



**Report of the Director of Neighbourhoods and Housing**

**South Inner Area Committee**

**Date: 20<sup>th</sup> February 2007**

**Subject: Progress on regeneration and development issues within South Leeds**

**Electoral Wards Affected:**

**City and Hunslet**  
**Beeston and Holbeck**  
**Middleton Park**

**Specific Implications For:**

Equality and Diversity

Community Cohesion

Narrowing the Gap

Council Function	<input type="checkbox"/>	Delegated Executive Function available for Call In	<input checked="" type="checkbox"/>	Delegated Executive Function not available for Call in Details set out in the report	<input type="checkbox"/>
------------------	--------------------------	--	-------------------------------------	--	--------------------------

**EXECUTIVE SUMMARY**

On the 19<sup>th</sup> April 2006, the Council's Executive Board

- Agreed the principle of developing a comprehensive South Leeds regeneration scheme
- Approved the submission of an Expression of Interest proposal for Beeston Hill and Holbeck relating to central government's Housing PFI fifth bidding round, and the inclusion of a range of potential development opportunities owned by the Council within this scheme (focused on the area shown on the plan in Appendix 1 of this report)

The Council has now been advised that the outline Housing PFI scheme for Beeston Hill and Holbeck, although not approved, has been given first priority status on a reserve list to be allocated future PFI credits.

This report assesses the implications of the decision on the Round 5 PFI scheme in the context of proposals that are being developed for a South Leeds Regeneration Area.

## **1.0 Purpose Of This Report**

- 1.1 To seek Members support to the principles that will underpin the development of a regeneration strategy for the South Leeds area which includes the communities of Holbeck, Beeston Hill, West Hunslet, Belle Isle and Middleton, with a view to detailed proposals being submitted to the Council's Executive Board for approval in the summer of 2007.
- 1.2 Following the decision of the Department of Communities and Local Government (DCLG) to place the Beeston Hill and Holbeck Housing PFI scheme on a priority reserve list, this report outlines the key issues that will need to be addressed in developing regeneration proposals for the wider South Leeds area.
- 1.3 The PFI scheme forms an integral part of these regeneration proposals for South Leeds. If the scheme goes ahead, it will complement other proposals that are emerging, but if PFI credits are not made available, the principles of the scheme outlined in the Expression of Interest bid will be embraced as part of overall proposals for South Leeds.

## **2.0 Background Information**

- 2.1 On the 19<sup>th</sup> April 2006, the Executive Board
  - Agreed the principle of developing a comprehensive South Leeds regeneration scheme
  - Approved the submission of an Expression of Interest proposal for Beeston Hill and Holbeck relating to central government's Housing PFI fifth bidding round, and the inclusion of a range of potential development opportunities owned by the Council within this scheme (focused on the area shown on the plan in Appendix 2 of this report)
- 2.2 A decision on the £90 million Housing PFI scheme was not received until the 23<sup>rd</sup> December 2006. As reported to the February Executive Board meeting, although the scheme has not been placed on the Housing PFI programme at this stage, it has been placed on the fifth round reserve list and will have first call on any credits that become available. The Council has been advised that it will not be necessary to resubmit the Expression of Interest (although this would be necessary if the scheme was radically changed)
- 2.3 PFI credits may become available as a result of schemes from earlier rounds not progressing, or as a result of the Government's Comprehensive Spending Review that is due to be completed in July 2007. Although discussions are continuing representatives from the DCLG regarding the scheme, there is no guarantee that PFI credits will be available.
- 2.4 The PFI proposals sought to use the Council's land assets as well as PFI credits and external funding sources such as the Regional Housing Board as a catalyst for regenerating the area. As part of this strategy, the February 2007 Executive Board approved the clearance of further 'back-to-back' housing in Holbeck which forms a

significant element of the overall approach to improve the area and link potential development opportunities..

- 2.5 This work, along with extensive consultation undertaken as part of the development of a Regeneration Action Plan for Holbeck has created momentum and expectation, which needs to be maintained.
- 2.6 At the same time that the PFI scheme has been developed, initial proposals have been implemented to improve access to the newly constructed South Leeds High School and the sports facilities centred on the John Charles Centre for Sport and initial feasibility work has been undertaken in Middleton that has identified a major opportunity to link cleared Council owned land in Middleton with land at Sharp Lane, which was disposed of by the Council in 2006 and is being developed by a consortium of housebuilders. The relationship and interface between this major private sector scheme and the adjacent older housing areas in Middleton will need to be addressed as part of regeneration proposals that are being developed for the area.
- 2.7 The challenge will be for the Council and its partners to integrate these various initiatives to ensure that the benefits for South Leeds are optimized and proposals to address the regeneration objectives have clearly been established.

### **3.0 KEY FACTORS THAT NEED TO BE CONSIDERED IN DEVELOPING REGENERATION PROPOSALS FOR SOUTH LEEDS**

- 3.1 South Leeds is a large geographical area with a population of in the region of 140,000 and includes a diverse range of communities. Some areas, particularly within the inner city and parts of local authority owned housing estates are characterised by serious levels of deprivation. 33% of all households in South Leeds receive a Council administered benefit compared to the city average of 22%
- 3.2 Overall there are a number of factors that will need to be addressed in developing regeneration proposals. These include:-
- Unemployment rates that are above the city average
  - Pockets of unsustainable housing and poor environmental conditions that are acting as a disincentive for investment and influence the perception of certain neighbourhoods
  - Poor levels of educational attainment and skill levels (only 34% of school pupils gained 5 GCSE's at grades A-C in the summer of 2005 compared to the city average of 50%.
  - High, but falling crime rates and significant levels of anti-social behaviour
  - Poor connectivity between neighbourhoods
  - Issues relating to the provision of affordable housing
- 3.3 South Leeds however has considerable strengths and opportunities. The area is easily accessible to the M62, M1 and M621 motorways, first class sports facilities have been developed at the John Charles Centre for Sport, and there is potential to establish good links to major employment opportunities in the Aire Valley and Holbeck is immediately adjacent to the growth being experienced in Holbeck Urban Village and the expanding city centre.

3.4 Market testing carried out as part of the development of the PFI scheme has demonstrated clear interest from the private sector in potential development opportunities and the way they relate to regeneration proposals being developed, and the Sharp Lane development in the south area, which will result in the construction of 1286 dwellings is demonstrating that there is current demand for private sector housing development in this part of the city. The long term impact of Sharp Lane on the South Leeds housing market will however need to be assessed.

#### **4.0 MAIN POINTS**

- 4.1 The needs of South Leeds outstrip planned levels of investment, and major funding streams such as the Neighbourhood Renewal Fund are coming to an end. The scale of intervention required to achieve effective, long-lasting and sustainable change throughout South Leeds will require massive levels of new investment. Whilst there is a prospect of securing Housing PFI credits for the Beeston Hill and Holbeck scheme, the Council should pursue this option, and Members are requested to endorse the preparation of an Outline Business Case for the scheme at risk, in consultation with the DCLG's Housing PFI Team. It is envisaged that a final decision on the availability of additional PFI credits will be made by the government by July 2007, and progress on this issue will be reported to future meetings of the Board
- 4.2 Although some of the work undertaken to prepare the PFI Outline Business Case may prove to be abortive, the majority of this work will form a solid basis for developing an alternative PPP delivery mechanism as part of an overall contingency plan. If this becomes necessary proposals for Beeston Hill and Holbeck may need to be linked to other opportunities in South Leeds in order to achieve an integrated scheme that has sufficient critical mass to attract the level of private sector interest and investment that will be required to deliver the objectives identified for the area.
- 4.3 Irrespective of whether or not PFI credits are secured or not, there will be a requirement for Leeds South and South East Homes to take decisions about unsustainable elements of its housing stock and for the Council and its partners to develop comprehensive proposals that will address the issues outlined in paragraph 3.2 above, which will require a range of interventions.
- 4.4 In order to progress proposals for South Leeds the work that has been undertaken to date is being used as the basis for identifying strategic and local regeneration objectives and key priorities. This will help to determine the type(s) of intervention(s) and scale of transformation that will be required. In turn, this will determine the most appropriate mechanism or mechanisms for delivering the objectives, which will require detailed consideration. Although many priorities are likely to be focused on individual neighbourhoods, issues for example such as the creation of employment and training opportunities, improving educational attainment, open space and infrastructure and addressing health inequalities will have implications for a wider area.
- 4.5 The overall objectives of the scheme are to
- Create mixed tenure and mixed income neighbourhoods in South Leeds, and ensure that there is an adequate supply of affordable housing
  - Improve educational attainment and the creation of new training/employment opportunities

- To look at opportunities available in the area to address social exclusion, disadvantage and inequalities being experienced by people living in South Leeds
- To create a sense of identity and place for individual neighbourhoods within the area
- To increase choice and improve the quality of life for people living within South Leeds
- To encourage and promote cross-sector and inter-agency working to achieve regeneration objectives
- To attract new investment and create investor confidence for the wider South Leeds area and underpin long-term partnership working.

4.6 Specifically, the scheme will need to:-

- Address issues relating to unsustainable parts of the housing stock within South Leeds
- Improve connectivity between Holbeck and Holbeck Urban Village and the City Centre
- Improve the image of the Parkside industrial area and strengthen accessibility to the John Charles Centre for Sport and South Leeds High School from adjacent communities.
- Integrate the major private sector housing development at Sharp Lane, Middleton with adjacent older housing areas

4.7 As mentioned above, the integration of the Sharp Lane development in Middleton with the adjacent housing areas will be critical to achieving regeneration objectives for this area. A number of former Council owned properties have been cleared, and there is an opportunity for this cleared land to form the basis for developing new housing that could connect with the Sharp Lane site. A key objective is to construct a new access road that will link these two areas, through a Council owned site that is marked as A on the plan attached in Appendix 1. This was a site that was reserved for a new primary school that is no longer required for this purpose. It is important that the site is retained in the Council's ownership until planning issues relating to the potential development of these areas have been assessed. A report recommending this course of action is to be presented to the Council's Executive Board in March 2007

4.8 Detailed consultation has commenced with key stakeholders and residents, with a view to reporting recommendations on a preferred strategy for South Leeds to the Executive Board in the summer of 2007, by which time hopefully some clarity will have been achieved. regarding the PFI scheme for Beeston Hill and Holbeck.

4.9 As part of this initial phase of developing regeneration proposals for South Leeds some of the important issues that will need to be addressed are:-

- Assessing the type and value of Council assets in the area that could be used to deliver the objectives identified in paragraphs 4.5 and 4.6 above
- Assessing what investment from key partners is already going into the area, and seeking agreement to the principle that these commitments will be maintained to add value to the overall strategy

- Assessing the planning/highway issues associated with the development of potential sites
- Assessing the cost of assembling potential sites, including acquisition costs, legal checks, site investigation works and implementing road closures etc.
- Identifying potential mechanisms to deliver the identified objectives
- Identifying resources to deliver the project(s)

## **5.0 Policy context**

- 5.1 The improvement of parts of South Leeds and the Beeston Hill and Holbeck area in particular is a corporate priority for the Council, which is identified in the Vision for Leeds 2004-2020, the Corporate Plan 2005-8, and the Leeds Regeneration Plan 2005-2008. The area is a designated Neighbourhood Renewal Area. There is reference in the Unitary Development Plan to the need to regenerate parts of the area and in 2005 the Executive Board approved a Land Use Framework for Beeston Hill and Holbeck as Supplementary Planning Guidance.
- 5.2 Planning policy for this area of the city is established by the UDP and UDP Review, and several parts of the area are within the Green Belt. There is an approved Land Use Framework that covers the Beeston Hill and Holbeck NRA area, and has been approved by the Council as Supplementary Planning Guidance. The influence of these policies on the development of regeneration proposals for South Leeds will require further detailed consideration.

## **6.0 Proposed consultation and indicative timetable**

- 6.1 The Project is being governed and managed by a structure that includes
- The Council's Asset Management Group and Executive Board
  - A Housing PFI Board and a PPP/PFI Coordination Board within the Council that provides guidance on the development of PFI and PPP projects
  - The South Leeds District Partnership
  - The Council's South Inner Area Committee
  - The Board of Leeds South and South East Homes
  - A Regeneration Partnership Board for Beeston Hill and Holbeck
  - A Regeneration Board for Middleton
  - A range of established Forums and resident/tenant groups throughout the area
- 6.2 Over the next three months, proposals for South Leeds will be developed in consultation with Lead Members, Ward Members and key stakeholder groups such as the South Leeds District Partnership, the Beeston Hill and Holbeck Regeneration

Partnership Board, the Middleton Partnership Board and tenant/resident groups within the area.

## **7.0 Recommendations**

Members of the South Leeds Inner Area Committee are requested to:-

1. Note the DCLG's decision on the Beeston Hill and Holbeck Round 5 Housing PFI scheme
2. Support the preparation of an Outline Business Case for the PFI scheme, on the understanding that the work undertaken will support the development of an alternative PPP delivery mechanism, should this be necessary if PFI credits are not allocated to the scheme.
3. Support the objectives for the South Leeds Regeneration Area and the progression of work on developing regeneration proposals, with a view to presenting detailed proposals to a future meeting of the Inner Area Committee