

Leeds Transformational Regeneration Partnership

Date: 13th March 2024

Report of: Director of City Development

Report to: Executive Board

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

This report sets out a proposal for the Council to enter a long-term Leeds Transformational Regeneration (LTR) Partnership with Government, Homes England (the Government's national housing and regeneration agency) and West Yorkshire Mayoral Combined Authority to support a 10-year programme of change and investment focused on central Leeds. It sets out the basis of a spatial regeneration strategy for the city centre and adjoining 'city rim' neighbourhoods, which will be developed and delivered through the partnership, and how we propose to design and accelerate city centre growth to support the delivery of the social, economic and spatial ambitions set out in the 2023 Inclusive Growth Strategy.

Recommendations

- a) Agree that the Council enters into the Leeds Transformational Regeneration Partnership on the basis set out in the report and that progress on the partnership and its activities be reported to the Board annually;
- b) Welcome the commitment of revenue funding from government to support the Council in developing and delivering an LTR work programme;
- c) Welcome the capital grant commitments made by government as set out in this report for City Partner projects and agree that a future report is brought to Executive Board to consider their detailed implications for the Council, including its continued role in supporting the development ambition for Temple Works;
- d) Agree to delegate decisions relating to the Council's contribution to the design and delivery of the LTR implementation plan and delivery programme to the Director of City Development, in consultation with the Executive Member for Sustainable Development & Infrastructure.

What is this report about?

- 1 This report sets out a proposal for the Council to enter a long-term Leeds Transformational Regeneration (LTR) Partnership with Government, Homes England (the Government's national housing and regeneration agency) and West Yorkshire Mayoral Combined Authority to support a 10-year programme of change and investment focused on central Leeds. It sets out the basis of a spatial regeneration strategy for the city centre and adjoining 'city rim' neighbourhoods, which will be developed and delivered through the partnership, and how we propose to design and accelerate city centre growth to support the delivery of the social, economic and spatial ambitions set out in the 2023 Inclusive Growth Strategy.
- 2 In July 2023 the Secretary of State for Levelling Up, Housing and Communities announced the government's long-term plan for housing, with the intention to work with a small number of places across the country to accelerate growth. The announcement recognised the benefits of urban regeneration and how it can drive positive outcomes for the environment, the economy, for productivity and well-being and as such set a focus on renaissance of the heart of 20 of the most important towns and cities. In February 2024 the Secretary of State further announced the need for Local Authorities to prioritise brownfield housing developments, with planning authorities in England's 20 largest cities and towns to follow a 'brownfield presumption', if housebuilding drops below expected levels.
- 3 Leeds has already seen significant recent growth in its economy, becoming the fastest growing city in the north in tech, home to one of the fastest growing global fintech hubs, and having the second biggest finance and legal sectors in the UK. There is also a strong presence of healthcare and professional services and public institutions and private HQs. The city centre represents 30% of total city economic output, a proportion higher than in all other major cities except for London.
- 4 Leeds is also at the forefront of the country's housing growth, with over 17,000 new homes built over the last five years – around 1.5% of England's overall new housing supply – including the highest supply of new affordable homes of any Core City in the same period. Over the last 10 years 80% of our new homes have been built on brownfield land, with the city centre becoming an increasingly important focus for housing development and emerging new residential communities.
- 5 Following concerted work between local and central government to build understanding of the success and momentum of locally-led regeneration in the city, the scale of growth still to be unlocked and the wider opportunity for growth in West Yorkshire, Leeds has been chosen by government for inclusion in its national plan. There is a shared recognition that whilst the economy of Leeds is strong and growing, major improvements in productivity can be won through a focus on some of the fundamental structural challenges facing the city, including improving growth, choice and affordability in the housing market, improvements in public transport connectivity and integration, and leveraging our core economic, innovation and cultural assets. Optimising the locational and economic advantages of the city centre will be key.
- 6 We have been clear that the Council has the appetite, ambition, experience and expertise to realise the still unmet potential for our city's economy, communities and environment, despite a backdrop of challenging local government finance.
- 7 The Council has therefore welcomed the opportunity to work with the Department for Levelling up Housing and Communities (DLUHC) to develop the plans for regeneration that we set out in

the 2023 Inclusive Growth Strategy, including accelerating the delivery of 20,000 new homes across the central parts of the city and ensuring we increase the benefits of city centre growth into surrounding communities.

- 8 Our inclusion in the plan will enable us to work far more closely with government than ever before, to protect and build local capacity at a time of pressure on resources and to generate more pace around the good work already achieved to create high quality places, meet the affordable housing needs of our residents and to develop the resilience and solutions we need to address the climate emergency, including our net zero ambitions.
- 9 The opportunity is not just to work in partnership with DLUHC but to achieve deeper and co-ordinated relationships across government and its agencies, to better influence policy and funding decisions that affect our plans for place-making, infrastructure and the environment in the city and to help develop joined up solutions to issues or barriers to our progress. There is a prospect that locally responsive and bespoke funding and policy flexibility can be developed to scale up and accelerate our regeneration and growth plans.
- 10 To move the regeneration proposals forward, on 6th March 2024 and following the Spring Budget, the Secretary of State for DLUHC published A Vision for Leeds: a decade of city centre growth and wider prosperity, announcing the proposed LTR Partnership. The document confirmed the Government's commitment and support for 3 key cultural and economic projects in the city, comprising:
 - a) New funding of an additional £10m, subject to a business case towards the establishment of British Library North at Temple Works, supplementing the existing £25m committed through devolution funds to the West Yorkshire Combined Authority. This is alongside the desire to bring the building into public ownership through Homes England who has entered into a Memorandum of Understanding with the existing owners with a view of acquiring the property.
 - b) New funding of £5m, subject to a business case towards the delivery of a new National Poetry Centre; and
 - c) Support for further work to explore and develop the role of the Royal Armouries Museum including the planning and delivery of new conferencing and exhibition facilities.

More details on these opportunities is set out further in paragraphs 31 – 34 of this report.

- 11 We recognise that cross sector partnership and private investment have been key to our regeneration achievements to date and will continue to be so. We also know that successful regeneration cannot simply be about physical development and must have strong drive and ownership from the communities that will experience and benefit from changes to places, spaces and neighbourhoods. The partnership vision arises from our existing locally-led plans, consultations and stakeholder engagement and is built on the foundation of consultation and co-production work that has been undertaken over many years to establish the development principles that will now be progressed further towards implementation. As this work progresses, collaboration and co-production will remain as fundamental aspects of the city's regeneration programme as it moves forward, to inform the public sector partnership set out in this report and to build upon the early public sector investments referenced above.

What impact will this proposal have?

- 12 The 'Leeds Transformational Regeneration (LTR) Partnership' will be an informal partnership working to an agreed vision and characterised by collaborative working between local, regional and national tiers of government. It will not be a formal legal structure and will not assume any of the decision-making powers held by the partners.
- 13 Entering and developing the LTR Partnership is a significant opportunity for the city. It positions Leeds as one of a small number of places across the country that government has recognised as having local ambition, a strong track record and momentum in economic growth, development and regeneration and where there is further huge potential to achieve more by aligning public sector policy, planning and funding. The partnership will draw together and agree a coherent 10-year programme to realise this in a way that is tailored to the needs and potential of the city.
- 14 LTR arises from many years of successful locally-led regeneration and planning in the city and a recognition between the partners that driving growth in the Leeds economy is critical to national as well as local productivity as well as to addressing the related social and economic challenges, which impact on too many residents and communities in our city. The partnership and related work programme will focus particularly on the still untapped potential of Leeds City Centre to grow to meet mixed-tenure housing needs for a full range of people, to deliver the transport and connectivity improvements that will support the needs of the whole city and region, and to harness its economic specialisms and sectoral advantages to drive innovation, offering real opportunity and benefits for all Leeds residents.
- 15 This report sets out how the partnership will bring greater capacity to develop, test and articulate a vision and plans for future regeneration of the 'City Rim' – the area of poor quality, often low-density, urban realm with over-dominant transport infrastructure that presents a barrier to city centre growth and creates disconnection with many of our inner-city neighbourhoods, contributing to poor environmental, health, education and overall life outcomes. We have identified six City Rim Neighbourhoods where the scope for positive change and a programme of future planning and spatial investments can be considered by the partners. At the heart of each of these are anchor projects, key opportunities and infrastructure challenges that can act as catalysts to change, and where cases can be built to secure public funding and finance.
- 16 LTR will embrace and help co-ordinate our work on existing priorities such as the continued redevelopment and growth of Leeds Station; establishing certainty around the provision of high speed rail connections to the city and the regeneration benefits that will arise; planning and delivering Mass Transit and our work to ensure Leeds is a city where you don't need a car to get around; delivering housing growth and meeting affordable housing needs; and securing game-changing investments such as British Library North at Temple Works.
- 17 The partnership represents a unique and timely opportunity to accelerate our delivery of these plans with greater cross-public sector certainty and join up than ever before. But we know that fundamental, generational place changes cannot be achieved through the action of public bodies alone. Challenging public finances for the foreseeable future will mean a continued core role for our current and new investment and development partners in the city in forming and delivering transformational regeneration plans; and the need to ensure this work is informed by and is responsive to the needs of people and a wide range of other local interests, mean that communities, third sector and civic societies will need to be engaged and be at the centre of this work.

LTR Vision

- 18 The Council has worked closely over Autumn/Winter 2023/4 with DLUHC, Homes England (HE - a non-departmental body sponsored by DLUHC to deliver housing growth and regeneration across the country) and West Yorkshire Combined Authority to set out the initial principles and basis for working in partnership on LTR.
- 19 This has been a very positive and collaborative process leading to the drafting of a Partnership Vision, Terms of Reference and shared governance. LTR is proposed as an informal partnership between the Council, DLUHC, HE and WYCA, which is non-binding on partners and does not replace or take any of their own decision-making powers. Executive Board is asked in this report to approve the Council's commitment and membership on this basis.
- 20 The LTR Vision has been supported by the partners, with endorsement from the Leader, Executive Members and the Mayor of West Yorkshire and was launched by the Secretary of State on the 6th March 2024 – it is attached as Appendix 1. The LTR Vision does not represent a change in direction or intent for the Council as to where we will focus our regeneration activity, as set out in the Inclusive Growth Strategy. Rather, it sets a platform from which we can, as a city and in partnership, focus on more detail, test, develop and articulate our priorities for development and change in and around the city centre over the next 10 years, and how we will set about achieving these. It will feed into and inform our current work on developing the new long term Local Plan up to 2040.
- 21 LTR will focus on three broad areas of partnership activity, with the potential range of new and existing work that is to be co-ordinated or explored in each set out below:

Housing & Built Environment

Shaping the housing growth plan for the city centre for a wide range of residents, including the spatial vision, investment models and prioritising key sites; planning for essential community infrastructure; place-making interventions, design coding and master planning; co-ordinated approach to public sector land; inner city estate regeneration and housing retrofit; embedding 'building beautiful' principles and ensuring green/blue infrastructure is protected and enhanced to lift its amenity and ecological value.

Transport & Connectivity

Improving connectivity across all modes to unlock regeneration and economic benefits for the city - better connect places in and across central Leeds and with the wider region to improve accessibility, active travel and address barriers to growth; a co-ordinated approach to safeguarded rail land and planning for the expansion of Leeds Station to accommodate both future high speed and classic service growth; support the planning and delivery of the West Yorkshire Mass Transit programme and leveraging its benefits for place regeneration.

Economic Development & Cultural Assets

Develop the wider economic plan for the city centre and the role it plays in the regional and UK economy; increasing growth rate of key sectors; maximise the impact of the West Yorkshire Investment Zone and seek to enhance and support the role of anchor institutions; leveraging the success of our Leeds 2023 Year of Culture and the role of our strong cultural sector.

LTR Spatial Regeneration Framework

- 22 LTR will use the initial vision and themes to develop a co-ordinated spatial regeneration plan for the city centre, enabling managed growth beyond its current relatively compact and highly developed form. We have previously worked on a variety of Supplementary Planning

Documents and strategies within and around the City Centre in response to opportunities and drivers including setting the ambition to double the size and economic impact of the centre and put this in motion through the creation and regeneration of South Bank. The need now is to address the remaining parts of the 'city rim' which sit between the centre and our inner-city neighbourhoods, which are characterised by poor quality buildings and urban realm, low levels of green space and degraded environmental assets, significant legacy infrastructure such as roads or rail and a general sense of severance and disconnection, all of which contribute to a poor lived experience and limiting of life chances for residents.

- 23 We have initially identified that the city rim comprises six broadly defined neighbourhoods where we will develop a targeted and detailed approach to spatial regeneration, updating or developing plans and investment frameworks for each. These will inform the development of a single LTR Framework and Vision to be developed later in 2024, that will inform our single statement of intent for the city centre and its inclusive growth:

South Bank

- 24 The principles and key moves set out in the 2018 South Bank Regeneration Framework remain highly relevant, so work here will concentrate on how the anchor project of Aire Park will act as a catalyst for a next phase of regeneration, focusing on the area south of Meadow Lane, where the city centre needs to better connect and offer greater opportunity to existing South Leeds neighbourhoods. Key to this will be aligning plans with our continued planning for development of Leeds Station, where are our ambition for a 'T-shaped' footprint and new line capacity through South Bank remains.

Holbeck

- 25 The recently confirmed £19m Levelling Up Fund package is a major opportunity to invest in the 'Heart of Holbeck' and make more meaningful connections with nearby residential and mixed-use developments on the edge of the city centre, with employment opportunities, and to align with plans for adjoining economic and cultural assets. These include the British Library at Temple Works, the potential for Leeds United's stadium expansion plans and beyond to the White Rose Park & Shopping Centre.

Eastside and Hunslet Riverside

- 26 The eastern part of the city centre is dominated by strategic north-south highway routes through to the crossing of the River Aire and into Hunslet, and has seen a lower level of recent private investment than other parts, with some development sites unable to come forward viably. This is partly due to more challenging market conditions driven by its poor-quality environment. Recent work to develop an alternative vision for the future in part of the area has been undertaken by the Civic Trust and has offered a starter for rethinking the wider area and how infrastructure reconfiguration could help reorder land uses and benefit neighbourhoods of inner east Leeds. In Hunslet Riverside the rejuvenated Leeds Dock, Climate Innovation District and potential for further investment in the national Royal Armouries museum can be catalysts for planned, sensitive regeneration and redevelopment of the wider area.

Mabgate & Sheepscar

- 27 Mabgate is an existing area of change where some existing traditional uses have moved away to be replaced by artistic and cultural occupiers and more recently market interest in mixed use and residential development – trends which we can seek to influence and manage to obtain the best impacts for the city. The Luminare Group has made a very significant commitment to acquire and develop a large site as a new campus for Leeds City College's adult learning provision, which offers a real prospect of positively impacting and catalysing social and physical change in adjoining areas such as Lincoln Green. Sheepscar is known for its very dominant 20th century highways infrastructure and the opportunity here is to assess how this can be

rationalised as a catalyst to long term regeneration of the area, considering how to uplift density and quality in the built environment.

West End Riverside

- 28 Extending from the western edge of the city centre, the corridor centred on the river, canal and Kirkstall Rd/Burley Rd has seen significant land use change coming forward associated with the closure or relocation of traditional industrial uses. It has become an important location as a cluster for the film, TV and media sector, which are key strengths to be supported through regeneration in the area. There are opportunities to further reshape this area, pursuing best practice in place-making, identifying new development and investment opportunities, supporting integration between existing and new communities with essential social infrastructure.

Innovation Arc

- 29 The recently adopted Supplementary Planning Document has already set an ambitious vision for this part of the city centre, LTR offers the opportunity to further test and accelerate the key physical and infrastructure projects that will help deliver this. This will sit as part of our wider collaborative work on supporting the innovation ecosystem, delivering the West Yorkshire Investment Zone, harnessing the advantages of the new hospitals to be built on the LGI site and delivering a city centre innovation estate with public and private sector partners.
- 30 In each of the neighbourhoods, the visioning work will include a focus on potential cultural investments in recognition of the importance of culture to our placemaking, economy and to the delivery of our Inclusive Growth Strategy. There has been an initial focus with Government on major capital funding requirements for these propositions which can be a catalyst for wider regeneration for the city, significantly enhance the city's cultural offer, whilst also enhancing the city's visitor economy. There has been dialogue around three propositions – each of national significance:
- 31 ***British Library North*** – this aims to deliver a new, world-class destination at Temple Works designed to welcome new generations of visitors and users, with the potential for c8,000m² of space to include learning, community, research, business incubation, events, and exhibition space. This would have national profile, underpinned by strong connection and engagement with local communities. It would act as a catalyst for regeneration of parts of Holbeck.
- 32 A partnership, including the Council, British Library and WYCA, is seeking to facilitate delivery of this scheme. Executive Board has previously endorsed the principles by which LCC could support the redevelopment of the Grade I Listed Temple Works through the disposal of adjacent Council land and hypothecating the capital receipt to finance a grant towards the redevelopment costs. £25m of devolution funding was secured in 2020 to support the work of the Council and British Library in establishing a British Library North in Leeds. Through the early work of the LTR Partnership a further £10m of government grant will be committed to enable the scheme to come forward. Homes England has also entered into a Memorandum of Understanding with the current owner of the building, to bring it into public ownership.
- 33 ***National Poetry Centre*** – led by the National Poetry Centre Charitable Trust, supported by the University of Leeds and the Poet Laureate, this aims to elevate poetry's national standing while repurposing an empty Grade II Listed building, Trinity St David's church, in the Innovation Arc regeneration area. The Centre would feature a custom-designed arts performance space, hospitality facilities, educational areas, artist studios, offices, and event spaces. The National Poetry Centre aspires to be a catalyst for cultural rejuvenation and community involvement, anchoring poetry at the heart of both national and local life. Through the early work of the LTR Partnership, a government grant of £5m has been committed to enable the development of the

proposal and to attract the full match funding package required for its delivery.

- 34 **Royal Armouries Museum** – led by the Museum itself, this would comprise enhancement of its cultural facilities and community engagement, with the development of enhanced conferencing and event facilities for their own cultural programmes, as well as external events. The further development of the Royal Armouries site has the potential to offer an enhanced conference and exhibition facility in the city and would support delivery of related infrastructure including hotels, restaurants and external event space, bringing catalytic regeneration to Hunslet Riverside, with economic and social benefits for the wider city arising from its boosted role as a visitor destination. Through the LTR Partnership the important role of the museum and its growth ambition is recognised and work is underway to develop the proposition further.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing Inclusive Growth Zero Carbon

- 35 As set out in the report, the LTR Partnership, its vision and intent are fundamentally informed and driven by our Best City Ambition. This work is a unique opportunity to engage across all tiers of government and with private sector partners to deliver on the Leeds Inclusive Growth Strategy 'Big Ideas' around Place.
- 36 The regeneration of central Leeds provides a focus on the most sustainable location for growth and development and is an opportunity to promote best practice in building and place design to secure net zero outcomes and an uplift in environmental quality.
- 37 This work will align with and inform our policy development for the city centre in the Local Plan 2040 and provide greater certainty on levels of housing development that may be achieved as part of high-density well-designed and planned neighbourhoods. This growth would help support the Government's 'urban uplift' – a 35% increase over and above the standard method for assessing housing needs in the largest cities in England.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted? Yes No

- 38 This work has moved at pace over the second half of 2023/4, with the initial vision and initiation of the work programme being developed quickly in response to the revenue funding opportunity presented by government.
- 39 The Leader and Executive Members for Sustainable Development & Infrastructure, Housing, Economy, Culture & Education and Resources have all been briefed.
- 40 Ward Members have been briefed on the overall LTR Partnership.
- 41 It is recognised that as this work is taken forward a more extensive engagement and consultation plan will need to be developed, involving Members, anchor partners in the city and all of the relevant community, land, development and investment stakeholders. Design and resourcing of this will form part of the next stages in the programme with the benefit of additional government funding.

What are the resource implications?

- 42 Government has made a significant financial commitment to the Council to support the continued capacity of internal services and to enable commissioning of specialist advice for feasibility, area regeneration planning and related due diligence. In the 2023 Spring Statement, £2m of revenue funding was confirmed over 2023/4 and 2024/5, which has subsequently been increased through further discussions to £2.7m. This is a very welcome resource that injects real momentum to the partnership work programme and enables us to develop early substance to inform the delivery of the vision. The first tranche of £700k has been granted to the Council in February.
- 43 The work we will develop as a partnership will include assessment of routes to capital and financing. Whilst Homes England has new funding and financing tools that can be brought to bear, there is also the scope to influence cross-government investment decisions across multiple departments and policy portfolios as they relate to public service funding and capital investment in Leeds from Westminster.
- 44 The report references the significant capital grant commitments into the city that have already been committed by government through the partnership activity.

What are the key risks and how are they being managed?

- 45 The LTR Partnership is informal and imposes no contractual obligations upon the Council – there is therefore no risk in this regard.
- 46 The dedication of revenue funding by government to the Council to support this work mitigates a key risk around resources and capacity. The work will be led from the Asset Management & Regeneration Service, which is able to dedicate officer time to drive the Council's input. Revenue funding will also support inputs from services across City Development, providing resilience at a time of budget pressures.
- 47 The partnership will have its own governance structures, which will be supported internally within the Council by appropriate senior officer and Member reporting and assurance. Progress on the work and risks relating to it will be reported and managed in accordance with our well-practiced project and programme management arrangements.

What are the legal implications?

- 48 With the agreement of the Chair, this report is being submitted to the Board as a late item of business. This is due to the fact that the submitted report is in response to the recent Government announcements contained within the Spring Budget on 6th March, and as such the report was not able to be included within the agenda as published on 5th March 2024. However, given the significance of this announcement, it was deemed appropriate for the matter to be brought to the attention of Executive Board at the earliest opportunity.
- 49 The Council is permitted to enter into such informal arrangements where they demonstrably seek to assist citizen and communities in the City of Leeds as long as it does not fetter its formal decision-making ability and each partner's governance structures are preserved. It is proposed that the LTR is as an informal partnership between the Council, DLUHC, HE and WYCA, which is non-binding on partners and does not replace or take any of their own decision-making powers.

50 Reflecting the geographic scope and the cross-ward focus of the LTR Partnership, this is a Key Decision, which is subject to Call-in.

Options, timescales and measuring success

What other options were considered?

51 Establishing and entering the LTR Partnership unlocks significant resource to enable the Council to test and progress regeneration of the city in keeping with our Best City ambitions. The only other option available was not to take these resources or establish the partnership, which was not considered an appropriate course of action given the benefits on offer.

How will success be measured?

52 The partnership will have its own partnership governance and assurance, which will include the production of a business plan and a monitoring framework, with regular reporting to the partnership Board, which will include the Chief executive of the Council and senior Directors of government departments. It is proposed to report annually to Executive Board on the progress of work undertaken within the partnership.

What is the timetable and who will be responsible for implementation?

53 The partnership is intended to be fully established following the consideration of this report by Executive Board and completion of the call-in period. The partnership will agree an annual programme of work covering the matters set out in this report, with work already underway to deliver the first pieces of work covering feasibility and production of draft regeneration frameworks.

Appendices

- A Vision for Leeds: a decade of city centre growth and wider prosperity
[A vision for Leeds: a decade of city centre growth and wider prosperity \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

Background papers

- None.