

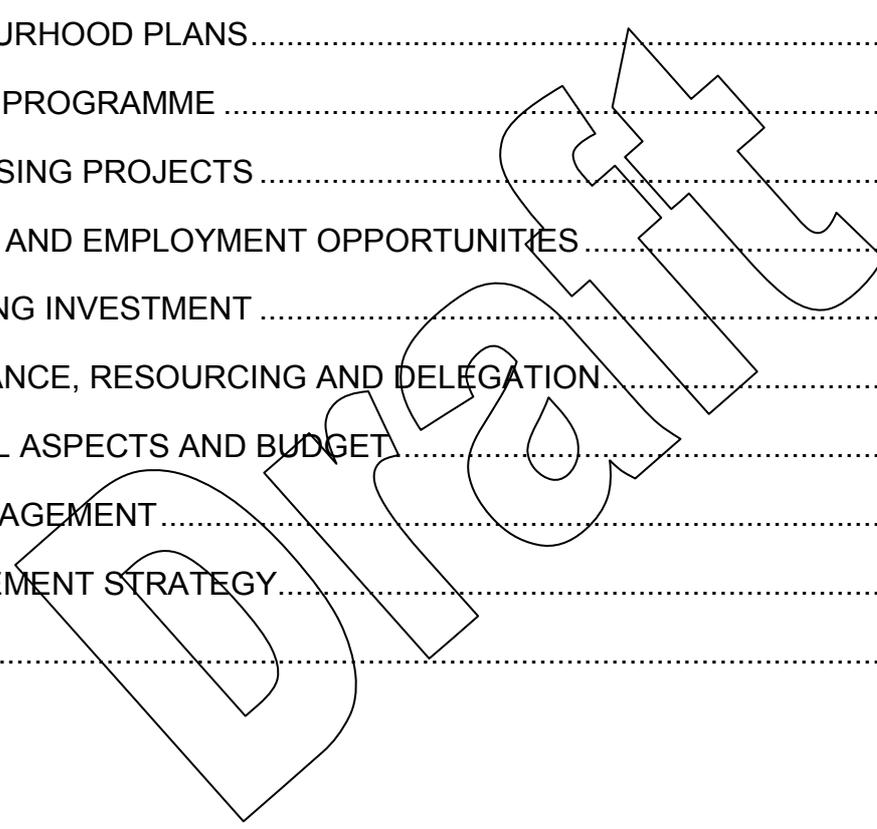


**EASEL JOINT VENTURE COMPANY
OUTLINE BUSINESS PLAN YEARS 1-10**

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EASEL JOINT VENTURE COMPANY
OUTLINE BUSINESS PLAN YEARS 1-10

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1.0 INTRODUCTION

- 1.1 This is the Years 1-10 Business Plan (Business Plan) for the East and South East Leeds (EASEL) Joint Venture Company (JVCo) whose shareholding is controlled equally by Leeds City Council (LCC) and Bellway plc (Bellway). It seeks to make clear the key objectives of the JVCo, as well as anticipating the project programme, the first annual budget, governance arrangements and management structures which will characterise the early years of its operation.
- 1.2 The key 20 year regeneration objectives for the EASEL area are set out in full at [Appendix A](#). This Business Plan begins with a clear statement of how the company will seek to respond to these longer term objectives within the first period of its operation. It is important for the JVCo to set up an operational framework which will enable it to contribute towards the delivery of long term and lasting social, physical and economic transformation for East and South East Leeds.
- 1.3 This Business Plan will, as a consequence, allow the Board of the JVCo (the Board) to take decisions which are in the long term interests of the local housing market and the community it serves. Nevertheless, EASEL has been long-awaited and this first Business Plan will also seek to make up for lost time engendering a real sense of immediate urgency in those contributing to its delivery.
- 1.4 It is intended that this Business Plan and its attendant budgets and programmes will be reviewed by the Board on an annual basis. This will allow the Board to review performance, consider housing market aspects and to make any adjustments which they jointly agree will be necessary towards the achievement of the 10 year Objectives. The Board will establish a protocol which will assist it in managing the process of annual review.
- 1.5 As at the date of incorporation of the JV company, world markets are in turmoil following the unprecedented credit squeeze in the United States and the resulting banking crisis, therefore it is imperative that business decisions reflect this and a severe decline in the housebuilding sector and availability of housing finance. In the short term and until such time as world markets improve, the budget and business plan will be reviewed on a bi-monthly basis with a view to keeping day to day expenditure to a minimum.

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2.0 OBJECTIVES

- 2.1 It is vital for the JVCo to quickly establish a series of key positive relationships which will form a bedrock of support for its proposals. It is also vital that the investment intentions of the company make sense and are legible to local people as the majority of JVCo projects will take place in neighbourhood settings where people will continue to live. Whilst the cumulative intended scale of the EASEL initiative is huge, its effects will be felt at a local level affecting the day to day lives of many residents, businesses and service providers.
- 2.2 The early objectives are therefore related to the planning phase which will establish in an inclusive manner what is to be done, how it is to be delivered and who will be involved.
- 2.3 The Board will aim to prepare plans which will secure maximum investment in new homes construction, optimise values generated and seek to secure support for any future clearance.
- 2.4 The Objectives set out below therefore seek to blend ambition with realism, to allow time and funds to be deployed in building support for a transformation of the housing offer in the EASEL area.
- 2.5 The key Objectives for years 1-10 therefore are:
- To prepare and keep updated 5 Neighbourhood Plans (NPs) which will have been produced via an inclusive process of meaningful engagement and which will show the land use, social and economic vision for the constituent parts of EASEL. These NPs will:
 - Achieve local community and political involvement, support and approval.
 - Be led by highly regarded firms of urban designers.
 - Be facilitated by local service providers and community groups.
 - Identify and support community networks.
 - Specify a phased programme of housing, mixed use, social and environmental projects which will ensure that a new sense of individual place will be established, integrating all aspects of local community life.
 - Stimulate focussed investment from a wide range of sources into EASEL neighbourhoods.
 - Engage service providers and inform future service needs.
 - In conjunction with the emerging AAP, be recognised as material policy statements for development control purposes.
 - Facilitate planning applications for JVCo and other investment.
 - Establish a shared, certain and supported vision for change at the local level.
 - To help facilitate the development of sustainable mixed communities through the delivery of high quality new homes in Seacroft, Halton Moor, Osmondthorpe and Gipton in a series of mixed tenure projects. These projects will:

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- Optimise sales rates in order to maximise investment.
 - Control sales prices to maximise choice and affordability.
 - Promote the development of a positive image of these neighbourhoods.
 - Offer wide tenure choice in a tenure blind configuration.
 - Increase land values by offering a combination of quality and price which will compare favourably within the wider Leeds housing market.
- To optimise the training and employment opportunities arising from the EASEL house building programme to the particular benefit of local residents. This means:
 - Bellway and other developers maximising job opportunities for local people in all aspects of the development process.
 - Utilising supply chain relationships to spread local benefits.
 - Encouraging the delivery of community based learning facilities and individualised support.
 - Exploring the feasibility of a Modern Methods of Construction (MMC) field factory and the establishment of EASEL as a National Skills Academy for construction.
 - To respect the objectives of the Shareholders to manage working capital in a responsible and market responsive manner, commensurate with the agreed phases of housing development, via an annual budget review process.

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3.0 NEIGHBOURHOOD PLANS

- 3.1 A series of 5 Neighbourhood Plans will be commissioned by the JVCo beginning with Seacroft/Killingbeck and Halton Moor/Osmondthorpe. It is then intended to progress to Richmond Hill/Cross Green, Harehills and Gipton.
- 3.2 There is a dual purpose to progressing EASEL in a plan led approach:
- To devise a clear and distinct physical, social and economic vision for each neighbourhood that has community support.
 - To use the plan making process to identify and expand the capacity of local community networks.
- 3.3 Each Plan will take roughly 12 months to mobilise and complete, although it is recognised that each community may vary in terms of the pace at which it prefers to engage in the process. It is intended that all 5 Plans will be completed early in this initial Business Plan period.
- 3.4 The extent to which the joint house building programme might extend beyond cleared land into areas requiring clearance will be established via the Neighbourhood Plans process. The annual Business Plan review process will pick up these outcomes as Neighbourhood Plans reach completion, with attendant revision of JVCo phase plans, budgets and programmes appropriate to any new situation.
- 3.5 The methodology for the Neighbourhood Plans will be in 2 parts:
- Consultant led element: physical land use, social, economic and environmental masterplan vision, programme and delivery.
 - Local community agency element: Community Engagement Plan (CEP).
- 3.6 It is intended that all 5 Plans will respect this combined approach, although the first 2 NPs will be treated as pilots from which lessons will be drawn for later Plans. The delivery of the CEP by a combination of outreach workers, community agency personnel, partner organisations and LCC Officers (rather than by consultants who have no long term stake in the community) is challenging but is designed to ensure that relationships are lasting, consultation is meaningful and capacity is built.
- 3.7 The Board will consider the need for any updating of completed Neighbourhood Plans during the 10 year Business Plan period.

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4.0 HOUSING PROGRAMME

4.1 This Business Plan recognises that the core rationale for the establishment of the JVCo is the realisation of a successful housing market in this sector of Leeds. At the heart is a challenge to diversify the mono tenure of the expansive LCC estates of Gipton, Seacroft, Halton Moor and Osmondthorpe by establishing sustainable mixed tenure communities and at the same time to generate investment which can be used in these areas as well as in the terraced zones of Harehills, Richmond Hill and East End Park.

4.2 This Business Plan respects a number of jointly agreed factors which are implicit within the objectives set out above namely:

- That the residential development programme should start on land which is cleared (or about to be cleared) to allow time for confidence to be raised and values to increase. Clearance is expensive and requires community support. Underused open spaces and former school sites will be a critical land resource in this Business Plan period.
- That quality of product is an essential pre-requisite of success in increasing land values.
- That a whole range of measures are necessary to attract in new families, beyond the immediate responsibilities of the JVCo.
- That the shareholders are in a position to control house prices to allow for a new and sustainable market to become established.
- That a carefully managed decant programme will be needed to underpin any future clearance.
- That building local family wealth will be essential if existing residents are to fully participate in and benefit from this process of change.

4.3 The JVCo has already secured detailed planning permission for 743 high quality new homes in Gipton and Seacroft on 8 sites, known as the Phase One sites. The construction start on these projects has played a significant part in increasing the credibility of the EASEL initiative with local people and their representatives. The Phase One sites will also demonstrate:

- The quality of the homes and the surrounding on site open areas (home zones).
- The positive impact of Bellway's considerate constructor scheme.
- Direct training and employment benefits.
- How local schools can participate in the programme.

4.4 The housing programme for years 1-10 beyond the Phase One sites will be informed by the Neighbourhood Plans and be influenced by features of the wider housing market. It will concentrate on sites in North and South Seacroft, Halton Moor and Osmondthorpe where the Arms Length Management Organisation (ALMO) has already cleared, or is currently clearing, unsustainable housing stock to make way for the EASEL programme or where schools have been closed leaving vacant land or where there are areas of underused open space. Plans showing the years 1-10 sites

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are attached at [Appendix B](#). This shows a total of 16 sites divided into Phase 1 and Phase 2.

- 4.5 This plan represents an initial portfolio of sites. The Neighbourhood Plans will identify additional areas which can come into future JVCo programmes and as such this plan should be regarded as the starting point for the JVCo.
- 4.6 The specifics of phasing the housing programme must be hinged around decisions which prevent unhelpful internal sales competition between EASEL projects, as this would otherwise undermine prices and sales rates. Bellway has advised that sales outlets in each of the following locations represent different markets and as such could operate consecutively:
- North Seacroft, orientated around the Wetherby Road, Wykebeck Valley and The Rein.
 - South Seacroft, orientated around South Parkway.
 - Osmonthorpe and Halton Moor.
 - Gipton.
- 4.7 Judgements of this nature will rely on Bellway's assessment of levels of market demand at any one time as advised to the JVCo Board. The Phase One sites have now established sales outlets in Gipton and South Seacroft. This Business Plan shows how the Phase 2 sites extend the programme into additional neighbourhoods within EASEL.
- 4.8 It is intended that high quality sales outlets will be set up to operate in each market. They can become the focal point for a programme of projects and initiatives involving local schools to support the curriculum, contribute to the positive image of EASEL and to encourage employment and training place take-up by local young people.
- 4.9 The initial list of Phase 2 cleared or soon to be cleared sites in this Business Plan is:
- 4.9.1 North Seacroft
- Asket Garth, Drive, Gardens and Drive (part).
 - Former Asket Hill primary school site and part of Kentmere Approach.
- 4.9.2 Halton Moor
- Sites at Cartmell Drive.
- 4.9.3 South Seacroft
- Area between South Parkway and Brooklands Avenue.
 - Area between South Parkway and Brooklands Drive fronting on the open area at the approach to the ELFLC site.

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- 4.10 The land area of Phase 1 and 2 comprises approximately 37 hectares which together will deliver an estimated 1850 new homes, of which some 1600 are anticipated to be built in years 1-10 of the JVCo's programme, based on assumptions that the housing market improves beyond the exceptional circumstances of late 2008. Bellway will advise the Board of actual sales rates achieved on a regular basis so that these and other assumptions can be adjusted.
- 4.11 The clearance programme for this combined Phase 1 and Phase 2 area is well advanced and it is estimated that a further 40 LCC tenants and 31 owner occupiers remain to be relocated. The programme attached at [Appendix C](#) has been produced in conjunction with the ALMO and Strategic Landlord function of LCC and is regarded as deliverable, bearing in mind the current rates of re-housing.
- 4.12 Fourteen new house types have been developed by Bellway for the Phase One sites, ranging from 2 bed room flats to 3-4 bed room semi detached homes. This range will be the starting point for consideration of new schemes particularly in Osmondthorpe and Halton Moor where these products are not currently on offer via the Phase One programme. In North Seacroft which is considered to be potentially one of the most attractive parts of the EASEL area, new house types will be devised to capitalise on this opportunity.
- 4.13 Variety of design, particularly with respect to external elevations, will be vital in terms of delivering distinctive local neighbourhoods as well as to maximising values and volume of sales. The housing programme will concentrate on delivering distinctive places with safer streets and play areas, which represent best practice examples of urban design as well as incorporating contemporary architecture. The merits of commissioning an EASEL Design Guide will be considered by the Board during the early years of this Business Plan period which will aim to control the quality of new investment facilitated by the JVCo and others.
- 4.14 Choice in terms of tenure and price will also be a feature of the housing development programme. The Phase One sites provide 2 basic tenure choices; full market sales and discounted shared equity homes. As the JVCo expands its programme, it is intended that other products could be offered potentially including:
- Shared ownership homes offered either by a Registered Social Landlords (RSL) or the Bellway Housing Trust (BHT).
 - New build social housing on behalf of the Council.
 - Sub-market rented housing offered by an RSL or BHT.
- 4.15 It is intended that investment by the JVCo will encourage the delivery of specialist housing for the elderly and other target groups as part of any sub-market rented element. This provision will address an identified local need as well as helping to accelerate the decant programme and encouraging community support for the EASEL programme.
- 4.16 Most homes will be provided on a freehold basis either to owner-occupiers or to managing agencies. However the JVCo will consider the merits of long leasehold

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structures which do not affect marketability or value in order to create revenue income streams in support of local community initiatives. The Board will consider ways in which financial structures could be introduced into the terms of conveyance for new homes to ensure that maintenance of open spaces, home zones, playgrounds and other landscaped areas are properly maintained in perpetuity. The Board will also explore innovative structures to try to ensure that all residents, irrespective of tenure, share a responsibility for the up-keep of new residential areas.

4.17 The attached programme shows the potential sequencing of schemes which could be delivered utilising this initial list of sites. The anticipated outputs arising from delivery of these schemes are set out below. The Board will look to introduce efficiencies into the process for project appraisal, planning application and construction phases to streamline the process by which an optimal number of new homes can be built in the first 10 years (up to the end of 2019) of JVCo operation, with pace of investment being dictated ultimately by market demand.

Gipton:

Approximate number of new homes sold	440
Brownfield land reclaimed approximately	9 ha
Number of sites	4

South Seacroft:

Approximate number of new homes sold	435
Brownfield land reclaimed approximately	10 ha
Number of sites	4

Halton Moor/Osmondthorpe:

Approximate number of new homes sold	350
Brownfield land reclaimed approximately	7 ha
Number of sites	2

North Seacroft

Number of new homes sold	385
Brownfield land reclaimed approximately	8 ha
Number of sites	3

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4.18 Sustainable Homes:

- 4.18.1 All new homes to be built will meet the requirements of the Code for Sustainable Homes. The Board recognise the need to plan and agree a process by which EASEL housing schemes progress from Category 3 in 2009 towards the goal of carbon neutral homes by 2016 in line with statutory regulations. This plan will be interpreted in the context of each housing scheme to be appraised, so that the JVCo Board can appreciate the cost/value implications.
- 4.18.2 Two specific initiatives will be pursued which may assist the realisation of carbon neutral homes in EASEL:
- 4.18.3 The potential establishment of a multi-service utility company (MUSCo) will be explored, based around the model under consideration by English Partnerships and Bellway at Barking Riverside. The early feasibility work at Barking could be used as a springboard for East Leeds to enable cost effective consideration of the potential to establish a company who will provide private finance to replace obsolete utility services media and potentially establish a local energy source (e.g. combined heat and power plant using green fuels) in exchange for access to the householder customer base.
- 4.18.4 The potential establishment of a modern methods of construction (MMC) field factory, a production facility which can produce standardised and high quality component parts of new homes. This facility could have the capacity to deliver product to house builder customers beyond the EASEL programme. It would allow for sustainable technologies to be tested and incorporated in a controlled environment. The feasibility study relating to the field factory should include how offsite technologies can support the requirements of the Code for Sustainable Homes (minimum Level 3) and other performance demands set by the JVCo Board and test whether EASEL might provide the basis for a viable MMC facility in Leeds.
- 4.18.5 Beyond these initiatives, the JVCo Board will ensure, via the Neighbourhood Plans process and the EASEL Design Code, that solutions around sustainable drainage and environmentally responsible designs are incorporated at each stage of investment.

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5.0 NON HOUSING PROJECTS

5.1 The JVCo Shareholder Agreement recognises that the Council may chose to invite Bellway to bid for the delivery of a number of key non-housing projects throughout the first 10 years of operation and beyond. Such projects might include:

- Submarket rented housing provision
- Physical infrastructure such as roads and parks
- Mixed use community hubs

5.2 Additionally and outside this Business Plan, the Council will progress the delivery of a number of key projects in the EASEL area including:

5.2.1 Redevelopment of the East Leeds Family Learning Centre Site

This Council owned property is at the heart of Seacroft and this project could seek to exploit this land resource and its flexible boundaries with adjacent housing areas, to help attract investment from the education sector to establish a learning campus. This could become an inspiring new complex of buildings delivering learning to all age groups from early years, through FE and skills for adult learners, capitalising on its close proximity to the David Young Academy. The potential may exist to incorporate space for new enterprises, as well as for ancillary activities such as café/restaurant and library. Footloose office requirements from Council services could also be targeted for occupation here.

5.2.2 Seacroft Gateway Retail Centre

The Preferred Option of the Draft AAP identifies potential for this centre to be expanded to provide additional retail units and other mixed use activities, subject to an evidence base justifying this approach. The land is in private ownership. The potential in this location might be explored with a view to strengthening physical linkages to the residential areas of Seacroft to the rear of the Tesco store, together with a review of the role of Council owned sites and buildings in this vicinity. The future for the historic village of Seacroft should also be considered and respected.

5.2.3 Arcadia Site and Torres Estate

The Preferred Option of the Draft AAP identifies this area for a comprehensive mixed use development capitalising on the pre-dominant dual ownership of the Arcadia Group and the Council. The scale of this combined land area means that this is an important prospect for significant investment in family homes and space for small businesses close to the rim of the city centre. Ways to secure the development of a relatively high density (but not high rise) urban mixed use quarter in this location might be explored.

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5.2.4 The Wykebeck Valley

The valley is the single feature which has the capacity to link all the remade LCC estates Gipton, Seacroft, Halton Moor and Osmonthorpe. It should be an acclaimed asset and be the structural element which connects a whole series of new spaces throughout the adjacent residential neighbourhoods. It provides a unique opportunity for a new linear park for Leeds incorporating sustainable drainage solutions, social enterprise, education, recreation and sports, spanning both EASEL and the Aire Valley.

5.2.5 Lincoln Green

This Council owned site adjoining the Teaching Hospital at St James' presents a unique economic development prospect for the city of Leeds. The site could exploit co-location benefits for third-arm research and applied technologies that would benefit from proximity with the Teaching Hospital. The scheme could comprise a high density urban scale mixed use development with a core of R&D space for direct occupation by the University, the Trust and sector specific corporates, especially medical appliance companies who are well represented across Yorkshire. A comprehensive scheme might also incorporate a medi-sector incubator, local retail centre (replacement for the existing poor quality Lincoln Green facility) a multi-storey car park, GP walk-in centre, residential accommodation for key workers, health and fitness provision and a new facility for the Ambulance Service. A sensitive approach to decanting the existing residential community will need to be achieved as a pre-requisite.

5.2.6 Great Clothes and Marsh Lane Area

This area is presently in multiple private ownerships with local property developer interest in speculative site assembly. This investment needs to be encouraged to help facilitate the delivery of further consolidation of ownerships so that family homes and new commercial floor space can be delivered, helping to bridge between the EASEL area and the edge of the city centre, as well as improving local shopping provision for the existing residents of East End Park.

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6.0 TRAINING AND EMPLOYMENT OPPORTUNITIES

6.1 The EASEL area is characterised by schools with relatively low levels of educational attainment and by high levels of unemployment. There are localised areas where a deep-seated culture of worklessness has taken root. Those in employment are in relatively low paid jobs and the skills needed to progress are often lacking. The JVCo has the opportunity to play a significant part in transforming this situation in a variety of ways.

6.2 The JVCo will seek to:

- Provide mixed tenure housing which will inevitably broaden the social mix to help dilute the existing dependency culture, increasing local levels of aspiration.
- Provide a whole range of training and employment opportunities arising out of the EASEL construction programme which can be targeted towards local residents.
- Via the Neighbourhood Plans, will seek to unify the ambitions of service agencies that are active in this sector, improving cooperation and efficiencies.
- Encourage the development of non-housing projects which provide accommodation for companies and agencies who can recruit locally.

6.3 Each individual JVCo project will contain training and employment targets which must be met by the developer and supply chain. A policy of recruiting locally will be pursued, targeting those living locally to each construction project and focusing on post codes in the EASEL area.

6.4 MMC field factory as a training centre specialising in off-site processes.

6.4.1 This local manufacturing capability could provide a 'back-to-work' route for the many unemployed people living in East Leeds, and thus create a more sustainable sense of local community. A major benefit of offsite manufacturing, in common with many labour intensive factory activities, is that the factory processes rarely require high levels of trade skills which are becoming increasingly difficult to resource in number. It is entirely feasible to train unskilled operatives in basic factory skills and produce acceptable offsite products relatively quickly. There is clearly a compelling need to create higher levels skills and expertise to improve average incomes within the EASEL communities and this desire is not inconsistent with offsite manufacturing. The basic production skills required in most offsite factories could form the basis to launch careers and apprenticeships in a range of highly regarded construction trade skills including plumbing, electrical installations, joinery, tiling, plastering and general finishing trades. Thus offsite factories could be viewed as part of an employment and training continuum for the local community, providing a structured opportunity to reinforce the work ethic and bring people back into the income generating, local economy. Whilst all of these potential benefits are clear, the Board recognise that delivery of the MMC field factory will be reliant on a compelling business plan and the identification of willing third party investors.

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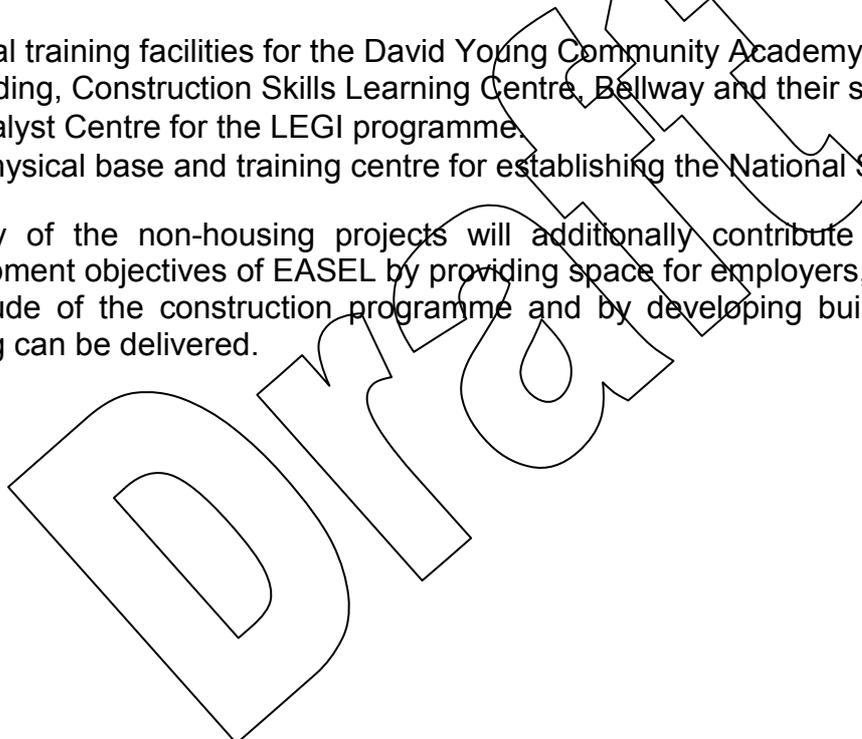
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6.4.2 EASEL as a National Skills Academy for construction ensuring that all construction projects are delivered alongside a workforce development plan:

The feasibility of this approach will be developed alongside Construction Skills, the Sector Skills Council for construction in the UK. This approach will help plan, establish and support project based learning centres on all major construction projects in the EASEL programme. This will mean that all on site operatives irrespective of trade or skills level will be offered the opportunity to progress, helping to develop a training culture throughout the supply chain. It will also enable the monitoring of all EASEL training achievements. As a first stage in this process, a local training facility and enterprise catalyst centre, has already been established in Seacroft to provide:

- Local training facilities for the David Young Community Academy, Leeds College of Building, Construction Skills Learning Centre, Bellway and their sub-contractors.
- Catalyst Centre for the LEGI programme
- A physical base and training centre for establishing the National Skills Academy.

6.5 Delivery of the non-housing projects will additionally contribute to the economic development objectives of EASEL by providing space for employers, by expanding the magnitude of the construction programme and by developing buildings from which learning can be delivered.



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7.0 MAXIMISING INVESTMENT

7.1 It is the intention of the Council to dedicate its land receipts and developer contributions accumulated in the EASEL area into a regeneration programme devised and managed by its Regeneration Team East Area Office which will:

- Support the realisation of the EASEL Objectives.
- Fill gaps left after mainstream funds have been exploited.

7.2 It is the Council's intention to fund a Regeneration Plan which it will review annually and which will complement the activities of the JVCo Board.

7.3 In the first years of operation, the projects which will call on this funding are likely to be those emanating from the Neighbourhood Plans.

7.4 The extent of funds flowing into the Regeneration Plan will inevitably depend on the scale and throughput of the approved house building programme, as well as other property development schemes secured by the Council outside the operation of this JVCo. It is intended that annual reviews of this Business Plan will equip the Council with reliable estimates of funding which could be dedicated to the EASEL Regeneration Programme for the coming 12 months and this programme will arise out of actual funds available as well as forecasted incomes.

7.5 The preparation of the Neighbourhood Plans will provide the key opportunity to secure additional investment into EASEL beyond those funds directly raised via the JV programme itself. All service departments of LCC will be consulted during the preparation of these Plans and the Council could take this opportunity to align Council policies and budgets.

7.6 This Business Plan highlights a series of EASEL projects which have a role to play in attracting investment from a range of third party sources. Obvious sources include the LSC, Regional Housing Board, the new Homes and Communities Agency, Yorkshire Forward and third party property developers and institutions.

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8.0 GOVERNANCE, RESOURCING AND DELEGATION

8.1 The Shareholders will establish a Board who may have powers and authority delegated to it from the Shareholders.

8.1.1 The Council's representatives on the Board may have been given delegated authority to make decisions on the following matters on the Council's behalf:

- Whether or not the Council will pursue a CPO.
- Approval of a JVCo Business Plan.
- Entering into a Project Agreement for disposal of land to Bellway.

8.1.2 Bellway's representatives on the Board may have been given delegated authority to make decisions on the following matters on Bellway's behalf:

- Approval of a JVCo Business Plan.
- Entering into a Project Agreement for the purchase of land from the Council.

8.2 Otherwise, it is intended that the Board will monitor and report progress on the delivery of a Business Plan to the Shareholders.

8.3 The Shareholders intend that once a Business Plan has been approved by them, the Board will have the necessary delegated authority to:

- Alter the sequence and timing of individual site draw down in accordance with reviews of the JVCo's development programme.
- Set budgets for working capital which reflect the resource requirements of the JVCo's programme, provided they are within the limits for spend approved by the Shareholders.
- Adjust the resource base to ensure best fit with the programme.
- Make external consultant appointments to support agreed activities.

8.4 The Board will delegate or nominate an Operations Group to undertake specific tasks on its behalf. The Operations Group will comprise appropriate members of the Shareholders staff who have a technical expertise relevant to the delivery of projects within the Business Plan. The Operations Group will:

- Monitor the preparation of and act as client for the EASEL Neighbourhood Plans.
- Day to day implementation, administration and responsibility for the JVCo Business Plan.
- Managing and implementing the staged project appraisal procedure.
- Discussing and implementing any minor changes to the agreed Business Plan – which do not have any material financial or operational impact on either of the Shareholders.
- Reporting to the Board.
- Preparing Business Plan, budget and programme reviews.

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- 8.5 Membership of the Operations Group will be flexible and responsive to the particular challenges of the Business Plan.
- 8.6 As the momentum of JVCo business builds, the Board will give consideration to the establishment of a wider resource base within the Operations Group (or sub groups) suited to deal with the intended scale of the JVCo programme. These resources may cover the following key aspects:
- Valuation of properties for acquisition and site assembly.
 - Re-housing and decant programme.
 - Conveyancing and Planning Agreements.
 - Construction cost scrutiny.
 - Development control.
 - Design.
- 8.7 It will be important for resources directed via the Operations Group to be distinct from the resources deployed by the Council in fulfilling its statutory functions, especially in relation to S123 and matters relating to the Local Planning Authority.
- 8.8 The Operations Group will have the ability to draw in consultant support where this is necessary, subject to Board approval.
- 8.9 Resourcing will need to be kept under review by the Board.

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9.0 FINANCIAL ASPECTS AND BUDGET

- 9.1 A years 1-3 budget is attached at [Appendix D](#). It shows a draft proposal for spend which will need to be reviewed by the Board in order to agree the draw down of working capital to be provided by Bellway. Decisions as to the commencement of this budget period and the nature of annual reviews will particularly take account of conditions in the housing market.
- 9.2 A JVCo financial model has been prepared for the 20 year partnership period during the procurement phase. This is a fully functional model which shows the extent of anticipated investment by Bellway in the housing programme, together with other key investment in infrastructure and regeneration programmes. There is a separate financial model relating to the Phase One sites programme.
- 9.3 This historic work, together with the information emanating from the Phase One programme will be used to produce a workable financial model geared to the management requirements of the Shareholders and JVCo Board. A revised version of this model will be produced on completion of the first Neighbourhood Plan.
- 9.4 This bespoke functional financial model will be a key management tool for the Board and the Operations Group in terms of monitoring the delivery of this and subsequent Business Plans.
- 9.5 The key financial factors within this model will be incorporated into this Business Plan at its first annual review. At that stage it will be possible to incorporate cash flow forecasts, timing of land payments, estimates of S106 sums and total investment by Bellway in the development programme. This information will assist the Council in devising its regeneration programme for the EASEL area reflecting local needs and priorities highlighted during the Neighbourhood Plans process, which are not otherwise met by mainstream LCC budgets.

EASEL JOINT VENTURE COMPANY

OUTLINE BUSINESS PLAN YEARS 1-10

10.0 RISK MANAGEMENT

- 10.1 A risk management approach will be operated by the company and appropriate risk analysis and control of risk will be conducted to inform decision making by the Board. A main risk register will be developed and will be used by the Board and Operations Group when assessing proposals for individual sites or projects. It will be used by the Board to inform general actions, behaviours and strategies to try to minimise risks which could adversely affect the delivery of this Business Plan.
- 10.2 The Board expect to consider additional strategies which could be incorporated into the day to day operation of the JVCo which will reduce exposure to risk.

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11.0 PROCUREMENT STRATEGY

- 11.1 The JVCo Board intends that open competition should apply when goods and services are procured to assist the delivery of its Business Plans. The Board will require the Operations Group to respect the following procedure which is aimed to ensure both value for money and quality of service.
- 11.1.2 A Brief will be prepared and agreed within the Operations Group for approval by the Board.
- 11.1.3 The Operations Group will advice on an appropriate budget estimate for the works or services.
- 11.1.4 The Board will decide whether funds from working capital or from other sources can be allocated for this purpose.
- 11.1.5 Evaluation criteria will be devised and competitive bids sought from at least 3 suitably qualified firms or organisations. If Bellway nominate a party for an exclusive appointment from with the Bellway EASEL bid team, evidence of market testing both price and quality of service must be provided to the Board's satisfaction.
- 11.1.6 Wherever possible a firm timescale and fixed maximum fee or price must be obtained for the works of services contained in the Brief. The Board must approve any departure from this approach.
- 11.1.7 The Board will decide how best to organise the contractual basis of appointments.

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APPENDIX A EASEL 20 YEAR REGENERATION OBJECTIVES

EAST AND SOUTH EAST LEEDS (EASEL) REGENERATION PROJECT OBJECTIVES

Fundamental Objectives

- To create sustainable mixed use communities in the EASEL area.
- To make the EASEL area a place that people want to live and work and to tackle existing deprivation and overcome the negative perceptions of the EASEL area.

Detailed Objectives

- To create affordable, attractive and high quality mixed tenure housing.
- To increase housing choice for existing residents and attract new higher income residents to achieve a diverse and sustainable housing market.
- To invest in new and existing assets to transform the image and attractiveness of the area, realising the potential of its high quality green spaces.
- To create lively busy centres for new neighbourhoods with good schools and local services.
- To address the underlying social and economic problems of the area focusing on improving attainment and skills, reducing crime and promoting employment and enterprise.
- To capitalise on existing public and private sector investment opportunities in schools, hospitals and the neighbouring Aire Valley.
- The following regeneration objectives are designed to help achieve the overall aim of the EASEL regeneration project:

- Housing
H1: To create new mixed tenure neighbourhoods.
- Economy
EC1: To create new mixed income neighbourhoods.
- Access and Connectivity
AC1: To ensure there is ease of movement within and to and from the EASEL area.
- Environment
En1: To create a distinct character and sense of identity for the EASEL area and its constituent neighbourhoods that is safe.
- Engagement and Involvement
E1: To increase aspirations and choice for people living in the EASEL area.
- Investment

In1: To target investment in new and existing assets within the area to transform the image and attraction of the EASEL area.

**EASEL JOINT VENTURE COMPANY
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APPENDIX B

[refers to Executive Board report Appendix 1 Phase Plan]

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EASEL JOINT VENTURE COMPANY
OUTLINE BUSINESS PLAN YEARS 1-10

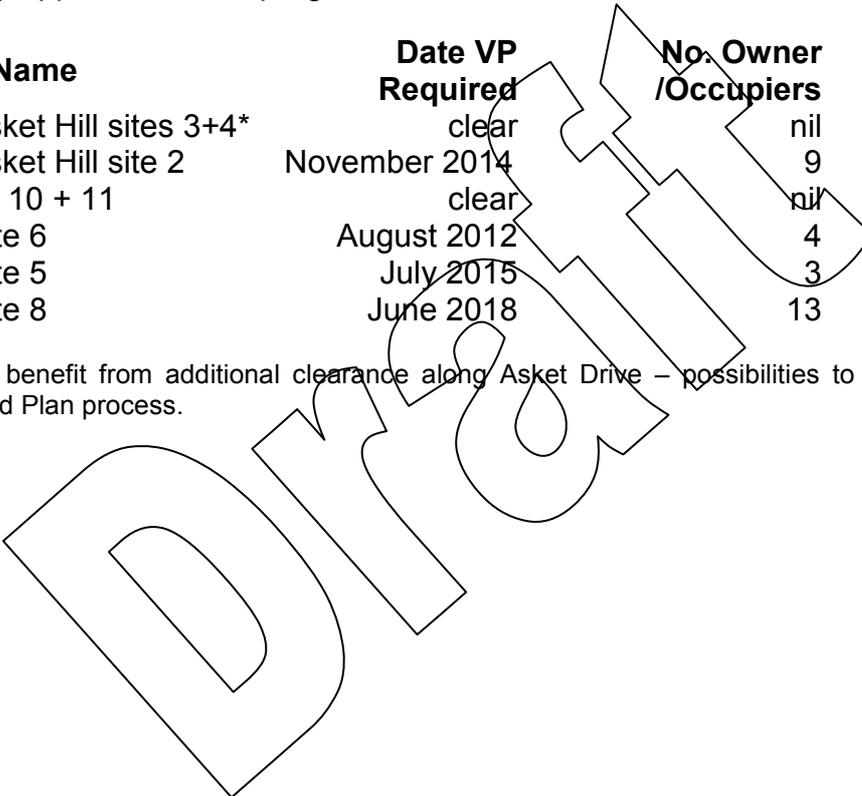
APPENDIX C CLEARANCE PROGRAMME YEARS 1-10

The years 1-10 programme indicates the dates by which vacant possession must have been achieved for projects to progress in line with the Business Plan. The Almo advise that their current activities match this programme or indeed are ahead of it. In detail, the Almo clearance programme is:

Clearances already approved and in progress:

Site Name	Date VP Required	No. Owner /Occupiers	No LCC Tenants
North Seacroft Asket Hill sites 3+4*	clear	nil	nil
North Seacroft Asket Hill site 2	November 2014	9	5
Halton Moor sites 10 + 11	clear	nil	nil
South Seacroft site 6	August 2012	4	5
South Seacroft site 5	July 2015	3	4
South Seacroft site 8	June 2018	13	22

* project would benefit from additional clearance along Asket Drive – possibilities to be tested as part of Neighbourhood Plan process.



**EASEL JOINT VENTURE COMPANY
OUTLINE BUSINESS PLAN YEARS 1-10**

APPENDIX D YEARS 1-3 BUDGET

[Refers to confidential appendix 7 to the Executive Board Report]

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