

**Report of the Director of Environments and Neighbourhoods**

**To Executive Board**

**Date: 6<sup>th</sup> January 2010**

**Subject: Design & Cost Report**

**Scheme Title: Chapeltown Townscape Heritage Initiative and Armley Townscape Heritage Initiative**

**Capital Scheme Number: 12154 / CHA / THI and 12154 / ARM / THI**

<p><b>Electoral Wards Affected:</b></p> <p>Armley Chapel Allerton</p>	<p><b>Specific Implications For:</b></p> <p>Equality and Diversity <input type="checkbox"/></p> <p>Community Cohesion <input type="checkbox"/></p> <p>Narrowing the Gap <input checked="" type="checkbox"/></p>
<p>Eligible for Call In <input checked="" type="checkbox"/></p>	<p>Not Eligible for Call In (Details contained in the report) <input type="checkbox"/></p>

**Executive Summary**

The Executive Board approved the injection of £1,892,000 in total to the capital programme of the Council in July 2008 following Leeds City Council's successful application for funding from the Heritage Lottery Fund (HLF) to implement two Townscape Heritage Initiative (THI) Regeneration Schemes in Armley and Chapeltown. This sum has been supplemented by £698,000 from the Town & District Centres (T&DC) Scheme.

This report seeks authority to spend £1,136,000 to implement the Chapeltown Townscape Heritage Initiative grant scheme and £1,223,000 to implement the Armley Townscape Heritage Initiative grant scheme.

**1 Purpose of this Report**

1.1 To seek authority to spend £1,136,000 to implement the Chapeltown Townscape Heritage Initiative grant scheme (scheme no: 12154 / CHA / THI) and £1,223,000 to implement the Armley Townscape Heritage Initiative grant scheme (scheme no: 12154 / ARM / THI) in accordance with the schemes' Delivery Programmes already agreed with HLF and the THI/T&DC Programme Board (which provides day to day strategic guidance to the two schemes). The authority to spend encompasses the principal components of the agreed THI schemes which are the provision of grants to 3<sup>rd</sup> parties, an allowance for staff costs and overheads and a complementary £10,000 training initiative in Armley.

## **2 Background Information**

- 2.1 In April 2008 the Heritage Lottery Fund (HLF) awarded Leeds City Council £1,892,000 from its Townscape Heritage Initiative to implement two grant schemes in Chapeltown and Armley.
- 2.2 This HLF funding was embedded in the capital programme of the Council in July 2008 and after receiving permission to start from HLF the schemes were formally launched: the Chapeltown THI on 16<sup>th</sup> March and the Armley THI on 31<sup>st</sup> March 2009.
- 2.3 In each area the HLF money (£1,892,000m) together with the Leeds City Council 'match funding' (£698,000) from the Town and District Centre Regeneration Scheme combine to form a 'common fund' which is used primarily to offer grants to 3<sup>rd</sup> party owners and occupiers of 'eligible properties' within the areas to carry out THI 'eligible works'. The 'common fund' also covers the 'staff costs and overheads' associated with managing the scheme and a £10,000 complementary training initiative in Armley.
- 2.4 In Chapeltown the 'common fund' is £1,136,000 (comprising £802,000 HLF and £334,000 LCC) and in Armley it is £1,453,800 (comprising £1,090,000 HLF and £363,800 LCC). In Armley, authority to spend £230,800 to facilitate a public realm enhancement scheme has previously been obtained; as such this report seeks authority to spend the remaining £1,223,000.
- 2.5 Leeds City Council has a contractual obligation with HLF to deliver the THI Schemes. An approved programme for both THI schemes, identifying eligible properties and works, was agreed at the stage 2 bid and an annual delivery plan is produced which is agreed by the THI/T&DC Programme Board and HLF.

## **3 Main Issues**

### **3.1 Design Proposals / Scheme Description**

- 3.1.1 The Chapeltown and Armley THI schemes will deliver conservation led regeneration and seek to tackle social and economic disadvantage through funding the restoration of key historic buildings blighted by disrepair and dereliction and improving the public realm.
- 3.1.2 Both areas are strategically important being on major corridor routes into Leeds City Centre. By targeting properties in key gateway sites the improvements will be highly visible and the impact of the THI schemes maximised. The THI schemes seek to help stem the decline of these commercial centres. Transformation of the critical property in Armley, 2 Branch Road, will send a positive message to local residents, businesses, developers and investors. Two of the 'critical' properties in Chapeltown (2 Grange View and 146 Chapeltown Road) are prominent properties which are fire damaged and have been derelict for many years, they are a blight on the area, putting off investors and undermining regeneration efforts. By improving these properties the image of the area will be vastly enhanced stimulating other private and public investment.
- 3.1.3 The schemes complement other regeneration initiatives in each area: in Armley these include the West Leeds Gateway Strategy and the T&DC public realm enhancement of Town Street; and in Chapeltown these include amongst others, the new Joint Service Centre and Highway Services Integrated Transport Improvement Measures in Chapeltown Road. They also help to provide a framework to bring together different regeneration projects and galvanise efforts around a positive vision for the areas based on preserving and celebrating the best of their heritage.

- 3.1.4 As indicated, the combined HLF and public sector match contribution is called the 'common fund'. 3<sup>rd</sup> party grants are released from the common fund to support eligible schemes match funded by the private sector owners or occupiers. Private sector property owners will engage contractors and accredited design professionals to assist develop proposals for eligible works. Owners will also be responsible for implementing schemes and paying contractors. Grant payments will be made in arrears or by agreed staged payments. 48 properties in the vicinity of Armley Town Street and 18 properties in Chapeltown Road were identified as eligible at bid stage and are being targeted initially. These include the Gothic Parade, Cantors Parade and other key buildings on Armley Town Street and Branch Road.
- 3.1.5 Grants are to be offered and paid out of the 'common fund' to owners of these historic buildings to carry out
- Essential repairs;
  - Restore traditional shopfronts and architectural features;
  - Bring vacant properties and floor space back into use.
- 3.1.6 Subject to confirmation from the HLF, it is anticipated that most business would benefit from a grant rate of 80%. In comparison with similar grants offered by the City Council over the past 14 years this grant rate is generous and should, in the light of discussions with local businesses, encourage grant take-up even in the current economic climate.
- 3.1.7 The Chapeltown THI target area coincides with the extended Chapeltown Conservation Area; a largely late Victorian and Edwardian inner suburb. It will strengthen the Chapeltown Road corridor by tackling dereliction and disrepair and reinstating historic features to buildings.
- 3.1.8 The Armley THI target area is located within Armley Conservation Area which covers most phases of the town's development from the 17<sup>th</sup> to the 20<sup>th</sup> century. It will strengthen the heart of the town centre by repairing and replacing shop frontages to commercial properties and enhancing the public realm.
- 3.1.9 The schemes will include a training element with the objective of raising public awareness of heritage issues and where possible opportunities for apprenticeships and on site training including heritage construction techniques.

## 3.2 Consultations

- 3.2.1 Both schemes have been extensively consulted on throughout their conception and development. A Communication and Stakeholder Management Plan for each THI has been prepared and is updated annually. The consultation undertaken for both schemes is outlined in the table below.

Who	When
Ward Members	Ward Members have been regularly consulted throughout the process of developing these schemes and since they were launched.
Members of the Public	Two consultation meetings and one public exhibition have been held at feasibility stage and stage 2 bid finalisation stage.  A formal launch event was held in each area and dedicated website has been produced ( <a href="http://www.leeds.gov.uk/thi">www.leeds.gov.uk/thi</a> ).  In Chapeltown the THI Officer has attended

	<p>local community engagement events and updated the Area Committee.</p> <p>Information display panels about the THI's have been displayed at the local libraries.</p>
Other Groups & Organisations	<p>Both THI Officers attend, and have undertaken, presentations to local forums: The Armley Forum and the Business Forum and IMPaCT in Chapeltown.</p> <p>In each area a Heritage Advisory Group Chaired by a Ward Member has been formed to facilitate ongoing consultation and to enable feedback throughout the schemes implementation.</p>
Area Management Teams and other Council Services	<p>The Area Management Teams together with colleagues in Planning, Conservation and Highways have been involved in developing the bids and continue to work closely with the THI Officers.</p>

### 3.3 Programme

- 3.3.1 The schemes received permission to start from the HLF on 16<sup>th</sup> February (Armley) and 13<sup>th</sup> March 2009 (Chapeltown) and run for five years. The first year of the scheme (2009/10) has been dedicated to preparation, establishing suitable administrative processes and liaising with potential 3<sup>rd</sup> party grant beneficiaries. It is anticipated that the first grants may be offered early in year 2 (2010/11) with construction being undertaken in years 2-4 (2010 – 2013) and year 5 (2013/14) serving as a contingency year to cover any scheme slippage and close down (summarised below).

Year	Programme
2009/10	<p>Establish suitable processes</p> <p>Liaise with potential grant beneficiaries</p> <p>Raise awareness of the scheme</p>
2010/13	<p>Develop suitable schemes with potential grant beneficiaries</p> <p>Applicants complete formal application process</p> <p>Make grant offers to suitable schemes</p> <p>Construction works complete</p>
2013/14	Contingency year

## 4 Implications for Council Policy and Governance

### 4.1 Compliance with Council Policies

- 4.1.1 The THI schemes contribute to the aims of the **Vision for Leeds**, the **Leeds Strategic Plan** and the **Council Plan** targeting socially disadvantaged neighbourhoods and helping to ensure that all neighbourhoods are safe, clean, green and well maintained.
- 4.1.2 The schemes will accord with the provisions of the Unitary Development Plan by virtue of the works requiring planning consent. The schemes will preserve and enhance the character of the conservation areas and will therefore comply with Policy provisions.

4.1.3 Information relating to all relevant Council Policies and grant conditions shall be provided to applicants at grant application stage and THI officers and the City Project Team will ensure all schemes are fully compliant.

## 4.2 Council Constitution

4.2.1 The report is not exempt from call in.

## 4.3 Community Safety

4.3.1 The THI schemes do not have any implications under Section 17 of the Crime and Disorder Act 1998.

## 5 Legal and Resource Implications

### 5.1 Scheme Design Estimate

5.1.1 The funding as proposed in the stage 2 bid and agreed by HLF is illustrated in the table below:

<b>Chapelton</b>	<b>£</b>
HLF Grant	802,000
Public (LCC T&DC)	334,000
Sub Total/Common Fund	1,136,000
Private Sector Match	814,010
<b>TOTAL</b>	<b>1,950,010</b>
<b>Armley</b>	<b>£</b>
HLF Grant	1,090,000
Public (LCC T&DC)	363,800
Sub Total/Common Fund	1,453,800 *
Private Sector Match	334,500
<b>TOTAL</b>	<b>1,788,300</b>

\* **NB** This figures includes £230,800 for a contribution to the Armley T&DC Public Realm Enhancement Scheme subject of a previously agreed DCR and ATS.

### 5.2 Capital Funding and Cash Flow

5.2.1 **Parent Scheme Number** : 12154 / CHA / TH  
**Title** : Chapelton Townscape Heritage Initiative

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2009 £000's	FORECAST				
			2009/10 £000's	2010/11 £000's	2011/12 £000's	2012/13 £000's	2013 on £000's
CONSTRUCTION (3)	0.0	0.0					
OTHER COSTS (7)	0.0	0.0					
<b>TOTALS</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2009 £000's	FORECAST				
			2009/10 £000's	2010/11 £000's	2011/12 £000's	2012/13 £000's	2013 on £000's
OTHER COSTS (7)	918.0	0.0	0.0	397.0	252.0	269.0	0.0
DESIGN FEES (6)	218.0	0.0	44.0	44.0	44.0	44.0	42.0
<b>TOTALS</b>	<b>1136.0</b>	<b>0.0</b>	<b>44.0</b>	<b>441.0</b>	<b>296.0</b>	<b>313.0</b>	<b>42.0</b>

Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2009 £000's	FORECAST				
			2009/10 £000's	2010/11 £000's	2011/12 £000's	2012/13 £000's	2013 on £000's
LCC Funding	334.0		13.0	128.0	86.0	91.0	11.0
Lottery	802.0		31.0	313.0	210.0	222.0	31.0
Total Funding	1136.0	0.0	44.0	441.0	296.0	313.0	42.0
<b>Balance / Shortfall =</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## 5.2.2 Parent Scheme Number : 12154 / ARM / THI

Title : Armley Townscape Heritage Initiative

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2009 £000's	FORECAST				
			2009/10 £000's	2010/11 £000's	2011/12 £000's	2012/13 £000's	2013 on £000's
CONSTRUCTION (3)	230.8	0.0	230.8				
OTHER COSTS (7)	0.0	0.0	0.0				
<b>TOTALS</b>	<b>230.8</b>	<b>0.0</b>	<b>230.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2009 £000's	FORECAST				
			2009/10 £000's	2010/11 £000's	2011/12 £000's	2012/13 £000's	2013 on £000's
OTHER COSTS (7)	1011.3	0.0	0.0	337.1	337.1	337.1	0.0
DESIGN FEES (6)	211.7	0.0	43.0	43.0	42.0	42.0	41.7
<b>TOTALS</b>	<b>1223.0</b>	<b>0.0</b>	<b>43.0</b>	<b>380.1</b>	<b>379.1</b>	<b>379.1</b>	<b>41.7</b>

Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2009 £000's	FORECAST				
			2009/10 £000's	2010/11 £000's	2011/12 £000's	2012/13 £000's	2013 on £000's
LCC Funding	363.8	0.0	68.8	95.0	94.8	94.8	10.4
Lottery	1090.0	0.0	205.0	285.1	284.3	284.3	31.3
Total Funding	1453.8	0.0	273.8	380.1	379.1	379.1	41.7
<b>Balance / Shortfall =</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## 5.3 Revenue Effects

5.3.1 There are no ongoing maintenance liabilities, the investment is in privately owned properties and suitable maintenance will be a condition of receiving grant.

## 6 Risk Assessments

6.1 Risks to the overall scheme delivery will be reported on, and managed through regular Highlight Reports and Risk Logs to the T&DC/THI Programme Board.

## 7 Conclusions

- 7.1 The THI grant schemes will help facilitate the heritage led regeneration of the commercial centres of Armley and Chapeltown. Dereliction and disrepair will be tackled and the image of the areas will be improved. The THI schemes complement other regeneration initiatives including a Joint Service Centre and the Highways Service Local Integrated Transport Improvements in Chapeltown, and the West Leeds Gateway Initiative and Town & District Centre public realm improvement scheme in Armley, thus helping achieve the councils' strategic priorities.

## **8 Recommendations**

- 8.1 Executive Board is requested to authorise scheme expenditure of £1,136,000 to allow the Chapeltown Townscape Heritage Initiative grant scheme (scheme no: 12154 / CHA / THI) to be implemented.
- 8.2 Executive Board is requested to authorise scheme expenditure of £1,223,000 to allow the Armley Townscape Heritage Initiative grant scheme (scheme no: 12154 / ARM / THI) to be implemented.

## **9 Background Papers (available from report originators)**

- 9.1 Chapelton THI Stage 2 Bid and Armley THI Stage 2 Bid  
Executive Board Report, Franklin Riley, July 2008  
Chapelton and Armley Year 1 Delivery Programme/Action Plan