessions in the nearby villages. Wider consultation was carried out with a diverse range of organisations from the Castleford Heritage Group to Evans of Leeds and Leeds Cycling action Group to the British Horse Society. Four focus groups were also targeted including duck feeders at Roundhay Park and active families in York. This whole exercise centred around a visionary theme for the Lower Aire Valley and how St. Aidan's could sit within this vision. Consultation with other stakeholders also took place at this time. The response was extremely positive. There were expressions of anxiety from some local residents who worry that the council and the RSPB might deviate from what they believe they have been promised ever since opencast activity began (1972).
- 2.7 The Trust Deed of 1994 reflected the prevailing policy approach for the Lower Aire Valley; namely that opencast sites and other derelict land would be progressively reclaimed over time for nature conservation and recreational afteruse, with the recreational element being quiet and generally relaxing by type, such as walking, wildlife watching and exploring, cycling, horse riding, kite flying, angling and the like. The document which embraces this ethos was/is the Lower Aire Valley Environmental Improvement Strategy. Remarkably, almost every element within this plan has now come to pass.
- 2.8 An important point about St. Aidan's is that it is not a fenced off part of the countryside but has open access, to the same rules as the countryside everywhere else. Public footpaths and bridleways criss - cross the site and there is, or rather will be, 24hr/365 day access to these paths. Another important point is that much of the Trust Land will be statutory washland and will flood; quite frequently at least in part.
- 2.9 In 2009 the Director of City Development and Executive Director of UK Coal agreed a target date of September 2010 for the completion of all outstanding matters at the site.
- 2.10 The site is currently closed and subject to Mines and Quarries legislation. Notwithstanding that the site is currently fenced off there is the potential for trespass with the danger that then arises from access to open areas of water, as well as disturbance to wildlife. This adds weight to the need to resolve the longer term future of the site so that it can be brought under active management and matters of site safety and security properly addressed.
- 2.11 Formal site restoration and aftercare has now been completed and consequently only essential management is taking place. The lowland part of the site in particular will rapidly regress toward dereliction without regular and skilled management; hence the need to speedily put effective management in place.
- 2.12 RSPB's main Policy Board has agreed to a lease of St. Aidan's, although the terms are still being finalised.

3.0 Current position – Plan and Policy

- 3.1 In taking forward proposals for the St. Aidan's site it is important to set it in context. St. Aidan's is at the centre of the Lower Aire Valley extending from Leeds to Wakefield. As such it is readily accessible to an extensive local population and to a wider audience given its location adjoining the national motorway network. A recent study of Green Infrastructure opportunities undertaken for the Leeds City Region by consultants LDA Design promotes it as a key project within its proposed "Fresh Aire

Park". The study identifies a range of potential benefits including: its contribution to growth and investment; as a recreation resource supporting health and wellbeing; biodiversity; engagement with communities; and for tourism.

- 3.2 At the last Executive Board meeting Members endorsed proposals for the Aire Valley Eco-settlement. This is a major regeneration initiative extending from the City Centre east to the M1 motorway and beyond. There is a unique opportunity to complement this regeneration initiative with the development of the Lower Aire Valley providing recreation opportunities for the new community and a potential green corridor through to the City Centre linking town and countryside.
- 3.3 But this is more than a local initiative. St. Aidan's sits at the hub of an area of countryside reclamation extending from Skelton Lake through to Fairburn Ings and Wakefield. It has the potential to be a major resource for West Yorkshire on a scale that would be nationally significant. To that end officers are continuing to explore the wider role of the RSPB across this extended area and have initiated discussions with Wakefield MDC.
- 3.4 In accordance with Executive Board wishes the RSPB, together with the steering group, has developed a forward plan to take St. Aidan's forward incrementally and develop a nature themed country park. This will eventually contain a visitor centre for the site and for the wider Lower Aire Valley, to complement the small existing RSPB visitor centre at Fairburn Ings.
- 3.5 The draft plan has been widely circulated to all parties with an interest in the site; parish councils, local city council members, steering group members, liaison committee members and a number of potential user groups.
- 3.6 The plan places St Aidan's in geographical context and in strategic and local planning context showing how development of the site fits with and complements a whole raft of strategies to do with recreation and conservation. The proposed management structure is laid out in the document together with the role of the Council in the ongoing development of the site as an attraction for wildlife and for people. The benefits of the site are highlighted in social and economic terms and drawing on research shows the increased spend that can be expected in the local area by visits as the site become more popular. The plan also shows the site's contribution to the sustainability and climate change agenda, promising a zero carbon visitor centre. The intention is to ensure a visit to St. Aidan's is an enjoyable event whether or not the visitor is there to look for/at the wild life. The typical visitor is shown to be a local person visiting several times a year. Initially there will be a reception building and WC but within 4 years a larger visitor centre would be built to include a café, shop, cycle hire etc., thereby allowing the RSPB to generate an income.
- 3.7 In terms of accountability, the existing St. Aidan's Liaison Committee would be carried forward to function as a community forum with an amended constitution. The existing external steering group would continue, bringing expertise from Natural England and the Environment Agency. The EA will also have an operational responsibility with respect to flood defences in the area and within the site. Above this would be a new project board comprising of appropriate Council officers and the RSPB. This group would consider long and shorter term management plans for the site, leaving management duties to the RSPB. This group would consider any issue arising from the lease, the Trust Deed and the Trust Fund and would consider any matter of mutual interest.

4.0 Current position – Lease

- 4.1 The lease would come into effect the same day that the Trust Land is transferred from UK Coal to the Trust. Heads of Terms for a lease have been discussed between officers of the Council and the RSPB.
- 4.2 The Heads of Terms relate to a 99 years lease at a peppercorn rent and are outlined in Appendix 1. The Council is mindful that the costs of managing and delivering the aspirations for the site are considerable and certainly cannot be delivered by the trust fund alone. Reflecting this position the Head of Property Services has conformed that in his opinion the terms offered represent the best consideration that can reasonably be obtained under Section 123 of the Local Government Act 1972 (or under the Housing Act 1985). The main points concern the use of the site (nature, public amenity and agriculture); that the RSPB is responsible for the maintenance of all open areas and water levels (except when flooded) whilst the Trust will retain responsibility under the Reservoirs Act and for the dragline. The RSPB indemnifies the Trust against any injury claims, and will provide insurance. There will be restrictions on commercial activity and signage (except directional signage) and that use of the paths will be free of charge. The existing angling licence with Allerton Bywater Angling Club will transfer and be retained and the Society will not be allowed to assign the lease area in whole or in part.
- 4.3 The Executive Board in 2005 indicated that the interest on the Trust Fund should be transferred to the RSPB annually. In good years interest has exceeded £100,000. But given that the fund is currently attracting very little interest this highlights the fact that this basis for providing grant aid to the RSPB is very variable and would provide problems for the RSPB in planning against its income. . For example the RSPB might request a larger amount to unlock a large grant from another source for capital investment in the site which the Trust would wish to secure. It is suggested that a default amount of £50,000 per annum could be agreed with any variation to be subject to annual proposals before the project board. A 2.2% rate of interest would need to be applied to the Trust Fund to return this amount per annum. However twice that would be needed or more to earn sufficient to cover inflation.

Clearly though the Trust Fund can only be drawn upon by a finite amount; sooner or later it could run out depending on the extent to which it is drawn down. The RSPB has been advised the Trust would be unlikely to provide other funds as a duty if and when the Trust Fund has gone. A protocol would be needed to manage this process, which is currently under discussion. The project board would recommend to the Trust the sum to be transferred to the RSPB.

5.0 Current position – Charity Commission

- 5.1 The Charity Commission was asked to confirm that a lease of the Trust Land to the RSPB would be acceptable in terms of the Trust Deed, which is a lengthy document setting out in some detail what the Trust is allowed to do. The Commission asked for an evaluation of the Objects of the Trust Deed and how adherence to these would be affected with the RSPB rather than the Trust itself managing the site. [The Charity Commission did however recognise that the Trust is entitled to make other arrangements for management and does not have to provide direct management itself].

- 5.2 Officers of the Council were able to show that RSPB management of the Trust Land makes little or no difference to meeting the Trust objectives; indeed that the expertise of the RSPB is a clear benefit in securing the discharge of the Trust objectives and no changes to the Trust Deed are needed. The Charity Commission has advised that it is satisfied that the proposal to lease the site to the RSPB is acceptable.

6.0 Current position - Regulatory

- 6.1 The work at St. Aidan's is governed by the planning conditions and the S.106 legal Agreement from 1991. Clearly, with transfer of the Trust Land to the Trust being so close to completion most regulatory aspects have now been dealt with. There remain however several outstanding matters that need to have reached a satisfactory stage or be concluded before the land can be transferred:

Easements for the bridges

The three bridges over the river/canal are due to be transferred to the Council (not to the Trust). To maintain the bridges access is required over UK Coal land *outside* of the Trust Land along the river side. This matter is in hand and being dealt with by Legal Services and Property Services.

Bridges themselves

Following inspection by competent engineers a minor works scheme to remedy small defects is to be carried out by UK Coal in August prior to transfer.

Inlet spillway for the washland

A large part of the Trust Land is statutory washland. To become operative UK Coal is required to construct an inlet spillway from the river. This work is now expected to begin in mid August and last about a month.

Rights of Way

Almost all footpaths and bridleways have now been laid out. However the formal application to extinguish the old path network and create the new network is still awaited, though imminent. Consultations have already been carried out and so it is not expected there will be any objections. It is hoped that the paths can be opened to the public within no more than 2 weeks of the transfer of the land, allowing sufficient time for the erection of stiles, kissing gates etc.

Waste Cell

When the new river channel was cut in 1995 the route went through the location of the old Rothwell UDC refuse tip at Fleet Lane. This refuse was relocated to a specially engineered cell under the hill at St. Aidan's. Although restored to agriculture 7 years ago the waste in this cell is still gassing slightly. UK Coal has now agreed that until such time as the Environment Agency accepts a licence is no longer required the enagement of this cell will remain with UK Coal.

- 6.2 The current expectation is that all the above matters will be dealt with over the Summer this year.

7.0 Implications For Council Policy And Governance

- 7.1 The issues in this report stem from the planning permission and associated legal agreement for the St. Aidan's site. The proposals reflect the decision taken by the Executive Board in July 2005. There is a well established governance structure for further developing the proposals and to oversee longer term management. This

comprises the Trust (the sole trustee is the Director of Development), the Steering Group providing technical advice and expertise, and the Liaison Group providing for community engagement. A project board comprising officers of LCC and the RSPB is proposed to provide oversight and to advise the Trust as necessary.

8.0 Legal and Resource Implications

- 8.1 The transfer of the Trust Land to the Council or the Trust is required pursuant to a covenant in the 1991 legal agreement.
- 8.2 The Trust's lawful purposes are set out in the Trust Deed as "To provide a nature conservation lake....a further lake for recreational and conservation purposes...an area of reed bed and marsh for the attraction and observation of wildfowl and an education and field studies centre." and "To make the trust land available in the interests of social welfare for the recreation and leisure time occupation for those living or working in or resorting to the south Leeds area within which the Trust land is situated. ". It is considered that the subsequent transfer of management to the RSPB falls within the powers of the Trust Deed which are set out in paras B2 (a) – (d) and C3 (i) – (xi) of the Deed and the Charity Commission has confirmed that consent is not needed to proceed .
- 8.3 The RSPB has confirmed that, [unlike the Trust], it has the necessary resources for future maintenance of the land in accordance with the purposes of the Trust.
- 8.4 In terms of risk to the Council there are several risks inherent with the transfer of the Trust Land from UK Coal to the Trust. However over the years steps have been taken to heavily mitigate these risks and most have been removed or marginalised. The position is summarised below:
- Site investigation by Terraconsult has confirmed that there are no levels of contamination which restrict the use of the site
 - The dragline and its compound will be retained by the Trust but will be managed by the 'Friends' group
 - The three bridges will be transferred to the Council following improvement works – a commuted sum has already been received to cover future maintenance
 - Responsibility for clean up following a flooding incident will transfer to the RSPB
 - Flood management structures will be the responsibility of the EA
 - The costs of on-going site management and provision of visitor facilities will rest with the RSPB
 - The new definitive paths replace those closed some year ago and will become the responsibility of the highway authority. Any other paths created would be maintained from the site budget
 - Any structures requiring inspection under the Reservoirs Act will be included in the inspection regime of the Environment Agency at minimal cost to the Trust and the EA will take responsibility of all structures performing a washland function

Swillington Park Flooding

- 8.5 Whilst the Trust Land is holding flood water at certain flood levels this water will prevent Swillington Beck from flowing into St. Aidan's. Beck water will back up in Swillington Park raising water levels in lakes there which form part of a commercial

fishery. As the flood waters recede fish could escape downstream into St Aidan's, with obvious consequences for the fishery business. The Environment Agency has conducted flood modelling and takes the view that levels will not rise there by more than 500mm. The Aire and Calder Navigation Act 1992 which sanctioned the construction of the new combined river and canal around St. Aidan's appears to make UK Coal liable for any loss adjacent owners might suffer as a consequence of any increased flooding attributable to the river works. This will only manifest itself once the washland becomes operable and high river water is allowed into St. Aidan's when the new spillway is commissioned this Autumn. There is thus some limited risk that flooding will affect the fishery business and some uncertainty over where liability for any effects will lie. It is considered that it would be difficult for a third party to establish that liability attached to the Council and this potential risk is not considered to be sufficient reason not to proceed with the land transfer since this would in effect mean not proceeding with the St. Aidan's project.

- 8.6 The Trust Fund is clearly insufficient to fund the requirements and expectations for the Trust Land. There would be a significant risk to the Council in financial terms associated with retaining the management and development responsibilities with the Trust. Failure to provide sufficient funding especially for management and maintenance runs the risk the site would be a danger to users and that the carefully constructed habitats would regress and the lowland areas would once again become derelict.

9.0 Recommendation

- 9.1 The Executive Board is recommended to agree:

- a) to the completion of the lease to the RSPB, based on the Heads of Terms outlined in Appendix 1, as soon as practically possible after transfer of the Trust Land to the St. Aidan's Trust and to delegate this to the Acting Director of City Development on completion of any outstanding documentation; and
- b) that officers continue to explore the opportunities for the wider involvement of the RSPB in the development of the Lower Aire Valley as a major recreational/wildlife resource.

Note: Clause 3(10) of the Trust Declaration dated 25th May 1991 allows the delegation of powers to any officer of the council for the business or performance of the Trust and which is within the professional or business competence of such officer. Jean Dent is the registered Charity Trustee of the Trust and retired on 30th July and so the new registered Charity Trustee to replace Jean Dent will be the Acting Director of City Development Martin Farrington.

Background Papers

1. St. Aidan's Trust Deed
2. RSPB Forward Plan
3. Proposed lease
4. Various draft terms of references
5. RSPB Consultation report
6. Various feasibility studies as per Appendix 2

Appendix 1

Lease of the St Aidan's Trust Land to the Royal Society for the Protection of Birds

1.0 HEADS OF TERMS FOR LEASE

i) **Term**

99 year lease.

ii) **Rent**

Peppercorn

The RSPB to receive the rents which are paid by any 3rd parties occupying part of the site either which are in existence at the date of commencement of this lease agreement or granted by the RSPB during the terms of the lease, provided the use to which the 3rd party agreements fall within the user clause of the main lease. The RSPB to pay other future outgoings in relation to their occupation and usage of the site.

iii) **Tenant**

The Royal Society for the Protections of Birds (RSPB).

iv) **Use**

To develop, use and manage the land for nature conservation , agricultural and public amenity purposes including the creation of a wetland nature area, visitor centre and car park and any supporting works related to the use of the property for grazing or housing of livestock including but not by way of limitation:-

- a) any works providing for managed public access (to include built infrastructure footpaths or signage) and
- b) any commercial activity associated with the running of the site including ancillary retail, catering , and ancillary offices only and toilet accommodation, (excluding hotels, residential industrial and none ancillary offices).
- c) to extract water from site and actively manage water levels.

2.0 SITE

2.1 To occupy the site identified on the attached plan which comprises approximately 400 hectares.

2.2 The site of the dragline to be excluded from the lease, however, should the dragline be removed from the site, then this area of land is to be offered to the RSPB upon the Council giving 6 months notice and if the RSPB wish to occupy this area then it shall be incorporated within the main lease at a peppercorn rent by way of substituting a new plan, incorporating this site, the additional land will be transferred free of charge, free of encumbrances, any associated costs will be met from the trust fund in connection with the transfer.

- 2.3 Leeds City Council will not give any indemnities as it is not the polluter, the dragline is electric and has no diesel storage, the site has been restored to a suitable standard, it is RSPB's responsibility to carry out any investigations to ensure that there are no contamination issues. Prior to the Dragline compound being transferred to the RSPB management, LCC undertake to ensure that the site is free from all contaminants and is in a suitable condition for the intended use.
- 2.4 All the public rights crossing the site will be adopted and the lease will include all sporting and mineral rights together with any other rights which affect the site including the fishing rights at Lowther Lake.

3.0 REPAIRING LIABILITY

a) RSPB's Liability

The RSPB to pay for the maintenance and upkeep of all open areas, grassland, reed and marsh land, lakes any car parks, tarmac road leading from the vehicle entrance down to the main lake, bird viewing areas, the visitor centre and new permissive footways which may be built by the RSPB, internal fences together with the definitive boundary around the site, which is to be of a type which the RSPB consider to be appropriate to manage the site.

b) The Council's Liability

Leeds City Council will be fully responsible for the maintenance of all the public highways, footpaths and bridleway crossing the site.

Leeds City Council will be responsible for the maintenance of the 3 bridges known as Caroline, Shan House Bridge and Lemon Royd Bridge. An easement will be granted by UK Coal to LCC to enable them to maintain these structures.

Leeds City Council will be responsible for carrying out the repairs to the Reservoir Structures and regular inspections of the same if any are identified within the site as defined in the Reservoirs Act 1974 and any costs associated with this.

- c) The Environment Agency will take responsibility for the maintenance of the floodbanks and spillways along the river.

d) Third Party Maintenance

UK Coal to be responsible to extract the leachate from the site together with the associated costs and the RSPB to permit access so long as it is necessary to carry it out. UK Coal will be responsible for any claims associated with the extraction of the leachate.

The RSPB will not be responsible for any pre existing contamination which if left untreated will render the site unsuitable for its proposed use.

4.0 Assignment

The tenant will not be permitted to assign the whole or part of the site.

5.0 Subletting

The RSPB to be able to sublet part of the site with landlord's consent such consent not to be unreasonably withheld or delayed all income gained on any sublet will remain with the RSPB.

6.0 Access

The RSPB to allow access to the public, the Council and all other parties e.g. Environment Agency, Friends of Dragline, Allerton Bywater Fishing Club etc.

7.0 Trust Fund

To use the trust money to contribute toward the capital and revenue costs of the construction works and facilities upon the site, and for those facilities described in 1.0 (iv) above.

On a fixed date each year the interest on the endowment, which will be fixed at the commencement of the lease or a diminimus of £50,000 (whichever is the greater) will be transferred to the RSPB. The RSPB reserve the right to draw down on the capital with the consent of the Council at any given times throughout the term of the lease. VAT is to be applied to the annual payments and any capital draw down payments.

The RSPB to provide a proposal upon how the operation of the Trust money will work i.e. whether or not they draw down on the interest and or capital payment. Each party to pay their own costs in relation to the drawing up of this agreement.

8.0 Costs

Each party to pay their own costs in relation to the drawing up of this lease agreement.

9.0 General Terms

- i) To keep the area clean and tidy and free from litter.
- ii) To indemnify the Council against all proceedings, actions, claims, costs, demands whether for personal injury or for damages or loss to any property which may be made at any time against the Council or their agents or servants arising out of the use of the occupation of the premises, except for any claims arising from the use of the public footpaths and bridleways crossing the site except those claims which arise from direct action caused by the RSPB.
- iii) Not to build or erect any buildings other than a visitor centre and bird viewing facilities on the premises or to make any additions or alterations without consent of the Council. Such consent not to be unreasonably withheld or delayed.
- iv) Should the RSPB wish to erect any other buildings which aid the primary purpose (if the RSPB decide to do so) then they must apply to the Council for consent. (bird hides excluded).
- v) To provide and maintain proper signage upon the site.

- vi) The RSPB to allow free access to the site at all times along and over public rights of way, however admission charges may be served on the public for car parking and for specific events except for members of the Friends of the Dragline provided that free access over the public rights of way is allowed during these events.
- vii) No advertising will be allowed on the site except in relation to those activities carried out solely by the RSPB and those in partnership with another related organisation. No general advertising will be allowed.
- viii) The site will be known as RSPB St Aidan's Nature Park part of the RSPB Aire Valley, no alterations to the name will be made without agreement of the Council.
- ix) The RSPB has the right to bring services onto the site at their own cost and the Council reserves the right to connect into these at its own cost.
- x) The Tenant will be responsible for insuring the site, the cost of which will be solely the responsibility of the tenant details of such insurance to be provided to the landlord if required to do so.
- xi) After seeking Landlords consent the Tenant will be able to use environmentally friendly means of energy generation which will be linked with demonstration purposes and/or educational purposes. Consent will not unreasonably be withheld. Provided that the energy generated is solely used by the tenant for the operation of plant, machinery, equipment and buildings within the site.

10.0 DRAGLINE CRANE

- 10.1 Leeds City Council to be responsible for the removal of the dragline crane if necessary to do so and to remove all structures and fencing.
- 10.2 The Friends of the Dragline to be responsible for the upkeep of the Dragline Structure, building upon the site and the boundary fence. In the event that the FoD cease then the future maintenance of the Dragline will revert to the Council or other nominated body until the structures are removed from site.
- 10.3 The RSPB to provide 10 parking permits to the "Friends of Dragline".

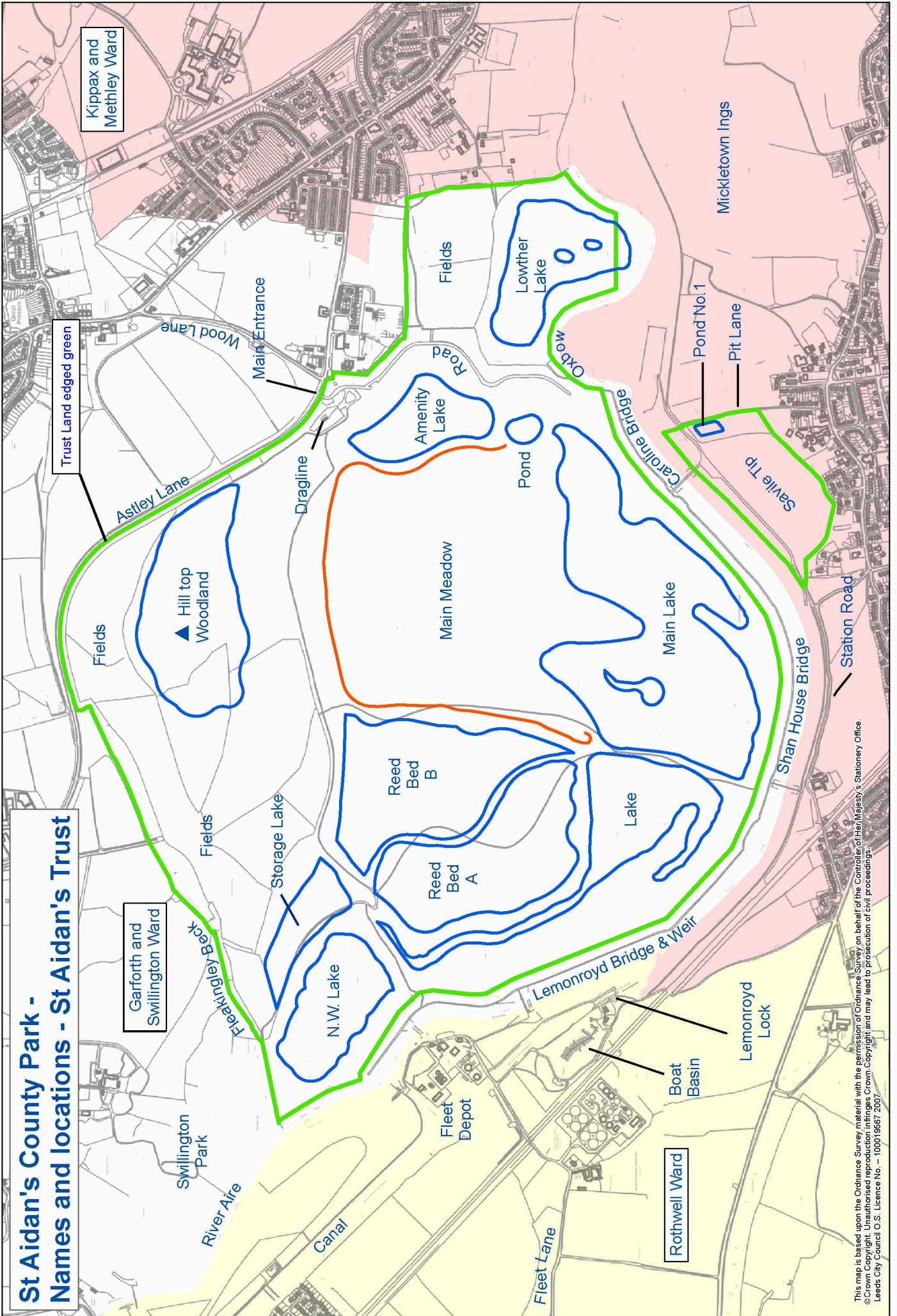
Appendix 2

Feasibility Studies completed:

1. Ground Investigation Study – Terraconsult
2. Access and Audience Plan – TellTale
3. Socio-economic Study – PLB Consulting Ltd.
4. Interpretation Plan - TellTale
5. CO2, Carbon sequestration and bio-fuel study – Nick Ash
6. Traffic Assessment – Turvey Consultancy Ltd.
7. Flood Risk - JOC Consultants Ltd.
8. Spatial Masterplan and Building Design – Studio Gedye

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St Aidan's County Park - Names and locations - St Aidan's Trust



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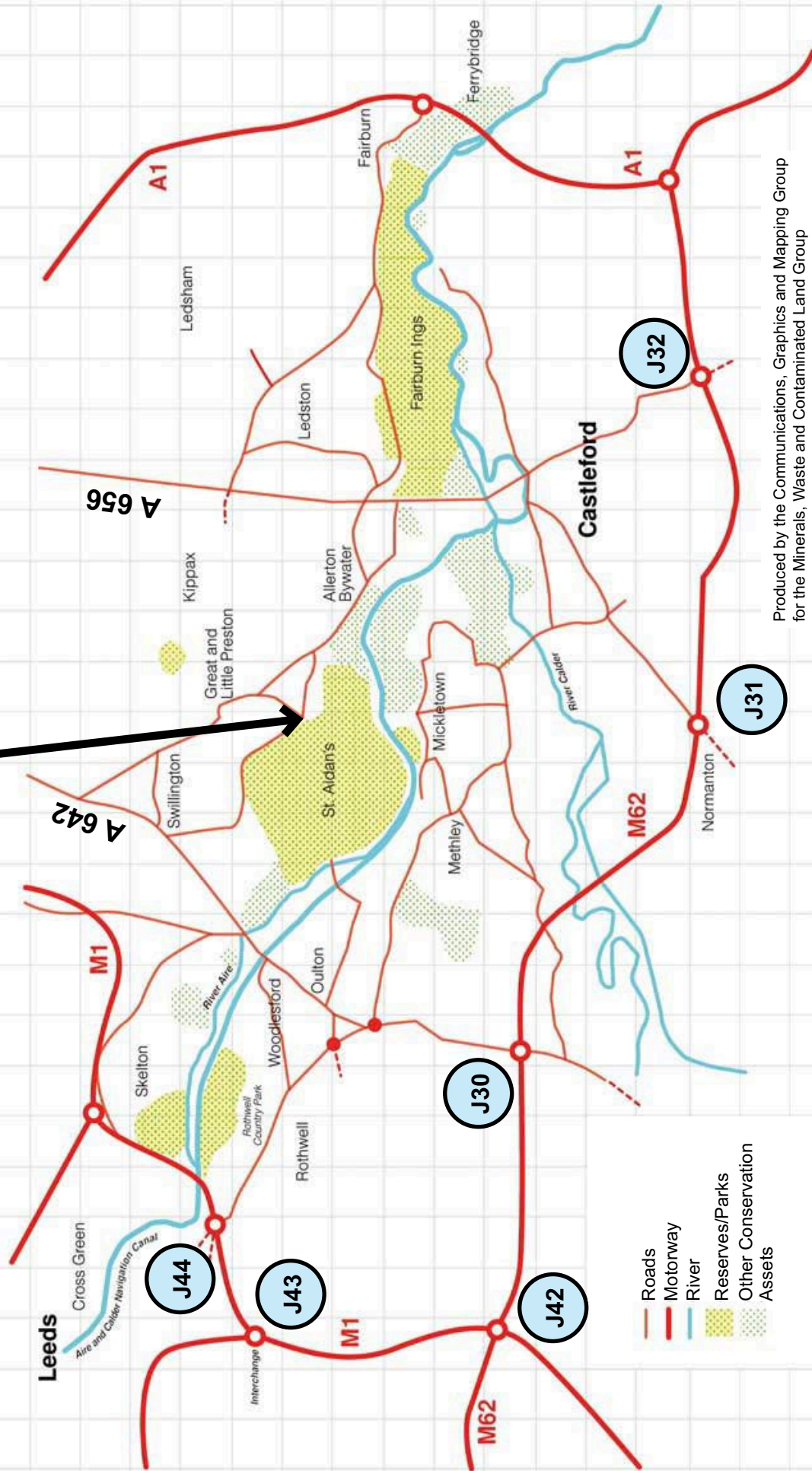
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St Aidan's site main entrance



-  Roads
-  Motorway
-  River
-  Reserves/Parks
-  Other Conservation
-  Assets

Produced by the Communications, Graphics and Mapping Group
for the Minerals, Waste and Contaminated Land Group

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