

Leeds Economy Bulletin - Autumn 2007

Provisional Version
(Hard copy version available in October)

8th City Centre Audit

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The city centre is the heartbeat of any city, and in Leeds' case, this is especially true. Over 130,000 people are employed in Leeds city centre. There are over 1,000 retail units in the centre, over 130 public houses and bars and over 80 restaurants. More than £1.5bn is spent annually on retail alone within the area. All this goes to show how vital the centre is to the Leeds economy.

Below are the key findings broken down by the topic:

Retail Trends: Leeds city centre provides five miles of shopping and has 1,011 retail outlets in the prime shopping quarter. The city centre was ranked the fifth most important shopping centre in the 2006 CACI ranking. In 2005 the CACI retail footprint placed Leeds in 6th position showing improvement in this area.

Retail yields in Leeds have hardened once more to 4.5% in July 2006, and rents have stabilised following their dramatic increases over the past 3 years. This all points to high levels of confidence and performance in the Leeds retail sector.

Pedestrian Flow: An indicator of the health of the prime shopping quarter in the city centre is pedestrian flow or 'footfall'. The total pedestrian flow into and out of the PSQ since 2000 had been on an upward trend, until 2005 when it fell by 5.4%. The upward trend re-established itself in 2006 with a 3.7% increase. However the levels were still lower than the peak of 2004.

Movement: Between 1998 and 2006 the number of people travelling into the city centre at peak times increased by 16% to 122,387. At the same time, there was an increase in the proportion of people accessing the city centre by public transport (bus or train) – 39.2% in 2006 compared with 33.5% in 1998. Furthermore, car use continues to decline a proportion of the total travel to work journeys, a decrease of 7.5 percentage points occurred between 1998 and 2006, and this figure is falling year on year.

Office Market: The average take-up of central Leeds offices over the last ten years has been circa 550,000 sq ft, with some 250,000 sq ft of this being specifically in relation to Grade A accommodation. However, in 2006 take-up was 525,000 sq ft with only some 30% being for Grade A. There is currently 250,000 sq ft of Grade A accommodation immediately available.

A further 200,000 sq ft is scheduled to be completed later in the year.

There is over 520,000 sq ft of named occupier enquiries in excess of 10,000 sq ft, with a large proportion from the banking, financial, legal and professional services sectors, which for the past five years has accounted for 65% of all take-up. Total demand registered 1.4 million sq ft on the King Sturge database. This is up 17% on 2005 with the professional and financial sectors dominating.

Employment: In 2005 there were 130,981 employees in the city centre. Between 2000 and 2005 employment grew by 12.6%, growing faster than the metropolitan district as a whole. The city centre now accounts for 31.5% of all MD jobs, a higher proportion than at anytime since the audit began.

The three largest city centre employment sectors are: financial and business services, public services, and distribution. Together they account for 83% of the city centre's employment and 26% of Leeds MD's total employment.

Housing: One of the most visible changes in the city centre in recent years has been the sudden boom in residential properties being built. Although there was some residential development in the centre prior to 1996 (around 2,600 dwellings) it had taken place over a long period of time. Between November 1996 and December 2006, over 6,100 units were completed in over 100 separate schemes, bringing the total city centre stock to about 8,700 dwellings.

The impact of this new development on the city centre population is difficult to estimate. However it is thought that there is an approximate population of 12,400. It is estimated that the population could rise to 30,100 just with current proposals.

Leisure and Tourism: Prior to the 1990's there were only seven hotels in the city centre, comprising 850 rooms. In 2006 there were 23 hotels and 3,294 rooms. The growth in room numbers appears set to continue with at least 20 new hotel developments proposed, providing approximately 1,200 beds.

Hotels in Leeds continue to underperform the overall UK growth as the city only managed to increase occupancy from 70.3% in 2005 to 72.6%, while the average rate saw a drop from £68.84 to £67.24.

Visitor numbers to Gateway Yorkshire, Leeds's Regional Travel and Tourist Information Centre, have increased by 17.6% from 2001 to 2006, however there was a small drop in usage from 2005 to 2006.

Community Safety: There has been a significant decrease in the overall number of crimes recorded from 12,893 in 2004/05 to 11,684 in 2005/06. The number of vehicles stolen from the city centre has fallen for the twelfth year in a row. It now stands at 255, an 88.4% reduction over the past twelve years. The number of incidences of items being stolen from vehicles fell by 40% compared to last year. Offences against the person have fallen by 8% on last year. The frequency of people stealing from shops has risen slightly (5%) compared to

last year. However, the figure is in line with numbers of offences in previous years. Other theft/burglary has fallen to 4,105 offences compared with 4,299 last year, a reduction of 4.5%. Damage offences have decreased by 13% and other offences reduced by 11.6% compared with last year's figures.

Environment and Sustainability: There are 1,195 listed buildings in Leeds city centre (of which three are classified as at risk) and ten conservation areas. The numerous open and green spaces, such as Millennium Square and Mandela Gardens, contribute to an attractive city centre, help support economic development and promote tourism. To date no sites in the city centre have been designated contaminated land.

River Quality at the central Leeds sample point has improved in the past year after a previous decline for the first time since 1999 between 2004-05. Air quality figures are improving, results are showing a general downward trend for carbon monoxide, nitrogen dioxide, sulphur dioxide and PM10 particles. Leeds urban background concentrations of ozone comply with the specific objectives in all but the hottest, sunniest summers.

It is clear from all the findings that the city centre is performing well, the only major negative finding from the audit is that of the hotel market. The perceptions of residents and visitors to the centre is that the centre is a good place to visit for a number of reasons, however there are concerns particularly regarding community safety, parking and cleanliness.

The city centre strategic plan 2006-2010 highlighted the objective for the coming years to ensure that the city centre continues to improve. The plan is available at www.leedsinitiative.org.

For more detail or a full version of the audit please visit www.leeds.gov.uk/economy or contact Tom Holvey on 0113 24 78073.

City Living Survey 2007

The University of Leeds, KW Linfoot plc and Morgans City Living teamed up to assess the state of the market and to carry out an occupier survey.

There are already 9,500 apartments completed or under construction. An additional 12,000 units might be built if all proposals came to fruition. The report cautions that this level of supply is beyond the likely demand from actual occupiers. The survey of 610 households shows that the market remains dominated by childless young people who do not intend to stay long in the city centre. So although there is clearly high demand for the city centre lifestyle experience, the market base is unlikely to widen and turnover will be high. The longer term viability of some marginal schemes looks questionable – even if it is still possible to sell 'off plan' to investors.

More details from the survey will be published in the Winter Bulletin.

Company News

JOB CREATION

Bang & Olulsen has opened its Leeds store at Vicar Lane.

The sixth **Brasserie Blanc** restaurant opened in September at The Embankment.

The former Leeds Club has been refurbished and will be the home to a new "elite members club" called **Club LS1**. See www.club-ls1.com

Otley-based **Craftsman Tools** has received a £350,000 investment, which created six new jobs.

Data Genetics International - one of the UK's largest independent IT forensic companies - is to open a Leeds office.

Commercial property consultants **Drivers Jonas** has opened in Leeds to service the region's construction market. The office will initially house 20 staff, but will have scope to accommodate 45.

The Dunelm Group is to open a **Dunelm Mill** store by Christmas at the former Readmans store. Around 100 jobs will be created, following a multi-million pound refurbishment of the 43,117 sq ft store.

North East-based construction company **Esh Group** has opened new offices and support facilities at John Charles Way.

Horsforth-based IT firm **Galtec Solutions** has launched Galtec Technical Services, with 12 staff.

The **Identity and Passport Service** has opened a new office at 33 Park Place. Employing 19 staff, it is expected to handle 22,200 interviews a year for first-time adult customers.

Munroe K has moved its headquarters from London to the White Rose Office Park.

Royal & Sun Alliance has opened a new office in Bond Court. It will focus on sales and underwriting and will deal with the firm's broker partners in Yorkshire and the North East.

A 2,000 sq ft **Sainsbury's Local** has opened in the Merrion Centre.

Newcastle-based architects and build environment specialists, **Waring and Netts**, has taken 4,500 sq ft at No 1 Brewery Wharf.

Thirty new jobs have been created through the revamp of **Yeadon Stoops Brewery Fayre**. It reopened in September.

EXPANSIONS & RELOCATIONS

Allsop, the residential surveyors and auctioneers, has moved to larger 4,300 sq ft premises at 33 Park Place.

TF and JH Braime, which manufactures steel presses for automotive and white goods industries, plans to sell its listed Hunslet Road factory and is looking for new premises in Leeds.

More than 20 jobs at Leeds-based plastic moulding manufacturer **Crompton Mouldings** following a funding package from the Bank of Scotland Corporate.

Ernst & Young has relocated more than 300 staff into 27,000 sq ft at Bridgewater Place. The firm plans to recruit an extra 100 people over the next three years.

Eversheds have relocated to Bridgewater Place bringing together a 650 strong team of barristers, solicitors and support staff.

HLW Commercial Lawyers has outgrown its City Square base and moved to 30,000 sq ft offices on Park Place.

The new **JCT600 Porsche Centre** on Gelderd Road has opened. Work started on the 2.86 acre site last summer.

Leeds College Of Building has received planning permission for the change of use unit 3, Intermezzo Drive, Stourton to educational use.

Lone Star LWD Precision Engineering has opened its new world-class manufacturing facility in Leeds.

Civil and structural engineers **Mason Clark Associates** has moved from Leeds Bridge House to 2,600 sq ft offices at the new £5m Business Living development at Millshaw.

Mercury Print & Packaging Ltd has invested around £1m in a major refurbishment of its 25,000 sq ft premises in Wortley and new equipment.

Service office provider **Regus** has acquired 26,714 sq ft at No 2 Wellington Place. It will replace the existing centre at Tower Square.

Scarborough Building Society has investing more than £300,000 in a new branch in Albion Street.

Bramham-based land remediation firm - the **Sirius Engineering Group** - has moved into a new 4,000 sq ft regional headquarters building at Thorpe Park.

Leeds-based **Sulzer Pumps** has invested £2m and created 22 new jobs in upgrading and doubling the size of its customer support service centre.

Financial services group **WH Ireland** has increased employment to over 20 people and moved to new premises in Canal Wharf.

MERGERS/DEALS/TAKEOVERS

Leeds-based **ASD** metal services, the largest independent metals stockholder and distributor in the UK, has acquired Horbury-based Westlok.

Professional services firm **Bentley Jennison** has formerly joined RSM International, the worldwide audit, tax and consulting network of independent firms.

Leeds-based snacks and confectionery maker **Glisten** has bought Swindon-based Dormen Foods.

Building and engineering group **Renew Holdings**, which is moving its head office from London to Aberford in Leeds, has bought Hartlepool engineering contractor Seymour for £6.8m.

Medical devices company **Surgical Innovations** has signed a deal with MGM Med which gives it access to a broad US hospital market some 6,000 strong.

AWARDS AND OTHER NEWS

Leeds-based **Agfa Graphics** has scooped a nation business Oscar in the Manufacturing Excellence Awards, organised by the Institution of Mechanical Engineers.

Leeds-based **Brahm PR** has scooped the Best use of Media Relations accolade in the national CIPR Excellence Awards held in London.

Brandon Medical has launched an audio-visual system which is set to revolutionise healthcare training.

Cameron Leeds, which supplies oil and gas system technology, has received an award from the Institution of Mechanical Engineering for the training it provides for its engineers.

Stourton-based **Cool Drinks Company**, which sells healthy cold drinks in school vending machines, has won the Best Entrepreneur category and the Most Innovative Business class in the Yorkshire Biz Awards 2007.

Leeds-based brand marketing and marketing communications agency **Creative Marketing Services** has won two industry awards: Northern Design Consultancy of the Year and, in independent research, the highest rated in the region for client satisfaction.

Leeds City Credit Union is celebrating 20 years of business in Leeds. Founded in August 1987, it is now the largest community based credit union in Britain with over 20,000 people using its services.

Leeds-based accountants **Sagars** has won the Best General Tax Practice award at the 2007 Lexis Nexis Taxation Awards. It recently won the Accountancy Age Magazine award for the Best Medium Firm of the Year.

Leeds-based architects **Watson Batty** has been awarded a top prize at the 2007 International Green Apple awards for the Built Environment and Architectural Heritage, following the company's new sustainable office development in Guiseley.

Reform of empty property relief

The government has announced reforms to empty property relief which it hopes will provide a strong incentive to bring empty property back into use. The aim is to help increase the supply of premises to let and so reduce business rents and improve the competitiveness of the UK, as well as bringing forward brownfield sites for re-development.

From 1st April 2008 most property that has been empty for more than three months- or in the case of industrial property, for less than six months- will no longer receive relief from rates and become liable for 100% of the basic occupied business rates.

Consultation closes on 1 October. See www.communities.gov.uk .

For further information please contact Leeds City Council Business Rates on 0113-2476983 or e-mail www.business.rates@leeds.gov.uk

JOB LOSSES

The co-operative food shop **Beano Wholefoods** has closed after trading in Leeds for 29 years.

Around 30 jobs have been lost after the Italian restaurant **Dino's** went into administration.

Leeds nightspot **Hard Rock Café** has closed. It opened four-and-a-half years ago.

Middleton-based **Nampak Cartons** is to make 40 workers redundant. The company employs 500 people.

Stourton-based manufacturer **Yorkshire Fittings** is to make 35 workers redundant. The company employs 900 people in Leeds and Doncaster .

Infrastructure

GENERAL PROPERTY PROPOSALS & DEALS

A new phase has begun on a £14m building improvement scheme for **Corpus Christi Catholic College**, Temple Newsam. Proposals include plans to upgrade all the existing premises and add a new state of the art sports hall, with the scheme due for completion in 2010.

Planners have agreed in principle a scheme to build offices and flats at the **Granary Wharf** car park between the Leeds-Liverpool Canal and Water Lane.

A planning application is expected to be submitted soon for a business park at the former Alf Cooke printworks on **Hunslet Road**. The proposals are likely to include refurbishment of the grade two listed building, demolition of warehousing buildings and the building of eight three-storey office blocks.

Commercial Estates Group has secured planning approval for the redevelopment of the 56 acre former **Kirkstall Forge**. It includes 1,385 residential units, 177,800 sq ft of offices, a hotel and community facilities including shops, bars, cafes, restaurants and a crèche. The application includes a new £4m train station. The full regeneration of the site will be phased over a 10-year programme.

Six companies have been chosen as potential operators of the **Leeds Arena**. They will be invited to submit more detailed business plans for the scheme and a shortlist of these will be drawn up in October.

Leeds Grand Theatre has secured a £995,000 Heritage Lottery Fund grant to allow the £9.5m second phase of the Transformation project to go ahead.

Leeds City Council is to consider a £20m scheme to transform **Leeds Town Hall** into a world-class concert hall.

The government has provided £30m of PFI credits towards new **leisure centres** in Armley and Morley. Detailed design work will start this autumn and they should be opened by 2010.

Little London has been awarded £72,000 from the Cleaner Safer Greener fund to pay for a variety of small scale schemes, including improvements to parks and open spaces on the estate.

C D P Ltd has received planning permission for two single storey industrial/warehousing units at **Pontefract Road**, Stourton.

Work will start in 2008 on rebuilding **Priesthorpe High** in Farsley and **Crawshaw High** in Pudsey. Work will be completed in 2010.

Leeds City Council has decided to provide an extra £3m for the £11.6m Northern Ballet Theatre and Phoenix Dance Company project at **Quarry Hill**. Design work is expected to start this year. Building work could start in December 2008 and be completed by March 2010.

Leeds Property Ltd Multi has submitted a planning application for a hotel, with casino, nightclub, bars/restaurants and basement car parking at **Quarry Hill**.

SJS Property Management has received outline planning permission for residential, 150,000 sq ft of offices, 33,000 sq ft of workspace at **Sweet Street West** and **Marshall Street**.

RPS Leeds has received planning permission for a four storey hotel with ground floor bar/restaurant at Aire House, **Swinegate**.

Bracken Ltd has received planning permission for the refurbishment of existing offices at 20-24 **The Calls**.

MEPC and Hermes are planning to speculatively develop the third office building at the 2.7m sq ft **Wellington Place** development. It will comprise 120,000 sq ft of offices and 60 flats, alongside the scheme's "urban beach". It hopes to start work in January.

Design delays have delayed the £17m Carnegie Pavilion for **Yorkshire Cricket Club**.

RESIDENTIAL

Life Property Group has submitted a planning application for an 11-storey development, comprising 157 one-bedroom flats, 25 two-bedroom flats and 4 three-bedroom flats on **North Street**.

Work has started on the phase three 160 modular apartments at the Citispace Urban Apartment development at **Regents Park House**. Phases one and two created 152 apartments and retail space.

The **University of Leeds** has sold Tetley Hall in Headingley to a private client, who plans to redevelop the 6-acre site for apartments. It has also sold The Priority of St Wilfrid to Springfield Mount Estates which could provide graduate accommodation for 70 students.

Crosby Homes Yorkshire Ltd has submitted a planning application for a 16-storey block of 91 flats and a 23-storey block of 166 flats at Doncaster Monk Bridge, **Whitehall Road**.

R M P Properties (Headingley) Ltd has received planning permission for 28 student cluster flats, with 88 bed spaces, at Shay Street /St Marks Road, **Woodhouse**.

Downing Developments Ltd has received planning permission for a 23-storey development comprising student housing (240 bedrooms), academic accommodation and a new church at Woodhouse Lane and Blackman Lane.

David McLean Contractors has started work on a £13.5m contract to build a mixed-use scheme next to the **West Yorkshire Playhouse**. The scheme will include 128 apartments, with retail and leisure on the ground floor. Completion is scheduled for January 2009.

UNDER CONSTRUCTION/ COMPLETED

Work has started on the final phases of **Airport West Business Park**, comprising 76,350 sq ft in six three-storey office buildings. Completion is due in autumn 2008. The first two phases of the 8-acre development provided 80,000 sq ft of office space.

Work has started on the 109-bedroom De Vere Hotel at **Capitol Park**, creating 250 jobs. It is scheduled to open in September 2008. Work has also started on a speculative 13,500 sq ft office building.

The £5m Saviles Hall conference centre has been opened at **Clarence Dock**.

Work has started on the redevelopment of the **Headrow Shopping Centre**. The scheme involves the demolition of King Charles House and improved circulation around the centre.

Work is about to start on the £9m redevelopment of Cloth Hall Court on **Infirmary Street**. When completed next year, it will provide 90,000 sq ft of Grade A office space.

Leeds City Art Gallery has reopened following a £1.5m refurbishment.

Work on the final stage of the **Leeds Grand Theatre** restoration is due to start in September at a cost of £10.5m and will be completed in September 2008.

Deltalord have started construction on 115,000 sq ft of Grade A office space at **Sweet Street** in Holbeck Urban Village. The development to be known as 'The Mint' has already achieved a BREEAM energy efficiency rating of 'very good'

TRANSPORTATION

Atkins Consulting has proposed a **high speed rail link** alongside the M1. It would take in London, Leicester, Nottingham, Sheffield, Leeds, Newcastle and Edinburgh. There would be spokes to Birmingham, Manchester, Liverpool and Edinburgh. It would free up the East Coast Main Line for freight.

National Express has landed the **InterCity East Coast franchise**. It starts in December 2007 and

lasts until March 2015. Journey times between Leeds and London are scheduled to come down to two hours.

Leeds Bradford Airport's new owners Bridgepoint have confirmed plans to double the number of passengers over the next few years. The move could lead to the creation of around 3,000 new jobs.

Metro is currently investigating options which could lead to the provision of greater passenger capacity on rail routes into Leeds. Work is currently underway relating to the potential conversion of the Leeds-Harrogate-York route into a tram-train line, including a potential new link to Leeds Bradford International Airport.. This could ultimately lead to more frequent services as well as tram-like services running through Leeds city centre. Other opportunities may exist, linked to regeneration initiatives through Aire Valley Leeds area and the Five Towns.

The government is to invest about £100m on 60 to 90 new **rail carriages** for routes around Leeds, with further carriages for Sheffield and the TransPennine Express route. They are expected to be introduced from 2009.

The proposed £300m **rapid transport scheme** for Leeds, currently being jointly promoted by Metro, has won support from the Yorkshire and Humber Assembly's Regional Transport Board, which agreed to support the first £150m phase. A full business case is currently being prepared and will be submitted to the DfT in about 12 months time. Subject to DfT approval, a Transport and Works Act approval and a successful enquiry, construction work on the scheme could start in 2010/11.

OTHER NEWS

The **Central Leeds Office Commentary Report** by GVA Grimley says that although the supply of grade A stock is around 360,000 sq ft, almost half of this space is already under offer. No new stock is due to enter the market this year. but four new developments are expected to start on site during 2007 and early 2008 totalling 690,000 sq ft.

A record 538 **Green Flag Awards** - the national standard for parks and green spaces - have been awarded to sites across the country. Included are Golden Acre Park, Kirkstall Abbey, Lotherton Hall Estate, Pudsey Park, Roundhay Park and Temple Newsam Estate.

At the RICS Property Management Awards, Creative Space Management Ltd has taken the Business Infrastructure and Facilities Management Award for the **Round Foundry Media Centre**.

A new **Whitehall Bridge** has been lifted into place, connecting the West End with the Holbeck area. It is the first pedestrian crossing across the River Aire to be completed west of the city for a century.

Renaissance Leeds

The Partnership Priorities

The aim of the partnership is to build confidence among investors and funding agencies, and to increase public and private sector investment in the public realm and infrastructure of the city. The partnership is working towards delivering on five key priorities over the next three years.

The priorities are:

- City Centre and surrounding areas – sustaining the compact nature of the centre and enriching public space and connectivity.
- Holbeck Urban Village – an exemplar of sustainable regeneration south of the city centre.
- Aire Valley Leeds – realising its development and employment potential.
- Creating a sense of place in neighbourhoods – EASEL (East and South East Leeds), West Leeds Gateway, and Beeston Hill & Holbeck.

The fifth priority is an overarching priority for the partnership which is to create a legible city – enabling investors to understand how their business ventures sit within the evolving renaissance framework and contribute to sustaining the city's success.

Mapping the future

The result of four years' work by Leeds Civic Architect John Thorp was displayed for the first time at PSL Gallery, a new exhibition space on Whitehall riverside.

(Image of John Thorp at the 'Mapping Project' exhibition)

The exhibition raised questions about how Leeds was and is planned and designed. Using the colourful, vibrant and fascinating drawings - radically different from traditional architects' drawings - represented a rapidly-changing, 21st century Leeds in the context of its complex 800 years' history.

Artists Leo Fitzmaurice, Lucy Gibson and Nicola Pemberton worked alongside John during the course of the exhibition to explore the role of artists within city planning and the development of the visual arts sector in Leeds.

John's work has been key to the strategic development and regeneration of the city and his thinking continues to inform the Renaissance Leeds Partnership as it undertakes the delivery of major development initiatives across the city.

Case Study: West End Partnership

(Image:)

A consortium of developers, known collectively as the West End Partnership, has officially launched its plans to bring more than £1 billion worth of investment into Leeds.

Made up of MEPC, Town Centre Securities PLC, KW Linfoot, George Wimpey City, HBG Properties and Bruntwood, the partnership have joined forces with Leeds City Council. This pioneering partnership between the public and private sector is expected to deliver over 185,000 sq ft of retail space, over three million sq ft of office accommodation and 3,440 apartments.

Stretching along Wellington Street and Whitehall Road, the West End Partnership will see the delivery of one of Leeds' biggest schemes and regenerate an important part of the city centre. The Partnership will transform the area from a business district to a lively neighbourhood of mixed-use environmentally and socially sustainable places in the heart of the city.

The schemes to be developed as part of the West End Partnership include

Wellington Place which will be the largest commercial development in Europe and Lumiere which will sit amongst the tallest residential buildings in Europe.

Jean Dent, Director of Development at Leeds City Council commented: "To have developers who are willing and able to collaborate in such a way is truly unique. This is a vast area of the city and its redevelopment will reinforce Leeds' position as one of the Top 30 European destinations for business*, whilst at the same time providing a social and residential environment that can be experienced by everyone in the city."

Richard Lewis key partner and development director at Town Centre Securities PLC, said: "The majority of cities in the UK are undergoing some form of regeneration. What the city really needs is a genuine mix of five star and affordable accommodation, green space which they can safely walk through and a community which is conveniently connected to other areas of the city. This is evident in some of the most famous European Cities, and with our redevelopment programme, Leeds can follow in their steps and become an internationally recognised business and leisure destination."

Further details can be found at www.westendleeds.com

* Cushman & Wakefield Euro-cities Monitor 2007

Next Issue: Focus on the EASEL (East and South East Leeds)

Regional Issues

Sub National Review

The publication of the *Review of Sub-national Economic Development and Regeneration* by the HM Treasury, the Department for Communities and Local Government (DCLG) and Department for Business, Enterprise and Regulatory Reform (DBERR) on the 17th July heralds the beginning of an exciting new future for both the city and the Leeds City Region partnership.

Originally undertaken to inform the *Comprehensive Spending Review* due out in the Autumn of this year, the Review sets out the government's strategy for reducing the gap in economic performance between Northern cities and their counterparts in the South, as well as the wealth gap within cities. In short, this strategy suggests a new confidence in the leadership potential of local government on the part of government, which now appears to recognise that local and sub-regional authorities are in the strongest position to nurture and develop economic prosperity.

As part of the new arrangements, regional governance will be strengthened and streamlined to provide a strategic role in this pursuit of economic development. Regional Assemblies (RAs), such as the Yorkshire and Humber Assembly, will be phased out from 2010, and in turn, the remit of the Regional Development Agencies (RDAs) will expand to take on many of the former responsibilities of the Assemblies. In particular, the RDA's will be given executive responsibility for developing a new integrated regional strategy in agreement with local authorities, which will bring together the currently separate Regional Economic and Spatial Strategies.

At the same time, the scrutiny powers of the RAs will transfer to local authorities. As such, although the RDAs will be gaining significantly expanded responsibilities, there will be strong input from local authorities. Not only will local authorities have scrutiny powers and an input into the integrated regional strategy, but Government is also expecting RDAs such as Yorkshire Forward to delegate powers such as control over regional budgets as and when appropriate to local and sub-regional bodies.

However, the review is clear that these responsibilities will be hard earned, with the caveat that only those local and sub-regional authorities that are able to prove adequate governance arrangements will be considered for such devolution. To this end, the Review is very encouraging of strengthening partnerships such as the Leeds City Region, even suggesting that government would support the establishment of a statutory sub-regional authority to pool further responsibilities on a permanent basis.

The review paints a potentially promising picture for the future for the city and Leeds City Region, although many of the details are still to be worked out. It is here that the council, the Leeds Initiative and the City Region Partnership will need to proactively engage to ensure that the Leeds area enjoys the full benefits of devolution, including:

- A consultation on the possible creation of a statutory economic development duty for councils.
- An assurance to work with councils to explore flexible financing mechanisms, such as a supplementary business rate, which would provide funding for local services.
- A reform of the Local Authority Business Growth Incentive Scheme (LAGBI), proposing to simplify and strengthen the existing scheme.
- Possibilities for exploring Multi-Area Agreements and other sub-regional governance arrangements

Draft Transport Bill

In May 2007 the Government published the draft Local Transport Bill and invited views from all interested parties by September 2007. The Leeds City Region and Metro have both submitted responses that highlight the issues that are likely to apply from a City Region perspective. The Bill covers the following three areas of local transport:

- Powers and governance arrangements in metropolitan areas
- Local bus services
- Local road pricing schemes

Just as the sub national review aims to transform governance arrangements to work at the most suitable spatial levels, the Transport Bill seeks to reform local transport governance, which is currently split between councils, who manage local roads, and Passenger Transport Authorities (PTAs) who are responsible for planning and implementing policies on public transport. At present there are no powers to set up new PTAs or change their geographical boundaries.

The City Region, as expressed in the 25 year Transport Vision, has for some time felt that the governance arrangements and the geographical boundaries of the PTAs in the City Region do not sit with the economic reality of journeys to work. The Bill proposes reviews of these governance arrangements and the possibility of more flexibility on PTAs and their boundaries. In the response to the Bill, the City Region has supported these

developments and agreed terms of reference for a review.

Another of the key aims in the City Region Transport Vision was the improvement of public transport, in particular local bus services. The Bill recognises the key role that buses play in our transport system and recognises that current services are not up to the standard that our citizens expect. Various proposals for change, such as improved partnership working, have been put forward and Metro, the Passenger Transport Authority, has submitted a response to these issues.

Road pricing schemes have been particularly newsworthy since their introduction in London in 2003. As part of a package of measures to relieve growing congestion on our roads, the draft Bill encourages cities to consider the possible benefits of road pricing. Congestion charging would be voluntary and open to those local authorities who feel it would be appropriate for them but there are no plans at present for a national road pricing scheme.

Leeds City Region Update

As ever, work on the Leeds City Region has not stood still since the last Bulletin and the panels supporting the joint committee Leaders Board (constituted in April this year) have continued to develop.

The Transport Panel has now met for the second time and produced the City Region's response to the government's recent draft Local Transport Bill.

Work has progressed on the establishment of the Housing Panel, which is planned to commence in the New Year. The publication of the Sub National Review, along with the Housing Green Paper, have recently put housing at the top of the regional agenda. Although recent reports from the Yorkshire and Humber Assembly suggest that the Leeds City Region compares well nationally in terms of future housing planning, the scale of planning the government is suggesting will be a challenge for all. In line with the City Region Development Plan, our main priority will be to ensure that future housing planning in the region is both sustainable and beneficial to the way the economy really works.

The first meeting of the Skills and Labour Market Panel met in July, with representatives attending from the Learning and Skills Council, Jobcentre Plus, Yorkshire Forward, the Regional Skills Partnership and the Government Office Yorkshire and Humber. Along with the Transport Panel, one of the current objectives for the panel will be the development of a Multi Area Agreement (MAA), which will be designed to help deliver and promote the efficient working of the Leeds City Regions' skills and labour markets.

Core Cities Events

Party Conference Fringe Events

The Core Cities will be running fringe events at this years round of party conferences. Each fringe event will be hosted by a different member of Core Cities, focusing on a variety of agendas that are current priorities for cities. Leeds City Council will be conducting the Conservative conference event, details of which are below:

Liberal Democrat Party Conference, Brighton Monday 17th September, 18:15 - 19:30

Cities & Climate Change – The role of cities in leading on climate change – the barriers they face, the practical measures that need to be taken and the powers they need.

Speakers:

Chair: Cllr Wendy Taylor, Executive Member for Environment & Sustainability
Cllr John Shipley OBE – Leader, Newcastle City Council
Martin Horwood, MP, Shadow Minister for the Environment
Fiona Hall, MEP for the North East of England

Labour Party Conference, Bournemouth Wednesday, 26th September, 12.45 – 14:00

Cities and Regions: Working in partnership to deliver competitiveness

Speakers:

Chair: Wilf Stevenson, Smith Institute
Rt Hon Hazel Blears MP- Secretary of State for Communities and Local Government
Rt Hon John Hutton MP- Secretary of State for Business, Enterprise and Regulatory Reform (invited)
John Healey MP- Local Government Minister
Sir Richard Leese- Leader, Manchester City Council
Representative- England's Regional Development Agencies

Conservative Party Conference, Blackpool Monday 2nd October, 17:45 – 19:00

Transformational Leadership for City Growth

This year we will be considering the challenges facing local leadership in building a shared vision, not only within the local area but across city boundaries. Against this background, we will be launching the Core Cities' publication of a series of essays on *Transformational Leadership for City Growth*.

Speakers:

Paul Goodman MP – Shadow Minister for Communities and Local Government
Chris Murray – Director of Core Cities
Cllr Andrew Carter – Leader, Leeds City Council

News

Local News

Research by the Institute for Public Policy indicates that if **business rates** increased from the current 40p-in-the-pound to 44p, Leeds would raise £25m a year in extra revenue and help "lever-in" a £380m 30-year loan.

The **Contact Leeds Academy**, the council call centre training programme, has won the Innovation Award at the Yorkshire & Humber Contact Centre Network Awards in recognition of its "radical and hugely successful programme" to narrow the gap between poorer communities and the rest of the city.

According to Respectful, shoppers from Leeds and Sheffield are among the top six UK towns and cities in a poll of Britain's most **eco-friendly consumers**.

Leeds Chamber has reported positive performances in the manufacturing and service sectors in its latest **economic survey**. Domestic sales for manufacturing increased by 23%. With an 11% increase, the service sector reported its fifth consecutive quarter of improvement.

Education Leeds has been awarded £1.8m over two years from a government standards grant to provide pupils attending secondary school, pupil referral units and specialist inclusion centres in the city with computers and internet connections.

Leeds-based charities Resourcing the Community and Leeds Community Foundation have teamed up to offer **First Steps and Improving Reach**, which will help groups applying for money from the EU's ERDF scheme and the Capacity Builders programme.

St George's Crypt has teamed up with Barclays, the Emmaus project and Doncaster's M25 group to teach **homeless people** the skills they need to re-take their places in the community. It includes debt management and handling interviews.

According to the latest **HotelBenchmark** survey, the average hotel room in Leeds now costs £65 a night (+0.3% on 2006), while occupancy was up by 3.6% to 66.2%. The figure for daily available rooms rose to 3,560 from 3,522 in 2006.

Research by Orange shows that people in Leeds use the **internet** to buy and sell goods more than anywhere else in the UK. 49% of households in Leeds spend three or more hours a day online.

The **John Charles Centre for Sport** has secured a licence allowing it to host a wide range of events. It aims to attract concerts, conferences and exhibitions. It can take up to 2,400 people standing for a major event, 1000 seats for a banquet or 1400

theatre-style.

The Mission has been named the Best Club in the **Leeds Bar & Club Awards 2007**. Trio in Headingley was voted the best Bar/Restaurant, while Mojo landed the title of Best Bar.

Leeds Re'build, a training and employment service for vulnerable people in Beeston and Holbeck, has received a £5,000 social enterprise grant from the Leeds 11 Fund.

Leeds Metropolitan University has opened its new Centre for Excellence in Teaching and Learning at Woodhouse Lane. It includes the development of the Institute for Enterprise.

Leeds Metropolitan University's Carnegie facility and Loughborough University are vying to be the National Centre of Coaching Excellence. A decision will be made in October.

The **National Skills Academy Financial Services**, Yorkshire & Humber has been launched in Leeds. Its vision is that it will provide a single source for recruitment, training and education in the region and support a demand-led approach to public funding, ensuring that regional funds are applied to regional employer needs.

Twelve young people are being recruited by **O2's Business Customer Service Centre** at Arlington Business Centre as part of a new apprenticeship programme. The scheme is open to all ages but the company is particularly targeting school leavers.

The independent theatre and arts centre **Seven** has opened in Chapel Allerton. It was born out of the highly successful Chapel Allerton Arts Festival, now in its 10th year. Funding came from ERDF and a private donation. See www.sevenleeds.co.uk

The pioneering PFI project to deliver 21st century learning has been completed with the opening of two more state of the art **secondary schools** at John Smeaton Community College and Ralph Thorsby High School. This adds to the buildings opened last year at Carr Manor High School, Primrose High School and South Leeds High School.

The **St Johns Centre** has scooped green charity Emcams's Gold Award and Cushman and Wakefield's Gold Standard for its work to reduce its impact on the environment. That includes increasing recycling rates and cutting back on the amount of energy used at the centre.

According to Barclays Local Business, Leeds, Bradford and Sheffield have seen **start-ups** grow by more than 7% during the first quarter 2007 compared with 2006. All other locations across the region saw the number of start-ups fall.

Leeds City Council's in-house team, the **Strategic Design Alliance**, has won eight awards for schemes in Beeston, Bramley and Otley. It has now been nominated in two categories for the national RICS Awards and the national Constructing Excellence Awards.

According to the Royal Bank of Scotland's **Student Living Index** 2007, Leeds is the most cost-effective place to study in the UK. The survey ranks Britain's major university towns by plotting average student expenditure on living and housing costs against income from term-time employment. Leeds students spend £186 per week on living and housing costs, while earning £128 from part-time work.

Experian says the **north-south divide** is set to widen in the next few years. Some large regional cities - such as Edinburgh, Cardiff, Leeds and Manchester - are poised to do well.

Leeds City Council has put forward several sites for inclusion in a guide to top UK **training facilities** being compiled by the London 2012 Organising Committee. Sites being considered for Olympic and Paralympic accreditation include: Headingley Carnegie Stadium; University of Leeds's campuses; Leeds Met's Beckett Park Campus; John Charles Centre for Sport; Rothwell Sports Centre; and Middleton Park Equestrian Centre.

The **Victoria Quarter** has received a Gold Standard in the Tidy Business Awards, which aim to educate and reward good environmental practice in firms. The national project is run by Environmental Campaigns (Encamms) and DEFRA.

Regional News

Yorkshire Forward has announced that Y&H IDB is the preferred bidder for the regions **Business Link** service. Y&H IDB (which stands for Information, Diagnostic and Brokerage) is a 50/50 joint venture between Reed in Partnership plc and Exemplas Holdings Ltd. The consortium will operate the regional Business Link from April 2008.

Business support organisation **Connect Yorkshire** has launched its annual InvestorQuest challenge - offering young Yorkshire Technology companies the chance to compete for potential investment of £1m. The deadline for receipt of applications is 5 September.

Electronics Yorkshire has forged a partnership with the Technology Strategy Board's Electronics Knowledge Transfer Network. It will support the activities of the ETKN in the region by acting as a communication channel between companies and the network.

According to the Industry Watch Report by BDO Stoy Hayward, Yorkshire has been named as one of the top UK regions for growth in **exports** to India and Japan, but could be too dependent on imports from China.

Forward Ladies, the not-for-profit women's business networking organisation, has opened offices at 1 City Square. It has received funding and support from Yorkshire Forward.

A new **ICT Yorkshire Business IT guide** is available on line at www.ictyorkshire.businessitguide.com. It explains how using ICT can make a business more efficient and profitable.

The annual Ernst & Young European Investment Monitor shows that Yorkshire is slipping behind the rest of the country in terms of attracting **inward investment**. The number of overseas investment projects dropped by 20% in the last year, compared with a UK rise of 23%.

DCLG says in Yorkshire and the Humber, the estimated total number of **online planning applications** has risen by just under 6,000 per cent in the last four years, with an estimated 9,500 in 2007/8. In West Yorkshire, it will increase from 270 in 2005/06 and 1025 in 2006/07 to 2325 in 2007/08.

For the 2006/07 financial year, **Yorkshire Forward** has: created 22,254 new jobs in the region, and helped 5,532 people to get a job; created or attracted 1,067 new businesses to the region; helped 27,277 businesses to improve their performance, and assisted 296 businesses to engage in new collaborations with the UK knowledge database; attracted £213.3 million of investment to regenerate deprived areas, 73% of it from the private sector; regenerated 114 hectares of brownfield land; and helped 60,005 people in their skills development, including 834 through the "Skills for Life" strategy and 3,522 supported to achieve a level 2 qualification or its equivalent.

The **Yorkshire and the Humber Charity Bank** has been launched in Leeds with capital of £10m. It aims to create a sustainable source of loan funding for charities and social enterprises. It is the first regional arm of a national organisation.

National News

Sheffield Hallam University has published "The **Real Level of Unemployment** 2007", which says the actual number of unemployed stands at 2.6m.

According to DfBERR the number of **small businesses** has risen by almost 1m since 1994, providing work for an extra 1.5m people. The number of businesses operating in the UK rose by 2.9% last year to almost 4.5m, the highest since current records began in 1994.

The Government is launching the review of **sub national economic development and regeneration**. It outlines plans to refocus both powers and responsibilities, giving local authorities a greater role in ensuring economic opportunity for all.

LEGI Leeds shares the secrets to success

In December 2006 Leeds was awarded £15.6 million from a bid to the central government 'Local Enterprise Growth Initiative' (LEGI) to help narrow the gap between the rich and poor of the city.

Leeds has prospered over the last 10 years generating £3.2bn worth of investment in large developments and contributing to a city wide economy worth £14.63bn in 2004. However this has not been reflected in all areas of Leeds communities such as Beeston, Chapeltown, Harehills, Seacroft and Gipton experiencing high levels of deprivation.

Leeds LEGI programme has developed 'sharing the success' which is a series of enterprise led initiatives aimed at narrowing the poverty gap in Leeds through enterprise leading to sustainable communities.

'Sharing the success' will aim to create over 550 new businesses in disadvantaged communities by 2010.

£1 million helps city to find its young entrepreneurs

School pupils across Leeds are to be given opportunities to develop their entrepreneurial skills for the work environment, as a result of a £1 million grant.

Working with schools in some of the most disadvantaged areas of the city, 'Sharing the success' aims to help raise pupil's aspirations, develop enterprise and employability skills and to educate students about different options for school leavers.

The money will be used to fund eight 'enterprise ambassadors' who will work with teachers to ensure that enterprise becomes an integral part of the curriculum.

Catalyst centres put a spark back into local communities

New 'catalyst centres' are being launched to help people with a business idea who cannot afford commercial premises of their own.

There are two pilot schemes currently running in Seacroft and Beeston. Whilst the buildings are being redeveloped small temporary centres are being set up providing a free trial for would-be entrepreneurs. A further full scheme is to run from Harehills Middle School and is due to launch in the autumn.

The catalyst centre rates start from as little £10 per hour and have no tie-in period, making it a more flexible option for start ups.

'Sharing the success' hopes to create a number of development trusts across the city to take ownership of unused buildings in the local community and develop them to include further catalyst centres and space for community groups.

E-mail: kristy.swift@leedscatalyst.com or visit www.leedscatalyst.com

£1.4 million loan fund lends Leeds entrepreneurs a helping hand

A new loan fund will offer competitive rates of interest on business loans for individuals and businesses unable to access finance through traditional sources such as banks and building societies.

It has been set up in partnership with the Business Enterprise Fund and Leeds City Credit Union, to encourage enterprise in some of the city's poorest communities.

Recent research suggests that residents in disadvantaged areas of Leeds face difficulty obtaining loans from the usual high street lenders. As a result many turn to doorstep lenders who charge much higher interest rates, and this could be costing the local economy as much as £9.5 million per year.

The loans also include a dedicated business advisor who will work with the business who have taken loans to help them to learn the principles of business and financial management.

**For further information visit:
www.leeds.gov.uk/legi or call 0113 220 6350**

BENEFIT CLAIMANTS STATISTICS

In measuring unemployment and calculating rates, the Office for National Statistics (ONS) now uses the internationally comparable ILO definition. This rate is the number of ILO unemployed as a percentage of the resident population who are economically active. For the year ending December 2006, around 19,500 Leeds residents were ILO unemployed, a modelled rate of 5.3%. The corresponding GB rate was 5.5%.

Benefits claimant data is reported as a proportion of the resident working age population.

TOTAL CLAIMANTS

Over the last year, total claimants within Leeds M.D. decreased from 14,464 to 12,746; with claimant proportions falling from 3.1% to 2.8%. It fell from 2.9% to 2.6% for the region and from 2.6% to 2.3% for GB. Leeds accounts for approximately 18% of the people in employment in the region, and 16% of the claimants.

	Aug 2007		Aug 2006	
	Number ('000)	Prop (%)	Number ('000)	Prop (%)
Leeds MD	12.7	2.8	14.5	3.1
W Yorks	35.6	2.7	39.5	3.0
Y&H region	80.9	2.6	89.1	2.9
Gt. Britain	832.3	2.3	929.5	2.6

MALE/FEMALE

For male claimants in Leeds M.D. the proportion decreased from 4.5% to 4.0% over the year with 9,468 claimants. For females, it decreased from 1.7% to 1.5% with 3,278 claimants.

	Aug 2007		Aug 2006	
	Number ('000)	Prop (%)	Number ('000)	Prop (%)
MALE:				
Leeds MD	9.5	4.0	10.7	4.5
W Yorks	26.1	3.9	29.3	4.3
Y&H region	59.0	3.6	65.8	4.1
Gt. Britain	596.2	3.2	672.9	3.6
FEMALE:				
Leeds MD	3.3	1.5	3.7	1.7
W Yorks	9.5	1.5	10.2	1.6
Y&H region	21.9	1.5	23.4	1.6
Gt. Britain	236.1	1.4	256.6	1.5

COMPARISON WITH OTHER LOCAL AUTHORITIES

The table below gives total number of claimants and claimant proportions for local authorities in West Yorkshire.

	Aug 2007		Aug 2006	
	Total	Prop	Total	Prop
Leeds	12,746	2.8	14,464	3.1
Bradford	9,099	3.1	9,914	3.4
Calderdale	3,208	2.7	3,400	2.8
Kirklees	6,163	2.5	6,330	2.6
Wakefield	4,377	2.2	5,351	2.7
West Yorkshire	35,593	2.7	39,459	3.0

CLAIMANTS BY WARD

	Aug 2007	% Prop Aug 2007	Prop change 06-07
Adel & Wharfedale	145	1.2	-0.2
Alwoodley	230	1.7	-0.3
Ardsley & Robin Hood	186	1.4	0
Armley	743	4.6	-0.8
Beeston & Holbeck	728	5.3	-0.5
Bramley & Stanningley	349	2.5	-0.6
Burmantofts & Richmond Hill	1,008	7.4	-1.3
Calverley & Farsley	175	1.2	-0.2
Chapel Allerton	784	5.8	-0.4
City & Hunslet	788	6.7	-1.1
Cross Gates & Whinmoor	312	2.2	-0.4
Farnley & Wortley	470	3.2	+0.1
Garforth & Swillington	138	1.1	-0.1
Gipton & Harehills	1,039	6.9	-0.9
Guiseley & Rawdon	115	0.8	-0.3
Harewood	70	0.6	-0.2
Headingley	262	1.5	0
Horsforth	137	1.0	-0.1
Hyde Park & Woodhouse	771	4.2	-0.9
Killingbeck & Seacroft	696	4.9	-0.8
Kippax & Methley	159	1.2	-0.4
Kirkstall	493	3.3	-0.3
Middleton Park	748	4.9	-0.8
Moortown	220	1.6	-0.3
Morley North	192	1.4	0
Morley South	235	1.8	0
Otley & Yeadon	202	1.4	0
Pudsey	209	1.5	-0.3
Rothwell	187	1.5	-0.4
Roundhay	249	1.8	-0.3
Temple Newsam	327	2.4	-0.9
Weetwood	277	2.2	-0.3
Wetherby	98	0.8	-0.1

Leeds MD	12,746	2.8	-0.3
LoD 2004 wards	5,063	6.1	-0.8
Leeds City Region	43,021	2.5	-0.2
Core Cities	100,845	3.8	-0.4

Claimant proportions for wards are estimates only.

In the worst 10% nationally of Index of Deprivation 2004 wards: Burmantofts & Richmond Hill, Chapel Allerton, City & Hunslet, Gipton & Harehills, Killingbeck & Seacroft and Middleton Park.