

Report of the Director of Environment & Neighbourhoods

Report to Scrutiny Board (Regeneration)

Date: 31st October 2011

Subject: East Leeds Regeneration Board – Position Statement

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| Are specific electoral Wards affected? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| If relevant, name(s) of Ward(s): Burmantofts & Richmond Hill Cross Gates and Whinmoor Gipton & Harehills Killingbeck & Seacroft Temple Newsam | | |
| Are there implications for equality and diversity and cohesion and integration? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Is the decision eligible for Call-In? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Does the report contain confidential or exempt information? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| If relevant, Access to Information Procedure Rule number: Appendix number: | | |

Summary of main issues

1. The report explores the context and the way in which preparations were made for the proposed East Leeds Regeneration Board, a sub-board of the Leeds Initiative's Housing & Regeneration Board.
2. It describes the Chamber of Commerce's role and involvement in preparing membership, terms of reference and some draft discussion documents for a proposed first meeting of the East Leeds Regeneration Board, arising from the desire to secure private sector involvement in the regeneration agenda.
3. The report also sets out what is known about 'New East Leeds', an initiative developed through the Chamber of Commerce to secure development and regeneration in the East Leeds area.
4. It also summarises the current position with separate ongoing long term discussions between the Council and Thorpe Park Developments Ltd in relation to the Council's efforts to unlock potential development in outer East Leeds; these discussions having

continued over a significant period of time separately from recent Chamber of Commerce activity to promote 'New East Leeds'; and being the subject of an Executive Board report planned for November 2011.

Recommendations

5. Scrutiny Board is asked to note and comment on the content of this report.

1 Purpose of this report

1.1 This report has been prepared at the request of the Chair of the Scrutiny Board (Regeneration) to examine the way in which the preparation for proposed East Leeds Regeneration Board, a sub board of the Leeds Initiative Housing & Regeneration Board, was carried out; and any connections between it and 'New East Leeds'. The report provides a position statement about the proposed East Leeds Regeneration Board in the context of the Leeds Initiative's City Priority Plans. It sets out what is known currently by officers about 'New East Leeds'. It also summarises the current position in relation to separate discussions between the Council and Thorpe Park Developments Ltd to unlock development in the area of the East Leeds Extension north of the railway line.

2 Background information

2.1 Leeds' Vision is that by 2030, it will be locally and internationally recognised as the best city in the UK. Alongside this, five City Priority Plans have been published which set out the key outcomes to be delivered by the Council and its partners over the next four years; to be managed through five partnership boards.

2.2 The Housing & Regeneration City Priority Plan is overseen by a partnership board, the Housing & Regeneration Board, focusing on:-

- § maximising regeneration investment to increase housing choice and affordability within sustainable neighbourhoods;
- § enabling growth of the City whilst minimising the impact on the environment and the distinctive green character of Leeds; and
- § improving housing conditions and energy efficiency.

2.3 Membership comprises the Council's Executive Member for Housing & Regeneration (Cllr Gruen, Chair), the Executive Member for Development (Cllr Lewis), Conservative Group representation (Cllr Anderson) and Liberal Democrat Group representation (Cllr Pryke). Council officer membership is through the Directors of Environment & Neighbourhoods and City Development.

2.4 The board also includes private and public sector housing representatives: from the Homes & Communities Agency (HCA); a representative from the 'third sector' (yet to be nominated); the Chair of the Housing Forum (Steve Williamson, Chief Executive of Renew); a private sector regeneration representative (Jonathan Morgan, Chair of

the West Leeds Gateway Board, and MD of Morgan's estate agency). It includes a representative of the Chamber of Commerce, Mark Goldstone; there to represent the Chamber's Property Forum. The Chair of the Board has been very keen to include private sector representation due to the increasing emphasis on the contribution that the private sector can make to regeneration in terms of finance, investment and job creation. However, he has also emphasised that the board should not include any private sector involvement that can gain, or could be seen to be capable of gaining, specific business benefit from involvement in the partnership.

- 2.5 The Terms of Reference for the main City Priority Plan Housing & Regeneration Board contain reference to the East Leeds Regeneration Board as follows:-

"[The Housing & Regeneration Board] has links to a wider network of partnerships, some of which it will commission to deliver areas of its agenda, and it will link with the agendas of other partnership boards, specifically:

- area-based regeneration programmes (east, west, south regeneration);...."

- 2.6 This was included in a report to the Leeds Initiative Board on 15th June 2011. The Housing & Regeneration Board had its first shadow meeting on the 15th September.
- 2.7 To follow this, a first shadow meeting of the East Leeds Regeneration Board was provisionally arranged for 3rd October. In the event the meeting was cancelled. A revised date has yet to be set.

3 Main issues

The East Leeds Regeneration Board

- 3.1 The East Leeds Regeneration Board was proposed to be established under the Leeds Housing & Regeneration Board, to guide and monitor the regeneration programme for an area covering the electoral wards of Burmantofts & Richmond Hill; Cross Gates & Whinmoor; Gipton & Harehills; Killingbeck & Seacroft, and part of Temple Newsam.
- 3.2 The Board is intended to have a key role in taking an overview of the Council's existing regeneration activities in East Leeds, including new housing development, a programme for further 'brownfield' housing developments and affordable housing delivery, investment into the older terraced housing areas, environmental & 'greenspace' projects, and support for jobs & training.
- 3.3 The original East Leeds regeneration activity covered the inner area only. It covered what is known as the EASEL project and is managed by the Council through a team in the Regeneration Programmes Division of the Environment & Neighbourhoods Directorate. This includes the Council's joint venture company with Bellway Homes ('East Leeds Ltd'), established in February 2009 to deliver the EASEL project. The first phase of development through this vehicle is already underway with the construction of over 200 new mixed tenure homes.
- 3.4 The Housing & Regeneration Board has under its remit consideration of housing growth in the city. Given the potential for significant housing growth in the outer East

Leeds area, potentially at the expense of less viable or attractive housing growth on brownfield land in the inner East Leeds area, the remit of the East Leeds Regeneration Board was planned to be wider than the original EASEL area. In addition, due to the potential for job creation in the outer east Leeds area and in the Aire Valley, the East Leeds Regeneration Board potentially has a secondary interest in trying to ensure a match between potential jobs and skills availability in the inner East Leeds area. It's remit has not been formally finalised.

- 3.5 Following on from the preparations for the main Housing & Regeneration Board, the Chair asked for some work to be done to establish the East Leeds Regeneration Board. Some draft terms of reference were prepared by officers from Regeneration Programmes, Environment & Neighbourhoods Directorate and submitted to the Chair of the Housing & Regeneration Board and to Governance Services for comment. These were amended by Governance Services to reflect what was understood to be the terms of reference of a consultative body. They are attached as Appendix 1.
- 3.6 As with the city-wide board, the Chair of the Housing & Regeneration Board was keen to broaden the involvement of the private sector in the activities of the board, given the most likely source of finance, in a period of public sector cut-backs, for investment and for job creation in areas of need would be through private sector housing and commercial development opportunities. He was therefore looking for both boards to have wide-ranging discussion about the way forward and not to be too dominated by Council views.
- 3.7 It had been proposed that the M.P. for East Leeds could be suggested to Chair the East Leeds Regeneration Board, given he is M.P covering the majority of the affected area and given his role on the Chamber of Commerce's Team Leeds leading on regeneration. On this basis, the Chamber of Commerce became involved in the preparation work for the East Leeds Regeneration Board.
- 3.8 It was understood by officers of the Council that the Chamber of Commerce would assist in servicing the Board and enabling the delivery programme, alongside the Council and that papers may come from any of the participating organisations, not just Council officers.
- 3.9 Proposed membership was drawn up by the Chamber of Commerce to include the two areas MPs (George Mudie and Alec Shelbrooke); the Chair of the Housing & Regeneration Board (Cllr Gruen), a named representative of each of the wards covered by its area, private sector and Chamber representatives, METRO and the Homes & Communities Agency (HCA).
- 3.10 Draft terms of reference were drawn up by the Chamber of Commerce. These were due to be discussed at the first meeting of the Board and were not therefore in an agreed or ratified form.
- 3.11 Reports were produced via the Chamber of Commerce for the first meeting of the board. These covered the rationale for and proposed role of the board; its proposed membership; and a background paper about 'New East Leeds'.
- 3.12 The papers for the first (informal) meeting were sent out by the Chamber of Commerce on 27th September. This was the first time that officers in the Council saw

the full membership of the proposed board (now called East Leeds Housing & Regeneration Board); its terms of reference; and the reports that had been prepared by or on behalf of the Chamber. The paperwork for the proposed board meeting is attached as Appendix 2.

- 3.13 In the event the board did not meet as the meeting was cancelled by the Chamber of Commerce.

'New East Leeds'

- 3.14 On 23rd September 2011 at the Chamber of Commerce's annual business lunch, New East Leeds was announced as an initiative. A press release was issued by the Chamber on the same day. The flyer, press release and press article from the Yorkshire Evening Post web-site are included as Appendix 3.
- 3.15 The Chamber of Commerce's press release refers to New East Leeds as a private sector collaboration to transform a large area of East Leeds including expansion at Thorpe Park business park; a 110 acre public park; new homes on the former Vickers' plant and the construction of the Manston Lane Link Road (MLLR). The initiative was to be entirely private sector led, whilst working in partnership with Leeds City Council. Companies cited as being involved included GMI group and Scarborough Group.
- 3.16 The Chamber of Commerce established 'New East Leeds Ltd' as a company on 21st September 2011. It is understood that its purpose was to assist in the delivery of development at and around the Thorpe Park Business Park and to work with a range of landowners and developers to maximise employment and training outcomes for local people. Council officers were not involved in establishing this company or aware that it had been established until this was checked on 27th September. Given that background, officers understand that the company was established by the chamber as a way in which the Chamber would be able to charge fees for its work in the 'New east Leeds' area. Officers also understand that the Chamber of Commerce intends to close the company.

East Leeds Extension

- 3.17 Members will be aware that the Council's UDP makes reference to the East Leeds Extension, an area of potential housing growth; and to the East Leeds Orbital Road, a road that would service such development and take pressure off the ring road. In addition, Members will be aware of planning applications and conditions relating to both the development of the former Vickers factory, which requires the MLLR to be built for the full development to proceed; and the potential for extension of the Thorpe Park business area, a planning condition of which requires the Manston Lane Link Road, and a bridge over the railway line, to be constructed.
- 3.18 Due to the economic downturn, potential growth has been effectively blocked as Thorpe Park Developments Ltd (TPDL) are unlikely to reach the threshold above which they are required to build the road for some years to come. As a result of the potential need for the road, Thorpe Park Developments Ltd believe they should receive part of the increase in land value arising from new development.

- 3.19 The Council has been in discussions over a prolonged period of time with Thorpe Park Developments Ltd (part of the Scarborough Group) in an effort to unlock the position in relation to new development in the east Leeds area through the bridge and road that Thorpe Park is required (as a planning condition) to construct at some stage to expand its own development. If built, this unlocks housing development to the north of the railway line including that which requires the MLLR.
- 3.20 Heads of Terms have recently been drafted between the Council and Thorpe Park Developments Ltd and these are the subject of a separate report planned for Executive Board on 2nd November 2011. Council officers understood that there would be a press release and announcement at the Chamber of Commerce's lunch on 23rd September. However, no one at the Council appreciated that the announcement related to the launch of the company 'New East Leeds Ltd'.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 This report has been prepared to summarise events and has not in itself been the subject of any consultation.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 Where projects or proposals are being lead by the Council or will involve Council resources/assets, an Equality Impact Assessment Screening will be undertaken and if required, a full Equality Impact Assessment. A screening exercise has been carried out in relation to the East Leeds regeneration project as a whole, but not specifically in relation to the matters covered by this report.

4.3 Council Policies and City Priorities

- 4.3.1 The East Leeds Regeneration Board is intended to form part of the governance and delivery arrangements for the Housing & Regeneration City Priority Plan and will also contribute to the delivery of Environment & Neighbourhoods priorities in the Council Business plan. A report is to be considered by Executive Board on 2nd November 2011, which will clarify the arrangements and governance around the establishment of any sub-boards by the five Leeds Initiative partnership boards.

4.4 Resources and Value for Money

- 4.4.1 There are no specific implications in relation to this report.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 If it is intended to formally constitute the East Leeds Regeneration Board as a body to which the Council nominates Member representatives, this will need to be reported formally to the Council through Member Management Committee. The Members Code of Conduct will apply to those Council Members nominated to the Board by the Council. It was not intended that the board itself would have any decision making powers.

4.6 Risk Management

- 4.6.1 The East Leeds Regeneration Board was to be established to guide regeneration efforts across East Leeds. The resource for significant investment in regeneration and employment are most likely to be through the private sector rather than the public sector. Therefore partnership working is required. From the Council's perspective, this requires the governance of its relationship with the private sector to be clear and documented so as to avoid risk, real or perceived, of conflicts of interest.

5 Conclusions

- 5.1 The East Leeds Regeneration Board is to be established as part of the new city governance arrangements to deliver the Vision for Leeds 2030. It will undertake a more local area-based co-ordinating role in the delivery of the Housing & Regeneration City Priority Plan, reporting to the city's Housing & Regeneration Board.
- 5.2 The Board has yet to be formally established and has not had its first meeting. The majority of the preparation for the proposed meeting was done through the Chamber of Commerce without involvement of Council officers. The New East Leeds initiative and company was launched without knowledge of anyone at the Council, although its timing may well have been chosen by those working with the Chamber of Commerce to reflect a real step forward in the separate negotiations with the Council designed to unlock development in the area.
- 5.3 There are lessons to be learned: there was insufficient communication between the Council and the Chamber of Commerce on this matter. It is also recognised that there is a need for more clarity about the role and remit of any partnership sub-board established through the Leeds Initiative arrangements. This is subject of a separate review being carried out by the Assistant Chief Executive (PPI) which will be reported to Executive Board on 2nd November 2011. This report will clarify the arrangements and governance for the establishment of any sub-boards by the five Leeds Initiative partnership boards including establishing that the Council will provide the secretariat function, and to put in place a mechanism to deal with any potential duplications between sub-board proposals.

6 Recommendations

- 6.1 Members are asked to note and comment on the content of this report.

7 Background documents

Executive Board report 15th December 2010 Proposed changes to the Leeds Initiative Partnership and the City Planning Framework;

Leeds Initiative Board report 15th June 2011: Convening the Strategic Partnership Boards