
Report of the Director of Neighbourhoods & Housing

Executive Board

Date: 9th February 2007

Subject: East and South East Leeds Regeneration Area

Electoral Wards Affected:

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

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 report describes the key actions proposed to achieve the Regeneration Aims of the EASEL Initiative. These are accompanied by indicative costs that reflect what is an achievable level of regeneration investment, based on the projected returns to the Council flowing from the existing Joint Venture Financial model. These actions and costs provide together a Headline Regeneration Programme submitted for Executive Board approval in order to enable the agreement of the EASEL Joint Venture Heads of Terms. The report also advises Executive Board on progress towards the fulfillment of the requirements of the Additional Negotiation period with Bellway.

1.0 Purpose of Report

- 1.1 To seek approval of the Headline Regeneration Programme for the EASEL Joint Venture.
- 1.2 To advise members of whether Bellway have met the first key milestone of the Additional Negotiation Period and also an assessment of what progress Bellway have made regarding fulfilling the requirements of the longstop date of 28th February 2007 when the EASEL regeneration project procurement process will be ended.

2.0 Background Information

- 2.1 The stage 2 Brief for the EASEL Regeneration Initiative set out the Council's regeneration aspirations to create sustainable mixed income communities in the most deprived part of the city. In their Strategic Development Framework submission, the Council's preferred bidder, Bellway PLC, provided a detailed response based upon the vision of vibrant new neighbourhoods of mixed tenure housing with high quality services and amenities. To achieve a real transformation of the image of the area Bellway also proposed a number of imaginative and innovative 'iconic' projects providing new leisure, enterprise and environmental attractions for the area as a whole. A key element of the Bellway bid was the focus on the potential of the central green corridor of the Wykebeck Valley as a major leisure and amenity asset providing a strong incentive for higher income families to move to the area.
- 2.2 EASEL is fundamentally a market driven regeneration programme. Its primary aim is to create a successful housing market where increasing values will realise the financial return needed by the Council and the Joint Venture to fund regeneration investment. Of course the key to market uplift is improvement to the existing state and image of the area. The success of EASEL is therefore dependant on upfront investment to address the issues most critical to the housing market; particularly the quality of place, the performance of local schools, the availability of high quality convenient shops and services and good transport links. New housing developments built to a high design quality will make a significant contribution to this aim. However a further essential area of focus must be the existing community whose support must be won for the regeneration vision. Practically that means achieving real benefits for them as part of early regeneration activity and this will include addressing the need for good quality social housing.

3.0 The Regeneration Plan

- 3.1 During the period of preferred bidder negotiation, officers from the Council and its partners, together with Bellway colleagues, have begun developing regeneration project proposals with indicative costings to achieve the Mixed Communities vision for EASEL. These are being shaped into a Regeneration Plan which will form part of a 5 year Business Plan for the Joint Venture. The Regeneration Plan will be a formal agreement and commitment to regeneration activities to be delivered by the Council and Bellway, the initial versions of both the business and regeneration plans will be appended to the Joint Venture Agreement. The plans will be updated by the joint venture organisation annually and be subject to a comprehensive review on a five yearly basis. Based upon the rationale described in section 2 of this report the following headline objectives are proposed for the EASEL Regeneration Plan
- creating affordable, attractive and high quality mixed tenure housing,
 - increasing housing choice for existing residents and attracting new higher income residents to achieve a diverse and sustainable housing market
 - investing in new and existing assets to transform the image and attractiveness of the area, realising the potential of its high quality green spaces
 - creating lively, busy centres for new neighbourhoods with good schools and local services

- solving the underlying social and economic problems of the area focusing on improving attainment and skills, reducing crime and blight and promoting employment and enterprise
- capitalizing on existing public and private sector investment opportunities in schools, hospitals, and the neighbouring Aire Valley.

3.2 The Plan will contain an integrated programme of project proposals which contribute to meeting the regeneration objectives. All project proposals will be fully developed, costed and subject to individual detailed and appropriate option appraisal processes before they are progressed further. As the outcomes of further research, information and data become available the Plan and in particular the detailed aspects of specific projects are likely to change; in order to adapt the Plan must be sufficiently flexible to evolve in response to future challenges and opportunities.

3.3 The Regeneration Plan will focus on genuinely additional activity which is needed to achieve the regeneration aims and objectives. It will not replace or duplicate existing or planned investment in the area or the responsibilities of statutory agencies. The Plan has a number of functions. It will include reference to the agreed activities and interventions of the partners and will provide a public facing document through which we can communicate our intentions to a wider audience as well as being a means of engaging with key stakeholders and potential co-investors such as English Partnerships, Housing Corporation, Yorkshire Forward and Government Office for Yorkshire and the Humber.

4.0 **Key Projects**

It is proposed that the Regeneration Plan focus on the following project areas:

Quality of Place:

New Housing, including remodeling of terraced areas

Streetscene and Amenities

Green Space

Learning

School Performance

Family Support

Affordable and Social Housing

Older residents

Former tenants

Decant need

Local Economic Development

Tackling Worklessness

Raising Incomes

Promoting Enterprise and Inward Investment

New Neighbourhoods

Neighbourhood Centres providing convenient, high quality retail and services

'Flagship' Schemes

New Leisure, Commercial and Public Open Space attractions

5.0 Resources and Timescales

- 5.1 The Headline Programme proposed above has been subject to an initial financial assessment based on costs for comparable successful projects elsewhere, which produces an indicative requirement for the regeneration elements of the first 5 year Business Plan.
- 5.2 To enter into the EASEL Joint Venture agreement with confidence the Council must be able to commit sufficient funds to achieve the core objectives of the Regeneration Plan. To do so the Council must be assured that it will realize a sufficient return from the Joint Venture to meet that commitment. The current financial model for the Joint Venture predicts a return to the Council, based on a medium growth projection, that would enable it to provide a sufficient level of investment to meet the cost of the regeneration elements of the first 5 year Business Plan.
- 5.3 Whilst the initiative is not dependant on external funding for its delivery, sources such as Regional Housing Board, Objective 2, LEGL and Safer, Stronger Communities Fund will support and potentially speed up the delivery of projects. A combination of these sources are likely to be available to contribute to the Regeneration Plan objectives. Potential complementary discretionary funding is more likely to be secured if there is a clear long term strategy for the regeneration of the area and a commitment from the Council to provide the core regeneration investment.
- 5.4 Given this position the Council is able to make an in principle commitment to allocate the necessary funding to deliver an effective Regeneration Programme to achieve the objectives of the EASEL Joint Venture, without the need to find resources from its existing capital or revenue programmes. A commitment of this kind would be subject to the signing of the Joint Venture agreement and to the achievement of the scale of return to the Council forecast by the existing financial model. If the level of return varies from that forecast then the Council will adjust the scale of regeneration investment accordingly.

6.0 Consultation across the authority

- 6.1 Extensive consultation has taken place across the authority to develop the vision and objectives which inform the Regeneration Plan.
- 6.2 Area Committees and ward members have received regular updates on the development of the EASEL initiative and the Area Action Plan and again this has fed into the development of the regeneration plan priorities.
- 6.3 Two workshop events took place at the Carriageworks which brought together representatives from all departments which agreed proposals addressing each of

the identified objectives of EASEL. A similar exercise has taken place over a series of meetings focusing on education and chaired by the Deputy Chief Executive of Education Leeds.

- 6.4 A community consultation exercise took place during the summer of 2006 on the development of the Area Action Plan (which will establish the principle land uses in the area) and the priorities for regeneration. It consisted of 21 public events which were jointly delivered by staff from Planning, the two ALMOs and the Area Regeneration Team. Across these events, which have varied from local open days to attending established community galas and fun days, almost 1000 residents took part in giving their views and this has helped to shape the regeneration plan.
- 6.5 East Leeds District Partnership have indicated their strong support for the aims and ambitions of the EASEL initiative since its inception. The opportunities generated by the project will enable all partners to improve their services and work with the Council and Bellway to shape the future of inner East and South East Leeds. The District Partnership structure will also be a route through which EASEL can engage with key infrastructure projects such as the Making Leeds Better programme.
- 6.6 The District Partnership has contributed to the development of the Regeneration Plan, generating project ideas and needs from the perspectives of their organisations and professional expertise.

7.0 Additional Negotiation Period

- 7.1 Bellway plc were granted an Additional Negotiation Period (ANP) of 16 weeks to 28th February 2007 to progress matters that remained outstanding from the Preferred Bidder. The first milestone within the ANP has now been reached and a formal review of progress has been made by officers. Although all the tasks that required to be completed by the first milestone have not been met in full, the outstanding matters are not of sufficient significance at this point in time that they prevent full compliance with ANP by the long stop date of 28th February 2007

8.0 Implications For Council Policy And Governance

- 8.1 There are no implications for the Council following from this report. Implications arising from governance proposals for the Joint Venture will be dealt with in a separate report.

9.0 Legal And Resource Implications

- 9.1 Since the EASEL Regeneration Project is still in procurement there are legal restrictions and limitations that need to be adhered to in terms of discussions/negotiations with Bellway and making information available at this point in time. The resource implications relate to the Council being prepared to make an in principle commitment of a minimum investment requirement of £35m - £40m over the next 5 years to fund a Regeneration Plan for the EASEL Regeneration Area.
- 9.2 This commitment is dependent upon the satisfactory conclusion of negotiations on the joint venture arrangements and will reflect the anticipated returns from these arrangements over the first 5 years as well as other potential sources of funding that are complementary and help achieve the strategic objectives of the Project.

10.0 Conclusions

- 10.1 To help pave the way towards reaching a successful conclusion to the negotiations on the joint venture arrangements it is important for the Council to:
- to express the outcomes it is aiming to achieve through the EASEL Regeneration Project albeit at a high level at this stage
 - to set out the key interventions required through the Regeneration Plan for the first 5 years
 - to show the likely range in terms of indicative costs of implementing what is proposed in the Plan as well the potential source(s) of funding.

11.0 Recommendations

11.1 Members are asked to:

- Agree the Headline Regeneration Programme that the Council is seeking to achieve through the EASEL Regeneration Project and the key interventions set out in Sections 3 and 4 above which will form the basis of the Regeneration Plan for the first 5 years
- Agree in principle to the commitment of sufficient resources to fund the Regeneration Plan
- Note the progress that has been made in relation to completing the tasks that require to be completed as part of the Additional Negotiation Period