

Report of: Director of City Development & Director of Environment & Neighbourhoods

To: Executive Board

Date: 11 September 2007

Subject: WykeBECC (Built Environment and Catalyst Centre) - Seacroft

Capital Scheme Number 14049

<p>Electoral Wards Affected: Killingbeck & Seacroft</p>
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<p>Specific Implications For:</p> <p>Equality & Diversity <input type="checkbox"/></p> <p>Community Cohesion <input type="checkbox"/></p> <p>Narrowing the Gap <input checked="" type="checkbox"/></p>

Eligible for Call In

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

Executive Summary

The Council has successfully secured £15.6m of funding over the next three years as part of the Local Enterprise Growth Initiative (LEGI) Programme, which aims to tackle worklessness in some of the most disadvantaged parts of Leeds through enterprise. The key element of the LEGI Programme is the establishment of Catalyst Centres in up to five of the City's most deprived neighbourhoods. The two flagship centres will be in Harehills and Beeston, with a third centre proposed for Seacroft. All of these are being funded by the LEGI Programme. This report seeks to approve spending of £1.295m towards development of the centre in Seacroft and to approve an additional £1.295m injection into the City Development capital programme, funded by the LEGI scheme.

1 Purpose of this Report

1.1 This report seeks authority to spend £1.295 million for a grant to allow the establishment of WykeBECC (Wyke Built Environment and Catalyst Centre) on the site of the East Leeds Family Learning Centre (ELFLC) in Seacroft. The report also seeks authority to inject a further £1.295m into the City Development capital programme from the LEGI programme to cover this spend.

2 Background Information

2.1 The Leeds LEGI programme is a £15.6m programme to encourage enterprise in Leeds' most deprived areas. The areas of particular focus are the Super Output Areas (SOAs) which are amongst the 3% most deprived in the UK. There are 31 of

these areas in the Leeds LEGI target area covering a population of approximately 46,000.

- 2.2 Success will be achieved through a variety of projects delivered by partners including Leeds Chamber, Leeds Ahead and a number of Development Trusts. Of the £15.6m, an original total sum of £4.7m is included in the approved Capital Programme for LEGI related schemes. This is insufficient to allow the WykeBECC scheme to go ahead this year. It is therefore requested that a further £1.295 of the existing £15.6m LEGI programme is injected into the City Development capital programme to allow the project to go ahead this year.

3 Main Issues

3.1 Design Proposals / Scheme Description

- 3.2 The WykeBECC proposal is to place a single-storey modular building of approximately 15,000 square feet on the site of the current East Leeds Family Learning Centre (ELFLC) in Seacroft. The initial impetus for the project came from the convergence of a number of separate work streams. This includes LEGI (in particular the Catalyst Centres, Sector Academies and Development Trusts strands), changes in the delivery of Construction Skills Learning Centre programmes, the opportunities presented by EASEL and training workshops for the David Young Academy, which is a new specialist construction school adjacent to ELFLC. The proposal is that WykeBECC will be split into three areas providing accommodation for a new Catalyst Centre, construction training facility and potentially small managed workspace. Day to day management of the building will be undertaken by Leeds College of Building.

- 3.3 The total capital cost is £1.295 million, comprising £800k for purchase of the building, £12k fees, £383k for site preparation (including foundations) and £100k for internal fit out costs. An additional amount of £258k has also been agreed (revenue) towards operational costs to March 2010. The College of Building and David Young Academy have confirmed their commitment to the development and ongoing use of the building and a business plan for the operation of the site has been drawn up to ensure long-term sustainability.

3.4 Consultations

- 3.5 During development of the Leeds LEGI bid consultation was undertaken with EASEL ward members. A further briefing has taken place with Killingbeck and Seacroft ward members who are supportive of the project.

3.6 Programme

- 3.7 The construction skills service will manage the installation of the facility. They will project manage delivery of the scheme including planning permission, groundworks, site access and security and the contract for the supply of the modular building. Construction skills will deliver the scheme as training to assist in the development of the first cohort of trainees to provide local employment opportunities on the initial Bellway developments.

- 3.8 The programme assumes planning permission for the temporary building is granted in September and assumes that the facility will be open in the Spring of 2008.

4.0 Implications for Council Policy and Governance

Compliance with Council policies

- 4.1 This project complies with council policies, strategies and initiatives and the Council Plan, in particular:
- Competing in a Global Economy - Access to Employment - working towards creating new jobs and breaking down barriers to work, so that residents, particularly from our most deprived areas, can access new jobs.

- Equality - Ensuring that opportunities are available for all on a fair and equal basis including DDA Act compliance.

Community Safety

- 4.2 That the proposals contained in the report do not have implications under Section 17 of the Crime and Disorder Act 1998.

5 Legal and Resource Implications

- 5.1 State Aid regulations have been considered throughout the development of the LEGI Programme and the proposed funding structure for this project will fully comply. Owing to issues over State Aid it is intended that the building will be owned by Leeds City Council (Environment & Neighbourhoods) in the short-term, in the medium term by the EASEL Joint Venture company and in the long-term by a local Development Trust, in line with the aspirations of the wider LEGI Programme to generate local enterprise activity at the heart of our most deprived communities.

Scheme Design Estimate

- 5.2 The council will be incurring capital expenditure of £1.295m on the WykeBECC facility.

Capital Funding and Cash Flow

- 5.3 An original total sum of £4.7m is included in the approved Capital Programme scheme for LEGI related schemes. This is insufficient to allow the WykeBECC scheme to go ahead this year. It is therefore requested that a further £1.295 of the existing £15.6m LEGI programme is injected into the City Development capital programme to allow the project to go ahead this year.

to Spend on this scheme	£000's	2007 £000's	2007/08 £000's	2008/09 £000's	2009/10 £000's	2010/11 £000's	2011 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	0.0						
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	0.0						
OTHER COSTS (7)	1550.3		1350.3	200.0			
TOTALS	1550.3	0.0	1350.3	200.0	0.0	0.0	0.0

Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2007 £000's	FORECAST				
			2007/08 £000's	2008/09 £000's	2009/10 £000's	2010/11 £000's	2011 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	0.0						
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	0.0						
OTHER COSTS (7)	1295.0		1295.0				
TOTALS	1295.0	0.0	1295.0	0.0	0.0	0.0	0.0

Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2007 £000's	FORECAST				
			2007/08 £000's	2008/09 £000's	2009/10 £000's	2010/11 £000's	2011 on £000's
LEGI	5995.0		2995.0	1500.0	1500.0		
Total Funding	5995.0	0.0	2995.0	1500.0	1500.0	0.0	0.0
Balance / Shortfall =	3149.7	0.0	349.7	1300.0	1500.0	0.0	0.0

- 5.4 In addition to the proposed capital allocation revenue funding of £258k has also been agreed for the project. This will cover approximately two-thirds of the operational costs to March 2010 with the remainder being covered by partner organisations and charging end users.

Risk Assessment

- 5.5 The risk assessment for the project has identified a number of issues:
- The programme for the delivery of the WykeBECC assumes that work can start on site before winter, when site conditions could be restricted by cold weather.
 - Programme delays would have a significant impact on the LEGI Programme both in delivery and financial terms.
 - Delay in granting decision, would lead to extra cost and could impact on the programme delivery, as noted above. The supplier of the modular buildings has indicated that there will be a 3% increase in the price as from 1st October 2007, which will mean incurring additional expenditure of £28k if the order is not placed before the end of September.
 - Leeds College of Building has offered to manage the building but final agreement on this arrangement has not yet been concluded. Any delay or change in the arrangements could delay the opening of the facility.

6 Conclusions

- 6.1 Establishment of WykeBECC is a vital component of the whole LEGI Programme. It will provide a facility for residents of East Leeds that without the availability of LEGI funding would otherwise not be possible.

7 Recommendations

- 7.1 Executive Board is requested to:
- Give authority to inject an additional £1,295,000 into the City Development capital programme from the existing £15.6m LEGI programme;
 - Approve the scheme, as detailed in the above report, at an estimated total cost of £1,295,000;
 - Give authority to incur expenditure of £1,295,000 towards purchase of the modular building, site preparation, fit out costs and associated fees to be met from LEGI.