

Section A: Scheme Summary

Name of scheme:	Points Cross, Hunslet Road
PMO scheme code:	BHF-WYCA-001
Lead organisation:	The Guinness Partnership Limited
Senior responsible officer:	Nigel Graham, The Guinness Partnership Limited
Lead promoter contact:	Clare Wiggins, Leeds Council
Case officer:	Patricia Davey / Ian McNichol

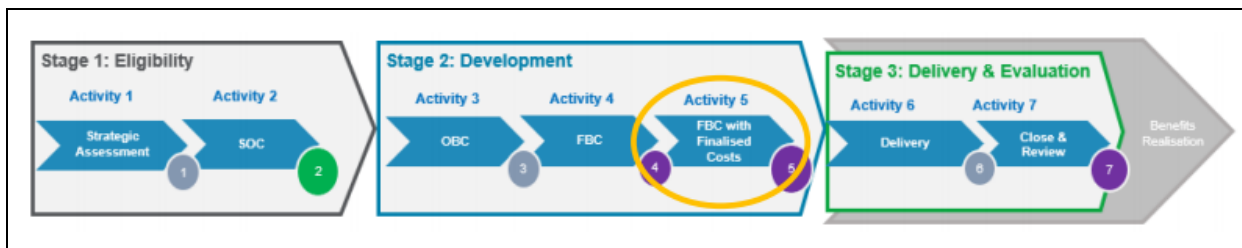
Applicable funding stream(s) – Grant or Loan:	Brownfield Housing Fund (Grant application)
Growth Fund Priority Area (if applicable):	N/A

Approvals to date:	Brownfield Housing Fund Programme Strategic Outline Case (decision point 2), September 2020
Forecasted full approval date (decision point 5):	Investment Committee – 04/03/2021
Forecasted completion date (decision point 6):	March 2023

Total scheme cost (£):	£75.011 million
Combined Authority (LPTIP) funding (£):	£2.755 million
Total other public sector (LCC) investment (£):	£15.622 million
Total other private sector investment (£):	£56.634 million

Is this a standalone project?	Yes
Is this a programme?	No
Is this project part of an agreed programme?	No

Current Assurance Process Activity:



Scheme Description:

Brownfield Housing Fund (BHF) support is sought to address a viability gap in the delivery of the Points Cross scheme. This high profile development in the heart of South Bank in Leeds City Centre will deliver a mixed tenure residential scheme of 928 homes on a genuinely brownfield site. Specifically this business case demonstrates the need for financial support to unlock phase 1, constituting 311 affordable homes in blocks A and B, while accelerating the remainder of the site, blocks C, D and E consisting of 617 homes.

The scheme will also deliver underground car-parking, associated high quality landscaping, new public walking and cycle routes and commercial space at ground floor level in accordance with good place-making principles and planning requirements.

With detailed planning and Guinness Partnership site ownership in place, subject to funding, this project can start on site in March 2021 and provide a very strong signal of spend, delivery and capability for the Brownfield Housing Fund.

The scheme, located in the South Bank Regeneration Area, is trail blazing in the approach to delivering mixed communities within the city centre, with an exciting new delivery model that brings together a Strategic Partnership with Homes England, commercial development finance, collaboration with Leeds City Council and the first Brownfield Housing Fund application to the Combined Authority.

The 2.4ha site is currently vacant brownfield land, a former car sales and repair garage, mostly demolished and cleared through pre-development enabling works to the project. There is improving but still fragile viability and investor confidence in the city centre housing market. Although rental demand continues to increase and over the last two years a number of city centre schemes have started on site, those further out of the centre are still of marginal viability due to the significant on site costs associated with brownfield land, high quality public realm requirements, and costs of construction rising.

Whilst Points Cross offers an exciting and significant opportunity, as part of the comprehensive and ambitious redevelopment of South Bank, the challenges of delivering a policy compliant, high quality scheme on this critical brownfield site are clear.

Costs associated with developing this site have been high from the outset in order to satisfy planning policy requirements and the aspirations set out in the South Bank Development Framework.

Since the Guinness Partnership's freehold purchase of the site however, redevelopment costs have increased significantly, due to emerging policy requirements following the Grenfell disaster and more recently Covid-19 and Brexit uncertainty impacting on supply chains resulting in a clear viability gap.

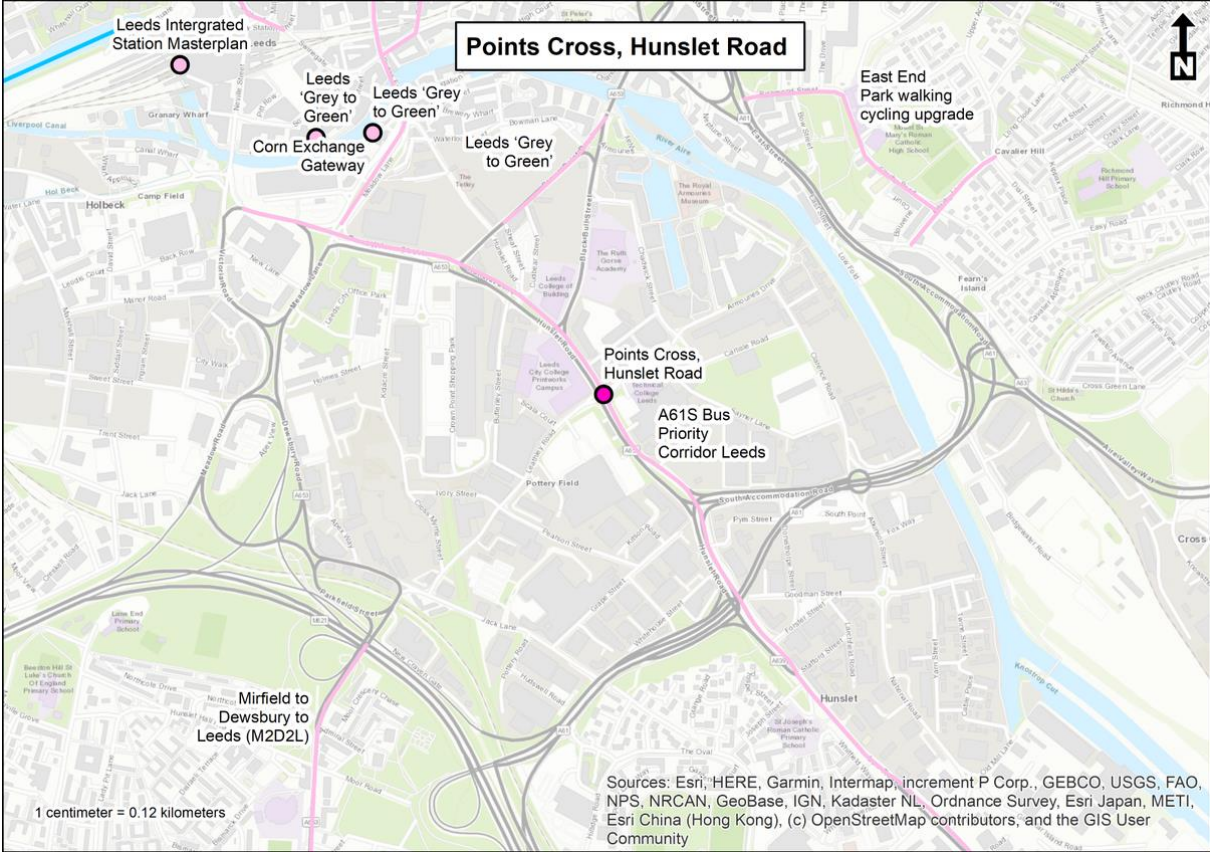
Business Case Summary:

Strategic Case	The Points Cross scheme supports national, regional and local policy, focusing on 'brownfield first' and sustainable growth principles and need to deliver mixed tenure affordable housing set out in Leeds Core
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	<p>Strategy. The scheme seeks to meet ambitious people-focused design principles established in the South Bank Redevelopment Framework with a focus on high quality place-making. Points Cross clearly delivers against the Leeds City Region Strategic Economic Plan priorities – delivering high quality green infrastructure (P3) and building homes and creating jobs and apprenticeships (P4) – supporting good growth.</p>
Commercial Case	<p>Scheme delivery satisfies housing demand and needs data, with 100% of Phase 1 homes affordable. There is projected growth in demand for one and two bedroom homes in the city centre; under-supply of such properties. A genuinely ‘shovel-ready’ scheme, the proposal is based on live market prices and robust substantially advanced procurement. Guinness is the fifth largest Housing Association in England. The partnership has delivered 2,796 new homes over the past five years and has a programme to deliver 5,500 up to 2024 (including Points Cross), maximising its Corporate Social Responsibility construction and training outputs.</p>
Economic Case	<p>Following an options appraisal, a full economic appraisal has been undertaken in accordance with Government Appraisal Guide 2016 and HM Treasury Green Book. The scheme delivers an adjusted benefit cost ratio (BCR) of 5.79 on a Brownfield Housing Fund only basis, representing high value for money (VFM), and a benefit cost ratio (BCR) of 1.28 on a total public sector cost basis, representing acceptable VFM, exceeding the BHF BCR hurdle rate of 1. This is based on phase 1 direct Land Value Uplift (LVU) benefits only and does not account for any LVU that this phase 1 scheme could indirectly deliver across wider phases/adjacent sites which would increase the BCR.</p>
Financial Case	<p>The scheme evidences a solid financial case with full cost details (from live tenders), based on drawing down BHF funding against clear project milestones and a clear plan for additional funding from Homes England. ‘Development allowance’ or project staffing revenue costs are clearly accounted for within the financial breakdown. Through Guinness’s Strategic Partnership with Homes England, grant funding will deliver the affordable tenures proposed across Phase 1 of the scheme. An open book approach will be employed in ongoing monitoring if the business case is successful.</p>
Management Case	<p>The Guinness Partnership is the fifth largest housing association in England. They are well-resourced and experienced in managing large scale residential development projects. The Project Delivery Manager supported by a robust business structure will ensure timely scheme delivery. United Living as main contractor has been selected based on their management experience and expertise through Homes England’s Delivery Partner Panel framework. Detailed project mobilisation programme and master programme have been provided as part of the full business case along with a full risk register. Full communications plans and appropriate stakeholder management has been evidenced within the full business case.</p>

Location Map

The following map shows the location of the Points Cross, Hunslet Road scheme:



Please note, depending on the level of scheme development, the location and scope of the schemes indicated here are indicative only.

For further information on Combined Authority schemes across the Leeds City Region please refer to: <https://www.westyorks-ca.gov.uk/growing-the-economy/leeds-city-regioninfrastructure-map/>