

Report of Director of City Development

Report to Executive Board

Date: 27 June 2018

Subject: White Rose and Millshaw Industrial Estate

Are specific electoral wards affected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, name(s) of ward(s):	
Beeston & Holbeck	
Morley North	
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 checked="" type="checkbox"/> Yes <input 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 economy of the city continues to grow and deliver real benefits for residents of Leeds and its wider city region. However some of our neighbourhoods remain disconnected from this wider success and there is a continued need therefore to ensure the economic, social and physical regeneration benefits of growth are inclusive and sustained.
2. The Best Council Plan 2018/19 – 2020/21 has long-term ‘Best City’ ambition to tackle poverty and inequalities through a combination of strengthening the economy and doing this in a way that is compassionate and caring. The BCP sets out seven priorities that flow from the Inclusive Growth Strategy (as set out on a separate agenda item to this meeting) and Health and Well Being Strategy, which should be seen as interconnected areas of work that when taken together will deliver better outcomes for the people of Leeds.
3. There are a number of strategic locations for economic development in Leeds that will continue to create and shape the opportunities that will underpin this joined up approach to inclusive growth. In South Leeds this can in part be realised through a stronger relationship with South Bank and the City Centre, where major redevelopment and employment opportunities are anticipated in addition to those already present. There is also a significant economic driver for growth in South Leeds at the White

Rose, which as a cluster of important economic uses comprises the White Rose Shopping Centre, White Rose Office Park (WROP) and Millshaw Industrial Estate. This is already a location for major local employment in close proximity to Morley, Beeston, Cottingley and Churwell, providing in total over 10,000 jobs.

4. The owners of WROP have made substantial investments to establish it as a major destination for national and international businesses and the park is now fully let. Consideration is now being given to the next phase of development and growth, with a particular aim to ensure this comes forward in a way that offers accessibility and opportunity for residents of all adjoining neighbourhoods. Initial concepts are being developed that would see Millshaw industrial estate repurposed to enable a mixed use expansion of the WROP, incorporating community infrastructure such as a primary school and health facilities, the new White Rose railway station, office and commercial space, residential uses and related retail, leisure and amenity.
5. The Council owns smaller areas of land to the north and west of the existing industrial estate, which are protected as green space in the Local Development Framework. In addition there are operational Council buildings providing accommodation for the Environmental Action Services.
6. As the early ideas for the Millshaw estate are progressed and refined there will be a requirement to evidence and consider a number of key planning issues including the change of use from industrial to mixed uses, the impact on existing centres including the city centre and Morley town centre and, should the Council agree to their inclusion in the master planning of the area, how the protected green space could be re-provided and better quality green spaces created as a result.
7. This report sets out the high level ambition of the landowners for the WROP and Millshaw estate and highlights how public investment in creating a new railway station can act as a catalyst and stimulus to significant economic development and employment generation to help drive inclusive growth in South Leeds.

Recommendations

Executive Board is asked to:

- a) confirm its support in-principle for the repurposing of the Millshaw estate as part of a joined up approach to development with the White Rose Office Park to deliver significant inclusive growth benefits to the South Leeds, as set out at paras 3.4 – 3.11;
- b) note the planning matters to be addressed by the landowners in bringing forward and delivering a master plan for the White Rose Office Park and Millshaw estate, as set out at para 3.12 – 3.16;
- c) confirm that Council-owned land within and adjoining the Millshaw estate should be considered for inclusion in the master planning exercise on a without prejudice basis, as set out in paras 3.22 – 3.25, with the Head of Regeneration responsible for co-ordinating the Council's interests in this respect.

1. Purpose of this report

- 1.1 This report sets out emerging proposals for significant investment and redevelopment on behalf of the owners of land at the White Rose Office Park and Millshaw Industrial Estate and the opportunities this will present for inclusive growth and regeneration in South Leeds.
- 1.2 Executive Board is asked to note the emerging ideas, offer its support in-principle for the ambition and the potential outcomes for the city and note the issues to be resolved for this to be fully realised.

2. Background information

- 2.1 The Best Council Plan 2018/19 – 2020/21 has the long-term ‘Best City’ ambition to tackle poverty and inequalities through a combination of strengthening the economy and doing this in a way that is compassionate and caring. The BCP sets out seven priorities, which represent interconnected areas of work across Inclusive Growth, Health & Wellbeing, Infrastructure, Housing, Communities, Culture and Child Friendly Leeds, which when taken together will deliver better outcomes for the people of Leeds. Proposals to adopt the final Inclusive Growth Strategy and an update on the connecting Leeds Transport Strategy are set out in separate papers on the agenda for this meeting.
- 2.2 The city has a key role to play at the centre of the Northern Powerhouse and a dynamic city region, which will sustain and grow its economy. There are plans for further major infrastructure changes that will underpin the wider regeneration of the city, unlock development sites, support the doubling in size of the city centre and its economy and create new investment opportunities, such as the South Bank and the Innovation District. The HS2 Growth Strategy and the Connecting Leeds Transport Strategy detail the scale of ambition, which is anticipated to result in c£50bn of economic growth for the city region economy by 2050.
- 2.3 Within the Connecting Leeds strategy and as part of the Leeds Public Transport Investment Programme (LPTIP) proposals are now moving forward for a package of new rail station investments to deliver new halts aligned with key economic growth nodes beyond the city centre across the wider district at Thorpe Park, White Rose and at Leeds-Bradford Airport Parkway. Aligning new rail connectivity with these strategic growth points will deliver benefits to the public transport network, encourage modal shift away from private car use in keeping with aims to improve air quality, encourage economic development/investment and drive growth of these places delivering new local employment opportunities. Benefits of this approach are already being shown at Kirkstall Forge where the catalytic and accelerating effect of public investment in rail and access infrastructure has enabled the city’s oldest brownfield site to come forward as a new mixed use development including new homes, offices and leisure facilities.
- 2.4 Across these growth nodes in the north, east, south and west of the district there is opportunity for significant economic development and thousands of jobs for people living nearby, through sustaining existing uses, opening of current developments on-site and proposed or potential future development schemes. Indeed taken together, Thorpe Park, White Rose Office Park, Kirkstall Forge and the potential for future development of employment land at the airport could deliver over 30,000 jobs

and contribute around £1 billion per annum to the city's economy when fully completed.

- 2.5 There are clear reasons for optimism in the potential for growth in Leeds and yet it must still be recognised that many people are still not benefitting from the city's wider success and there are parts of the city that still contain unacceptable concentrations of social, economic and physical regeneration challenges. Large parts of the inner east, west and south of the city feature prominently on the government's Index of Multiple Deprivation (IMD), with many neighbourhoods being in the bottom 5% and some even in the bottom 1% across England and Wales.
- 2.6 Analysis of relative change in the city since the last IMD was published suggests that there has also been some further concentration and polarisation of the city's most deprived and least deprived neighbourhoods. In real terms this is manifest in high levels of unemployment and welfare dependency, low skills levels, lower than average educational attainment and low income levels, together with a range of social and environmental issues including crime and anti-social behaviour, poor private sector housing conditions, poor public health outcomes and a higher incidence of life limiting health conditions leading to higher early mortality rates than less deprived parts of the city.
- 2.7 Overcoming these challenges for South Leeds will require greater and more meaningful connections between South Leeds neighbourhoods and the public and private institutions that can help deliver inclusive growth as well as improved physical connection and accessibility to the key areas of economic and social activity, including the city centre and the South Bank where there will be significant opportunities as it expands in scale and impact.
- 2.8 The area around White Rose Office Park (WROP) is also a significant economic hub for South Leeds and a location for major local employment in close proximity to Morley, Beeston, Cottingley and Churwell. This currently has easy access from across the city and wider region from the Leeds Outer Ring Road (A6110) M62 and M621. It comprises the White Rose Shopping Centre (owned and managed by Landsec), White Rose Office Park (Leeds-based Munroe K) and Millshaw Industrial Estate (Schroders). The Council also owns a smaller area of land to the west of the industrial estate.
- 2.9 The shopping centre is a well-established retail and leisure destination with over 886,000 sq ft of active floorspace. It has recently completed a major expansion incorporating additional retail, cinema and further food and beverage outlets, which means it now employs 3,500 people, around 40% of which are from adjoining communities. It is served by a small bus interchange though its principle customer base is car-borne.
- 2.10 The WROP itself covers 27 acres with office space of 560,000 sq ft – it is a significant commercial hub in the city, home to a range of high profile tenants including Capita, the West Yorkshire Police, WSP, Gather and Gather, HMRC, HSBC and the Elliot Hudson School. It was recently announced that Perform Media will take 40,000sq ft to increase its presence in the city, which will mean WROP will be fully occupied. The working population of the White Rose Office Park is currently 5,300.

- 2.11 Millshaw Industrial Estate is one of the largest inner area industrial estates in the city extending over 28 acres. It offers around 480,000 sq ft of industrial and warehouse accommodation across 29 separate units, accommodating 20 businesses, and employing around 500 people. Schroders acquired the site in 2016 and has embarked on a programme of refurbishments to revitalise the estate and refurbish vacant units.
- 2.12 The Council owns 8.2 acres of land over three sites to the north and west of the Millshaw estate. Two of the sites are green space that is protected in the Local Development Framework. The larger parcel of 7 acres is currently laid out as two football pitches with changing facilities and surrounding landscaping, accessed from Elland Road. In addition there are operational Council buildings on Millshaw Park Way accommodating Environmental Action Services.
- 2.13 The plan at Appendix 1 shows the location and relationship between these different land holdings.
- 2.14 The main part of this report sets out the emerging proposals for expansion and development of the WROP and the opportunities this will present for realising inclusive growth that benefits the adjoining communities of South Leeds.

3 Main issues

- 3.1 As owner of the WROP, Munroe K has invested heavily in developing the area as an attractive destination in Leeds for national and international commercial investment, generating significant employment and economic development as a result. It has now reached a point where the longer term future growth of the site is being assessed alongside that of the adjoining Millshaw Industrial Estate, with further consideration of how a better relationship with the adjoining shopping centre can be achieved. Munroe K, Schroders and Landsec are now bringing forward a vision for how the area could be further developed, centred around proposals for the new railway station and grounded in an aspiration to enhance the connectivity of the site to adjoining neighbourhoods through jobs for local people, new public transport links, cycling and pedestrian facilities and social infrastructure that will serve the wider community.
- 3.2 A significant repurposing of the Millshaw estate is envisaged but there is also an opportunity to tailor this to reinforce and grow the economic specialisms and dynamism of the city, targeting key tech-driven sectors and developing relationships with academic and innovation focused institutions. This could provide the research and business spaces required to harness the growth potential of the city's entrepreneurial, start-up and University spin-out activities. In this respect there would be strong potential for the WROP to form a key part of the wider Leeds and City Region innovation ecosystem, helping to ensure the city nurtures and retains the economic benefits of its knowledge-based investments and growth.
- 3.3 At this stage Executive Board is asked to note the current position and matters to resolve against the following headlines:
- (a) Masterplan Vision

- (b) Planning Matters
- (c) Railway Station
- (d) Related Council-owned Land

(a) White Rose Masterplan Vision (WROP)

- 3.4 An initial concept has been developed by the landowners that would see a combined and comprehensive master planning approach to WROP and Millshaw, bringing them together as a single place through a broader integrated mix of uses that could include office, residential, primary school, primary health care, ancilliary retail, car parking, gym, children's day care, green open spaces and play areas for children.
- 3.5 The area combined of the White Rose Office Park and the Millshaw Industrial Estate and the adjoining land owned by the Council is 74 acres and as such represents a very substantial area that could see transformational change through the progression, refinement and realisation of these early ideas.
- 3.6 The plan would represent a significant redevelopment of the Millshaw estate, where the landowners are mindful of the need to approach this in a managed way, working with the Council so that existing occupiers can be relocated and accommodated elsewhere in South Leeds or across the wider city in a way that enables their continued operation, sustainability and retention of local employment.
- 3.7 The vision would be to deliver new buildings representing best practice in design and sustainability, rebalancing the site towards a focus on people and public spaces, creating attractive, safe and legible links throughout and connecting into the adjoining White Rose shopping centre and with adjoining neighbourhoods. The wider White Rose area has developed over a period of dominance by and reliance on private vehicles as a means of access and there is therefore a clear opportunity to shift such reliance and achieve modal shift to other means of transport.
- 3.8 At this scale of development the floorspace envisaged would equate to around 12,000 new jobs created, though any additionality would clearly need to be considered against the need to retain employment in those businesses relocating from the current estate.
- 3.9 The site is already home to child care and sixth form college provision and the provision of a new primary school and GP facilities are regarded by the landowners as a crucial part of the vision and one of the ways in which greater and meaningful connections can be secured between the emerging new place and local communities. It should be noted though that these are early aspirations and will be subject to much more detailed engagement with local school and health stakeholders and the funding bodies for these services.
- 3.10 The need for local connectivity is embedded in the early thinking and as the master planning evolves it is envisaged that engagement with local people, Ward Members and other local stakeholders will identify where and how important links can be made with Churwell, Cottingley and Beeston and further afield to Morley, Holbeck and Wortley.
- 3.11 It is a vision that if realised, could see around £1 billion of development and investment over the next 10 years repositioning South Leeds with a 21st century mixed use destination and hub which is genuinely part of the community as well as a key node in the city and city region economy. It has the potential to contribute

significantly to several of the 12 Big Ideas in the Inclusive Growth Strategy and to the housing, infrastructure and inclusive growth outcomes set out in the Best Council Plan.

(b) Planning Matters

- 3.12 Executive Board is not being asked to comment on planning matters relating to the initial proposals presented here; any development proposals will of course be subject to due planning process and consideration by the Council in its capacity as Local Planning Authority. However it should be noted that the proposals as they currently stand would not be fully in accord with planning policy as set out in the National Planning Policy Framework (NPPF) or the Local Development Framework.
- 3.13 The NPPF requires proposals for town centre related uses to follow a sequential test, with priority given to town centres, then edge of centre sites and only if no sites are available should out-of-centre locations be considered. The WROP and Millshaw Industrial estate are not recognised as town centres and are unallocated land uses in the 2006 Unitary Development Plan Review. In the Publication Draft Site Allocation Plan the WROP and the Millshaw estate are unallocated land.
- 3.14 The mix of uses anticipated in the repurposing of this area would contain some that might ordinarily be considered town centre related and as proposals are firmed up their impact upon established areas of commercial, leisure and retail uses will need to be evidenced and considered as part of any planning application – these would include the city centre, other important economic hubs such as Morley town centre and other allocated locations.
- 3.15 In considering the inclusion of the protected green space in the redevelopment of the wider area any planning application would need to comply with relevant Core Strategy policy on the protection and redevelopment of existing green space. If included, the green space should be replaced by an area of at least equal size, accessibility and quality in the same locality or the redevelopment proposals should demonstrate a clear relationship to improvement in the quality of existing green space in the same locality that helps to deliver wider planning benefits.
- 3.16 Over the remainder of this year it is envisaged that the landowners will progress more detailed technical assessment and due diligence prior to entering into formal pre-application discussions with the Local Planning Authority by the end of 2018. It is possible that an outline planning application could be made for the broad principles and footprint of the masterplan in early 2019, which subject to consideration by the Local Planning Authority could lead to determination in the summer of 2019.

(c) Railway Station

- 3.17 The landowners recognise the crucial importance of the proposed LPTIP White Rose railway station, the opportunity to add value and to optimise the benefits of this public investment to the future of this part of South Leeds and this is reflected in the early master planning concepts. Located in close proximity to the former Churwell rail halt, the railway station would form a focal point to the expanding site, with an opportunity to create a high quality setting as part of a new network of public

spaces and connections throughout both the wider office park and through into adjoining communities, offering permeability and accessibility.

- 3.18 The railway station will act as a stimulus to development and mark of confidence in the WROP as a strategic growth node, offering quick, sustainable and easy connections into the city centre, to Morley and stations beyond, improving accessibility for local people to the envisaged employment growth and offering sustainable transport options that will offset potential growth in private car use and provide real choice that supports modal shift.
- 3.19 The railway station can be built on land owned by Munroe K and Schrodgers, who have committed to contributing a substantial amount in cash and land to the railway station project.
- 3.20 Outline proposals have been put forward to both Network Rail and the Department of Transport by the West Yorkshire Combined Authority as sponsoring body for the project. This Strategic Outline Business Case has received a positive response enabling the project to progress to the next stage of feasibility and design. Following this Executive Board meeting it is anticipated that the Combined Authority will engage with Ward Members, prior to a 4 week period of public and stakeholder consultation from 2nd July. The aim would be to then progress to preliminary scheme design to inform a more detailed business case for Combined Authority consideration at the end of 2018 and concurrent submission for Approval in Principle to the Department for Transport. From early 2019 the business cases for all the rail stations in the LPTIP will be aligned to support funding drawdown to move from the design to delivery phase.
- 3.21 Whilst the station proposals are therefore at an early stage it is intended to move forward as quickly as possible through the Network Rail and Department of Transport feasibility and approval processes. Although it is an ambitious timetable, there is a credible plan to achieve opening of the station by the end of 2021, subject to the progression of the business case, technical assessments and planning.

(d) Council Owned Land

- 3.22 As the concept for WROP and Millshaw evolves there is an opportunity to consider how the adjoining Council-owned land could be incorporated as part of this approach, so that the authority has some commercial leverage in securing broader social and economic outcomes from development.
- 3.23 Subject to the other planning policy matters set out above, and recognising its status as protected green space, consideration could be given to including those parts of the site in the wider masterplan for redevelopment of WROP and Millshaw if replacement pitch provision or betterment in the current provision could be secured.
- 3.24 It is not intended at this stage that the operational accommodation for the Environmental Action Service is relocated from Millshaw Park Way. However it is proposed that consideration is given to how this land could also be included in the master planning of the wider site, subject to recognising the ongoing and future operational and accommodation requirements of the service.
- 3.25 Executive Board is asked to note this potential and to agree that the Council engages in further discussion with Munroe K and Schrodgers on this basis and without prejudice to any future decision that may be required on this land.

4 Corporate considerations

4.1 Consultation and engagement

- 4.1.1 There has been no consultation on the matters raised in this report to date. The report sets out the very early ideas emerging in regard to the next phase of growth at the WROP and Millshaw estate and as such it has not been timely to raise these publically in stakeholder or public forums.
- 4.1.2 Consultation on the initial master plan concept is proposed with Ward Members in the summer, to be followed by wider public consultation, in advance of pre-application discussion with the Local Planning Authority.
- 4.1.3 The West Yorkshire Combined Authority will undertake stakeholder and public consultation on the proposals for the White Rose railway station for a 4 week period over July 2018.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 The matters presented in this report are for information and noting at this stage and Executive Board is not asked to make any decisions that would require assessment of the equality, diversity, cohesion or integration (EDCI) implications.
- 4.2.2 As the proposals develop further and to the extent any Council decisions are required, EDCI assessment will be undertaken.

4.3 Council policies and best council plan

- 4.3.1 The Best Council Plan 2018/19 – 2020/21 has a long-term 'Best City' ambition to tackle poverty and inequalities through a combination of strengthening the economy and doing this in a way that is compassionate and caring. The BCP sets out seven priorities that flow from the Inclusive Growth Strategy and Health and Well Being Strategy, which should be seen as interconnected areas of work that when taken together will deliver better outcomes for the people of Leeds.
- 4.3.2 Further investment and development of the WROP as envisaged in the landowners' emerging vision has the potential to make a significant contribution to the city's economy and to do so in a way that delivers inclusive growth.

4.4 Resources and value for money

- 4.4.1 There are no immediate resource issues for the Council as the report sets out emerging proposals for significant investment and development by third parties. The report has raised the potential for the Council's land to be incorporated into these proposals though this will be subject to further diligence and any detailed proposals will be further considered through the appropriate Council governance procedures.

4.5 Legal implications, access to information, and call-in

- 4.5.1 There are no immediate legal considerations in regard to the issues raised in this report.

4.6 Risk management

- 4.6.1 The main risks related to the matters raised in this report are in regard to the planning and delivery of the railway station and the planning issues to be addressed as the vision for the WROP progresses and is refined. Council officers are maintaining ongoing engagement with all relevant parties – WYCA and the landowners – to ensure these risks are recognised and managed appropriately. At this stage there are no direct risks for the Council.

5 Conclusions

- 5.1 The land owners at WROP and Millshaw are developing a vision for repurposing of the current industrial and commercial uses on site, which could see a significant expansion and a mix of new uses that would increase jobs. This would be anchored by the new White Rose railway station to which they would contribute significantly in land and funding, and have a strong inclusive growth theme with opportunities for local employment, community infrastructure to serve the wider area and a place-making ethos that promotes accessibility and connectivity with adjoining neighbourhoods.
- 5.2 Although these ideas are in their early stages, the landowners envisage progressing to planning application stage by the end of 2018, through which a number of important planning policy matters will need to be addressed. The timescale and programme for further design and onward delivery will be informed by the formal planning discussions and consultation with ward members, stakeholders and local people but will seek to achieve a strong alignment between the opening of the new railway station and the delivery of the first phase of this planned new growth.
- 5.3 The Council will have a clear role in its capacity as Local Planning Authority but is likely also to be involved in other capacities – to support collaborative cross-sector working, to shape and realise the inclusive growth opportunity, to ensure that the decant of existing uses is managed in a way that retains and sustains those jobs and businesses and potentially as a landowner, should it be determined that the Council's land holdings are incorporated into the master planning exercise.

6 Recommendations

- 6.1 Executive Board is asked to:
- a) confirm its support in-principle for the repurposing of the Millshaw estate as part of a joined up approach to development with the White Rose Office Park to deliver significant inclusive growth benefits to the South Leeds, as set out at paras 3.4 – 3.11;
 - b) note the planning matters to be addressed by the landowners in bringing forward and delivering a master plan for the White Rose Office Park and Millshaw estate, as set out at para 3.12 – 3.16;
 - c) confirm that Council-owned land within and adjoining the Millshaw estate should be considered for inclusion in the master planning exercise on a without prejudice

basis, as set out in paras 3.22 – 3.25, with the Head of Regeneration responsible for co-ordinating the Council's interests in this respect.

7 Background documents¹

7.1 None.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.