



HATCH
REGENERIS

The Economic and Social Story of Wellington Place

A Report by Hatch Regeneris
April 2019

The Economic and Social Story of Wellington Place

Study and report sponsored by Hermes Investment Management and MEPC



April 2019

www.hatchregeneris.com

Contents Page

Executive Summary	ii
The story to date	ii
Impacts and Achievements to Date	iii
The Future for Wellington Place	iv

1. Purpose of this Report	6
----------------------------------	----------

2. Wellington Place: The Story So Far	7
Location Context	7
Policy Context	8
The Vision for Wellington Place	9
Progress to Date	10
How Successful has Wellington Place been to Date?	16

3. Impacts Achieved to Date	19
Approach to Measuring Impact	20
Construction Phase Impacts	21
Operations on Site	23
Offsite Catalytic Effects	32

4. The Future for Wellington Place and the West End of Leeds	35
Leeds Government Hub	35
Future Development Onsite	36
Regeneration of West End	36

5. Conclusions	39
Key Reflections	39

Economic and Social Value at Wellington Place

Quantifiable Achievements to Date

1. **£150m construction spend**, including over **£30m with subcontractors based in the City of Leeds**
2. **300 Leeds residents** employed during construction
3. **100 apprenticeships** undertaken and completed during construction, supporting a **lifetime earnings uplift of £6.1m**.
4. **94% occupancy** of commercial property completed
5. **4,827 employees** working in Wellington Place
6. **90% of occupiers have expanded** since moving to Wellington Place
7. **85% of jobs in high value sectors** identified as priorities for growth by the Leeds City Region, more than double the average for Leeds
8. **62% of employees working in high skill professional occupations**, more than double the average for Leeds
9. **60% of jobs taken by Leeds residents**
10. **95% of staff rate the development as 'good', 'very good' or 'excellent'** in customer satisfaction surveys
11. Over **50 events and activities** organised on site in the past year, attracting **5,000 attendees or participants**
12. Total wellbeing benefits of around **£1.7m per annum** enabled by programme of events and activities.
13. **£2,000 raised for charity** at onsite events and activities
14. **65% of all Grade A space** delivered in Central Leeds since 2009 has been at Wellington Place
15. **1,000 tonnes of CO2 savings** due to energy efficiency of buildings (relative to typical new office developments in the UK)
16. **75% of staff using sustainable modes of transport** to travel to work compared to 70% for Central Leeds
17. Looking to the future, the site has secured **the largest ever commercial property letting in Leeds** for the new Government Hub

Executive Summary

- i. Wellington Place is a significant new business quarter in the West End of Leeds, around 600m from Leeds rail station. Since the mid-2000s, the site has been transformed from a low-grade retail park into a modern and prestigious office location, offering high-specification, energy efficient buildings set around a new public square. It is the largest new office development in Leeds in the last 15 years and one of the most successful city-centre regeneration schemes in the UK.
- ii. This report tells the story of how the scheme has evolved and assesses the economic, social and environmental benefits of the development achieved to date. We also look to the scheme's future and how these benefits could develop as the final stages of the masterplan are implemented.
- iii. The report has been commissioned by Hermes, the owners of the site, and MEPC, the development and asset management partners.

The story to date

- iv. Wellington Place as it exists today has remained faithful to the original vision and masterplan, developed in collaboration with Leeds City Council in the mid-2000s.
- v. Unlike many developments from this period, high quality urban design and placemaking were central to the vision from the outset. Key objectives were to create an exemplar development which would celebrate the historic lifting tower, provide new high quality public space linking the city centre with the West End and encourage urban regeneration to the west of the site. All of these objectives have been achieved or are close to being achieved.
- vi. The journey from vision to delivery has faced a number of obstacles, not least the economic downturn in 2008/9 which delayed development of new offices. Rather than mothballing the site, it was transformed into a temporary green space until the financial climate improved, providing the local community with football pitches, allotments and green seating areas while the site lay dormant. This exemplifies the commitment to placemaking shown at Wellington Place and resulted in a number of regeneration awards for the development.



vii. The site now offers over 80,000 sq m of office space, several bars and restaurants, a supermarket, outstanding cycling facilities, gyms and fitness clubs.

viii. Tower Square was opened in 2016 and is now one of the largest public spaces in Leeds. It includes landscaped trees and plants, picnic tables and outdoor terraces from the surrounding restaurants, cafes and bars, all centred around the historic lifting tower.



ix. From the outset, MEPC has adopted a people-oriented approach to management of the site which has marked it out from other developments. This is based on MEPC's philosophy that the most successful developments are those which can improve staff wellbeing and foster strong business communities.



x. True to this philosophy, MEPC arrange and manage a year-round programme of events and activities which aim to get people active, to participate in the arts, to reduce their carbon footprint but mainly to bring people together, making new friendships and business connections.

Impacts and Achievements to Date

xi. Since construction of the first office buildings began in 2013, Wellington Place has made a significant contribution to the economic and social value of Central Leeds. During the construction stage of the development, the key impacts include:

- **£150m construction spend** including over £30m with subcontractors based in the City of Leeds.
- **300 Leeds residents employed** and **100 apprenticeships** undertaken and completed. These apprenticeships will support a **lifetime earnings uplift of £6.1m**.

xii. Wellington Place has rapidly established itself as one of the most prestigious office locations in Leeds. The site has attracted some of the highest profile businesses in Leeds including Sky Betting and Gaming, Equifax and Willis Towers Watson. Over **4,827 employees** work on site, **85% of which are in high value sectors** such as digital, financial and legal services. The site also provides an important source of professional jobs for Leeds residents, with over 60% of jobs taken by local people.

xiii. The high quality public realm and the programme of events and activities have resulted in:

- **a 95% satisfaction rating** in annual customer surveys
- estimated **wellbeing benefits of around £1.7m per annum**

xiv. However these numbers only tell part of the story. Our survey of occupiers showed that the key success factors for Wellington Place have been the quality of the local environment

and the focus on creating a strong business community. The value of these benefits are not always easy to quantify but are evidenced in a number of quotes from tenants in the survey:

- *“The estate genuinely puts a smile on people’s faces”*
- *“The relationship between tenant and landlord is fantastic. It really is a partnership”*
- *“The site is in a great location, provides quality space but also has a great community feel”*

The Future for Wellington Place

On-site benefits

- 1.1 2019 will see the next major milestone in the evolution of Wellington Place, with the arrival of HM Revenue and Customs (HMRC) and NHS Digital in buildings 7 and 8. This will form a new regional Government Hub in Leeds, with a workforce of around 6,000 people. Once these buildings and 4 Wellington Place are fully occupied the development will be home to around **11,000 employees**, tripling the number of people who will use the site from day to day. This will mean Wellington Place is the location for **one in ten jobs in central Leeds**¹.
- xv. The arrival of both Government departments will help to reinforce its reputation for high skill professional services, bringing tax specialists to mix with the solicitors and financial advisers, and will add significantly to the density of digital expertise that already exists on site.
- xvi. Beyond this, there are plans for a further 95,000 sq m of office space, a new hotel, residential apartments, a multi-storey car park and new food and drink outlets. Once fully occupied, this would take total employment on site to over **18,000 jobs**. This would mark Wellington Place out as a major commercial quarter, comparable to some of the largest city centre developments anywhere in the UK including Kings Cross in London (26,000 jobs when fully developed) and Spinningfields in Manchester (c. 20,000 jobs).

Contribution to regeneration of the West End

- xvii. Wellington Place has played a pivotal role in the regeneration of the West End to date, transforming it from a low value retail park in to a high quality new business quarter. The project is now continuing this contribution by acting as the catalyst for urban regeneration in neighbouring areas. Construction has now commenced on 242 residential units for Grainger on the neighbouring Yorkshire Post site.
- xviii. A number of other residential-led schemes have been approved for neighbouring sites at Monkbridge, BAM Latitude and Globe Road which would result in the regeneration of nine acres of derelict land in close proximity to Wellington Place. The plans for the Monkbridge site include a new “Highline” public park will directly link to Wellington Place. This will create a new, highly distinctive pedestrian route for people living in the development to access the site and a flow of public spaces all the way through to the city centre, in keeping with the original masterplan principles. This will increase footfall in the site, including during weekends, adding to the sense of place and vibrancy that has been created at Wellington

¹ Central Leeds has been defined using the middle super output area Leeds 111 (E02006875). This is bounded by the Inner Ring Road to the north, by the River Aire to the west, Quarry House to the east and includes much of Holbeck Urban Village as well as the city centre

Place. It will also mean that the development would have achieved its original objective of encouraging regeneration on sites to the west.

Figure 1: West End Regeneration Sites



Source MEPC and Hatch Regeneris

1. Purpose of this Report

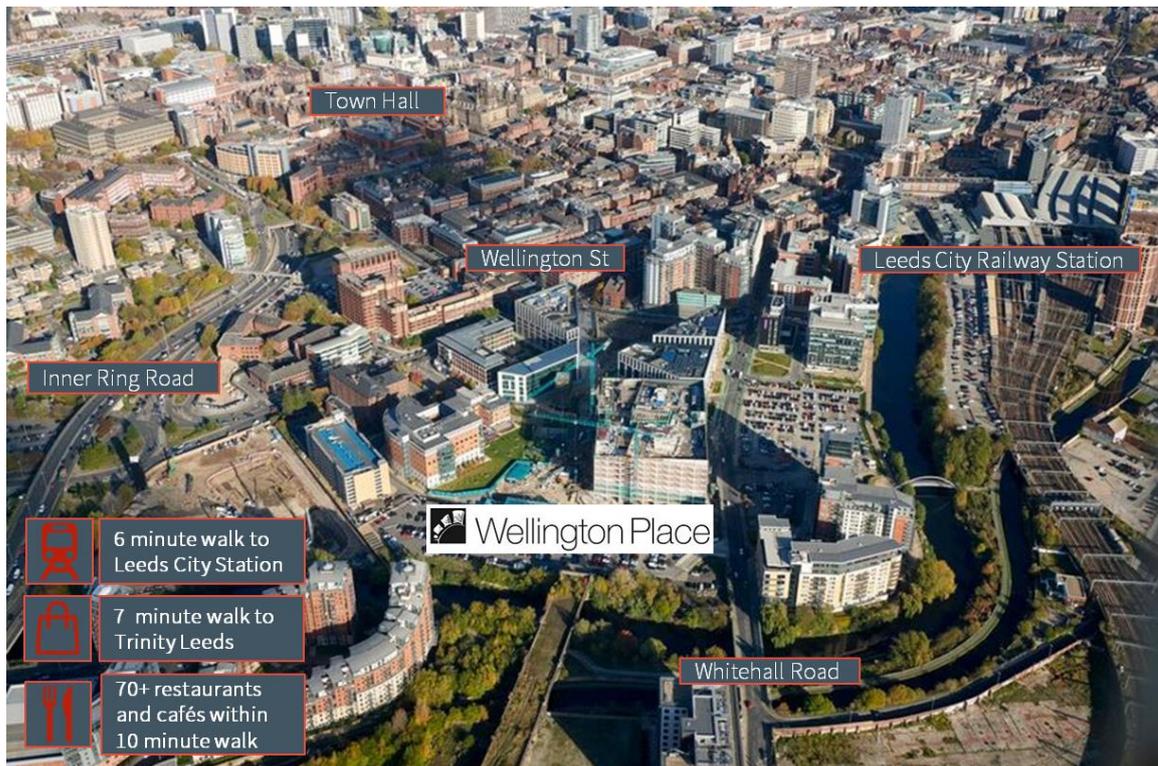
- 1.1 This report provides an assessment of the economic and social impact of the Wellington Place development in the west end of Leeds City Centre. It has been commissioned by Hermes, the owners of the site, and MEPC, the management and development partner, to help them evidence their programme of Responsible Property Investment and to demonstrate the benefits Wellington Place has secured for the city of Leeds.
- 1.2 The objectives of the report are to:
- **Tell the story of how Wellington Place has evolved.** The report describes the history of the site prior to development, the policies and urban design principles which influenced the original masterplan and how this has been implemented. We also describe how the philosophy and principles of MEPC have shaped the development over its lifecycle.
 - **Assess and quantify the economic and social impact of Wellington Place.** This includes the benefits delivered during the construction stage and throughout the life of the development.
 - **Understand how it has contributed to the wider regeneration of Leeds.** We examine how the development has changed perceptions of the West End of Leeds and how this is giving rise to new investment and regeneration.
- 1.3 The research draws upon a range of information sources and intelligence collected from MEPC and other key stakeholders including Fore Consulting, the Travel Plan Coordinator for Wellington Place and Wates, the contractors appointed for each stage of the development. Our methodology is outlined where relevant within the report.

2. Wellington Place: The Story So Far

Location Context

- 2.1 Wellington Place is a six-hectare site in the west end of Leeds, in close proximity to the established business and retail districts and around 600m (five-minute walk) from Leeds city railway station.

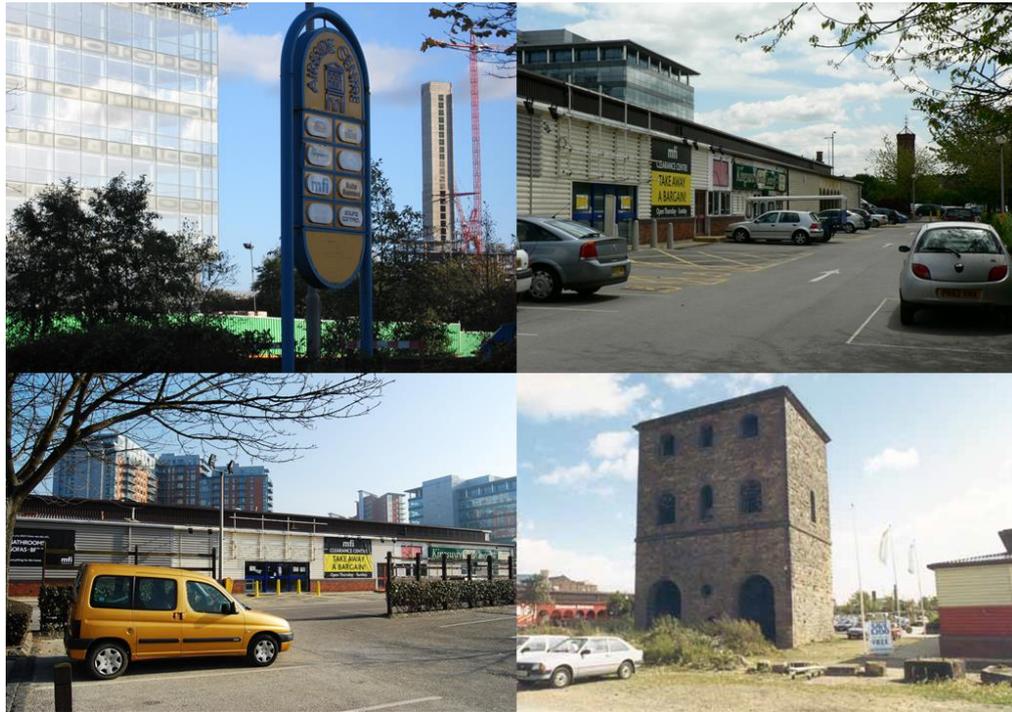
Figure 2.1 Location of Wellington Place



Source: MEPC and Hatch Regeneris

- 2.2 The site was originally part of Leeds Central Station which closed down in 1967 when its services were moved to Leeds city station. It was later redeveloped in to the Aireside Centre, a small retail warehouse park which opened in the late 1980s selling carpets, furniture and electrical goods.
- 2.3 By the early 2000s the buildings were dated, footfall had fallen significantly and there were several vacant units, employing c. 250 people. There was also an increase in social problems including rough sleeping and drug use. The Aireside Centre was eventually demolished in 2008.

Figure 2.2 The site in the 1980s/90s – Aireside Centre



Source MEPC

Policy Context

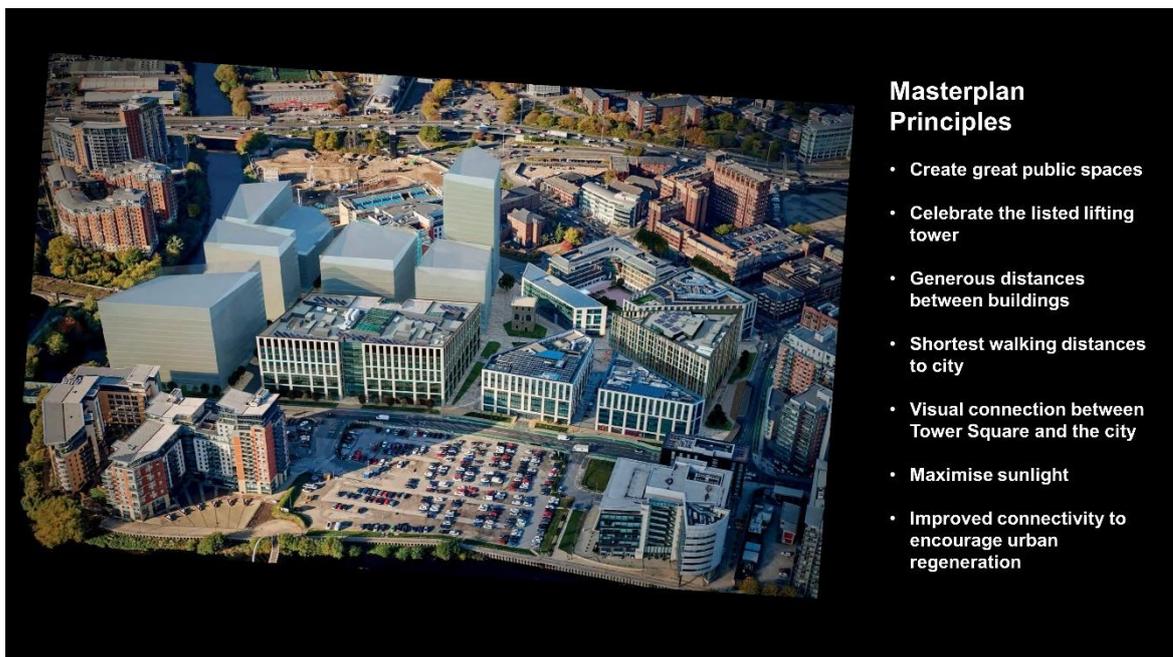
- 2.4 The decline of the Aireside Centre in the early 2000s coincided with an evolution in policy about the role of cities in driving economic growth and regeneration. The Vision for Leeds 2004 to 2020 aimed to make Leeds an internationally competitive city and to promote the city centre as the UK's major business and financial services centre outside London. According to this vision, the city centre would be the engine of wealth creation, with regeneration outside the centre encouraged by spreading this wealth to neighbouring communities.
- 2.5 An Urban Renaissance Visioning Group was established to understand how Leeds works as a place and how it needs to change to realise the Vision for Leeds. The Group included the Leeds Civic Architect John Thorp and an international panel of architects. This culminated in the Renaissance Leeds report which set out principles to guide the future physical evolution of the city.
- 2.6 A key theme in the report was how the city centre had become disconnected from surrounding areas. It developed a framework to expand the city centre and to link it to other areas by ensuring clear routes for cyclists and pedestrians, linking and enhancing green spaces and providing spaces and activities that encourage culture.
- 2.7 The West End Partnership was formed in 2007 and aimed to transform the West End of Leeds from low-grade or derelict land in to a "five-star business district". The partnership brought together the combined forces of major developers and Leeds City Council to co-ordinate the regeneration of the West End in line with the principles of Renaissance Leeds.

The Vision for Wellington Place

“The defining new urban quarter in the West End of Leeds. It will be the place to live, work and visit.”

- 2.8 Hermes, the owner of the site, had recognised an opportunity to both regenerate the site and respond to their customers’ growing need for flexible, modern and well-specified accommodation. Developer and asset manager MEPC was appointed management and development partner for the site in 2006, and was tasked with delivering a world-class show piece for the city of Leeds. MEPC’s vision for the site from the start was to create a highly distinctive place where people would want to live, work and visit.
- 2.9 A masterplan was developed by Carey Jones Architects (CJA). Working closely with Renaissance Leeds and CABE, CJA developed a framework plan which would create a new city quarter with its own identity, but which created new physical and visual links to Leeds city centre and improved connectivity to the west of the site to encourage urban regeneration, in line with the Renaissance Leeds framework.
- 2.10 The original proposal was for a mixed-use development providing over 250,000 sq m of commercial and residential accommodation built around a new public square. The design aimed to celebrate the grade II listed lifting tower built in the 1850s as part of Central Station, but which had stood derelict and isolated in the Aireside Centre car park (see bottom right image in Figure 2.2). This would give the development a unique character and a focal point around which workers could relax and socialise.

Figure 2.3 Wellington Place Masterplan Principles



Source MEPC

“Creation of a genuine business community”

2.11 From the outset, MEPC placed a strong emphasis on ensuring Wellington Place was more than just a workplace and provided a genuine sense of community. This was built on the belief that modern office occupiers are looking for a package of measures and attractions, designed around the lifestyles of modern office workers.

2.12 This included a high quality public realm, a range of amenities including cafes, bars, restaurants and gyms and regular events and activities. This would help to attract companies to the site but also enrich the lives of people living and working in and around Wellington Place, helping to create a feeling of vibrancy, community and a sense of attachment.

We've transformed the very idea of a place to work. A development built around the people it's designed to serve. Focused on personality and community with inspiring spaces, a well-managed environment and on-site facilities designed to promote wellbeing and success.

MEPC

Progress to Date

2.13 No 1 and No 2 Wellington Place were completed in 2001 and 2006 respectively. These plots are immediately adjacent to the Wellington Place site and did not form part of the 2008 Masterplan. Development was due to start on the other plots in 2009 but was stalled by the onset of the economic downturn in 2008/9. By 2013 economic conditions had improved and development resumed on site. Since then development has progressed rapidly and has quickly established Wellington Place as a vibrant new business quarter.

Office space

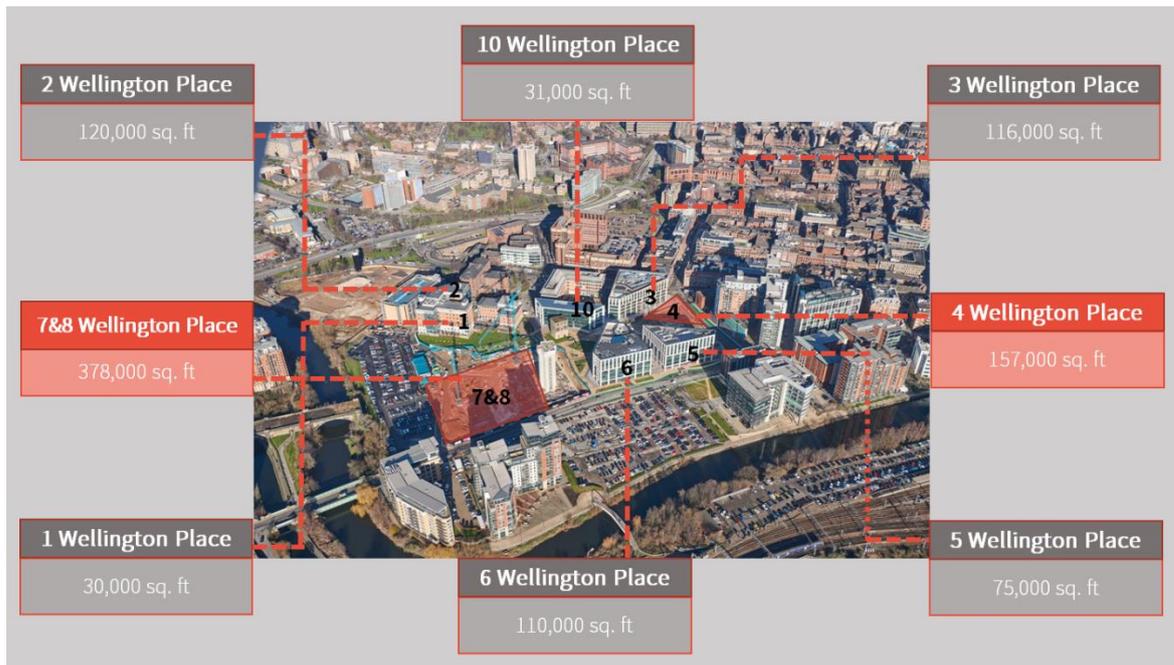
2.14 Development of office buildings started on site in 2013 with 10 Wellington Place completed in 2014. This delivered around 3,200 sq m of grade A office space and marked the first new grade A office development in Central Leeds for five years. A pre-let for 1,400 sq m of space was agreed with law firm Shulmans. Since then a further 28,000 sq m of office space has been delivered on plots 3, 5 and 6. Plots 4, 7 and 8 are due for completion in 2019/2020 and will provide an additional 51,000 sq m.

2.15 All of the new buildings achieved a BREEAM rating of excellent for both design and construction stages. The most recent buildings all target an Energy Performance Certificate rating of B, the second highest rating for energy efficiency.

Figure 2.4 6 Wellington Place



Figure 2.5 Buildings completed and under construction at Wellington Place, NIA (sq. ft)



Source: CoStar data and Hatch Regeneris, 2018; note: figures are rounded

Placemaking

- 2.16 Creating a successful place where people want to live, work and visit was central to the vision for Wellington Place and has guided the delivery of the project throughout its life. This is exemplified by MEPC's response to the economic downturn which stalled development of the site in 2009. Rather than mothballing the site, MEPC invested £1m in an initiative to provide a temporary green space until the financial climate improved.
- 2.17 Working with the University of Leeds, MEPC surveyed local residents and businesses on what they would like to see on the site. As a result security improvements were made, football pitches, allotments and a green seating area were installed, turning the site in to a valued and well-used community asset. The site was managed successfully in this way for three years.
- 2.18 MEPCs ongoing commitment to the regeneration of the site and the local community during this period was recognised when it received two awards in 2010:
- Best Regeneration Project, Corporate Social Responsibility Award at the 2010 Yorkshire Property Awards
 - Award for Innovation and Commitment to the Community at the 2010 Leeds Architecture Awards

2.19 The commitment to placemaking continued once development had resumed on site. The design of the public realm has been faithful to the original masterplan in its celebration of heritage and focus on shared public space. Tower Square was opened in 2016 and is now one of the largest public spaces in Leeds. It includes landscaped trees and plants, picnic tables and outdoor terraces from the surrounding restaurants, cafes and bars, all centred around the historic lifting tower.

Figure 2.6 Tower Square, Wellington Place



Source MEPC

2.20 The development also includes a number of on-site amenities, designed to improve convenience for workers, increase footfall on the site and provide a sociable environment for workers to relax and interact outside work. The amenities include:

- **Food and drink:** several bars and restaurants including Good Luck Club, Sociable Folk Café, The Place and Veeno. Caffe Nero will soon arrive onsite.
- **Cycling facilities:** bike repair station, bike storage and free bike hire
- **Wellbeing and fitness facilities:** Care Clinic, two gyms and fitness clubs
- **Retail:** Sainsburys convenience store

Events and Activities

2.21 The high quality public realm and range of amenities has helped to create a strong business community and happy work environment at Wellington Place. However MEPC has gone further by planning and coordinating a year-round programme of events and activities designed to improve staff wellbeing and bring businesses and their staff together. Regular weekly or monthly activities include the Wellington Place Choir, Book Club and guided lunchbreak walks. There are also themed programmes of events such as Wellbeing Month in November 2018 which included a number of activities to promote healthy eating habits and improved mental health. A summary of some of the events hosted at Wellington Place is provided in Figure 2.7.

Figure 2.7 Events and Activities at Wellington Place



Source: Hatch Regeneris and MEPC

2.22 The showpiece event is the annual summer barbecue Lunch Fest which is hosted in Tower Square and was attended by 1,400 people in 2018. This included a wide range of different street food vendors, games and activities and live music.

Figure 2.8 Images from Lunch Fest 2018



Sustainability

2.23 MEPC appointed Fore Consulting to be the Travel Plan Coordinator for Wellington Place, with the aim of encouraging staff to travel to work using sustainable modes. The travel team arrange a number of events, publish leaflets and travel guides and provide tailored advice to staff and companies relocating to Wellington Place on how they can be more sustainable in their work-related travel choices.

2.24 A number of the amenities and activities mentioned above also contribute to this objective, including:

- **Cycling:** in addition to the bike repair station, bike storage and free bike hire, Wellington Place hosted a Cycle Festival in July 2018 which included road safety seminars, promotional information and give-aways.
- **Walking/running:** free showers and changing facilities are provided onsite for the 12% of Wellington Place staff who walk or run to work. There are also walking maps and guided lunchtime walks for staff.
- **Public transport:** the site is very well connected to public transport including bus stops and Leeds railway station. There is a live public transport information screen in Tower Square and building reception. Staff can access the First and Arriva corporate discount clubs for bus travel and a corporate discount to use the Park & Ride which has a stop 900m away.
- **Sustainable car usage:** there are electric vehicles charging points on site and a car club for sharing vehicles.

Figure 2.9 Wellington Place App-Bike



Figure 2.10 Timeline of site



Source: Hatch Regeneris and MEPC

How Successful has Wellington Place been to Date?

- 2.25 While the development of Wellington Place is not yet complete, the site has quickly established itself as a highly successful new business quarter. This is reflected in favourable media coverage, rapid take-up of space and the attraction of a number of high-profile occupiers

Media Coverage and Recognition

- 2.26 In June 2018, the Yorkshire Evening Post referred to Wellington Place as *'possibly the most radical and game-changing development Leeds has seen for decades'*. The article particularly welcomed the focus on placemaking and the creation of new public space, but also recognised the role it has played in the regeneration of the West End: *"Wellington Place, transforming what was industrial units and before that Leeds Wellington Station, has without doubt pushed the boundary of the city centre and created a more natural link to Holbeck which is enjoying a renaissance"*.
- 2.27 The contribution to placemaking has also been recognised by prominent stakeholders. Leeds Civic Trust stated they *"have always been impressed by the philosophy of MEPC to provide a quality environment from day one and add in facilities like football pitches and allotments to enhance the site."*
- 2.28 Other media coverage has focused on some of the high-profile deals which have been attracted to Wellington Place, particularly the letting of 7 and 8 Wellington Place to HMRC (see Section 4) which was widely reported as *"the largest ever commercial property letting in Leeds"* and *"the largest office deal outside of London in 2017"*. This letting was also named the Commercial Property Deal of the Year at the 2018 Yorkshire Property Industry Awards, with judges highlighting that it was *"hugely significant"* for the city.
- 2.29 Other awards and recognition include:
- 6 Wellington Place was crowned Commercial Property of the Year at the 2016 RICS Awards. It was recognised for its innovative design, sustainable development principles and how it acts as *"a catalyst for further economic activity"*.
 - 3 Wellington Place was shortlisted for Development of the Year at the Yorkshire Property Industry Awards 2018. Curtins, the structural engineers at Wellington Place, were named Consultancy Firm of the Year.
 - An early model of the Wellington Place development by designers CJCT was exhibited as part of RIBA's 2015 Festival of Architecture

Strong Commercial Take-Up

- 2.30 Since the completion of the first phases of the development, take up of commercial space at Wellington Place has been very strong. Take-up data indicates that 94% of the total development completed to date has been let, while 72% of the total floorspace currently under construction (4, 7 and 8 Wellington Place) has already been pre-let.
- 2.31 6 Wellington Place, built in 2016, was fully let within four weeks of practical completion. This included 54% of the total floor space available being pre-let before the site was completed. Three of the deals for 6 Wellington Place were signed with existing occupiers, who expanded their presence on site.
- 2.32 Other buildings at Wellington Place have experienced a similar level of success. Within the first six months of 3 Wellington Place opening, 82% of the total floor space had been leased

by 3 companies. This rapid take up demonstrates the strength of demand and broad appeal to forward-looking companies of the site.

- 2.33 As described above, 7 & 8 Wellington Place made history for being the largest ever office pre-let in Leeds. The government chose to lease the new 378,000 sq. ft. building for the consolidation of space from multiple sites across Yorkshire into a single regional hub.

Figure 2.11 Speed of take up of completed buildings at Wellington Place



Source: CoStar Data, November 2018

A Broad Profile of Occupiers

- 2.34 Wellington Place has succeeded in attracting a wide range of organisations and types of use, from local independent cafes and bars to global companies. The site has attracted several blue-chip companies in high value sectors such as financial and insurance activities that have brought highly skilled activity to the site.
- 2.35 There are now 13 main occupiers on site. Regus, a flexible workspace provider, also has 3,400 sq m of space which it sublets to SMEs. While all of the occupiers have contributed towards the evolution and continued success of Wellington Place, a number have been particularly significant in gaining recognition and establishing the site as a highly successful new business quarter:
- Sky Betting and Gaming: the national HQ located in 2 and 6 Wellington Place has over 1,300 employees on site.
 - HMRC and NHS Digital: the new Government Hub that will be located in 7 and 8 Wellington Place from 2019.
- 2.36 There is evidence that Wellington Place is increasingly being seen as one of the key locations for financial services in Leeds, with a number of high profile occupiers. Accountancy firm Mazars is the most recent tenant to move to Wellington Place (taking

1,200 sq m at number 3). A recent article in Yorkshire Business Insider noted that the management team looked at nearly 40 offices before deciding on Wellington Place because of the quality of space and its transport links but also because “*the West End of Leeds is the ‘direction of travel’ for the financial services sector*”.

Figure 2.12 Example Occupiers at Wellington Place, 2018



Source: Hatch Regeneris and MEPC

3. Impacts Achieved to Date

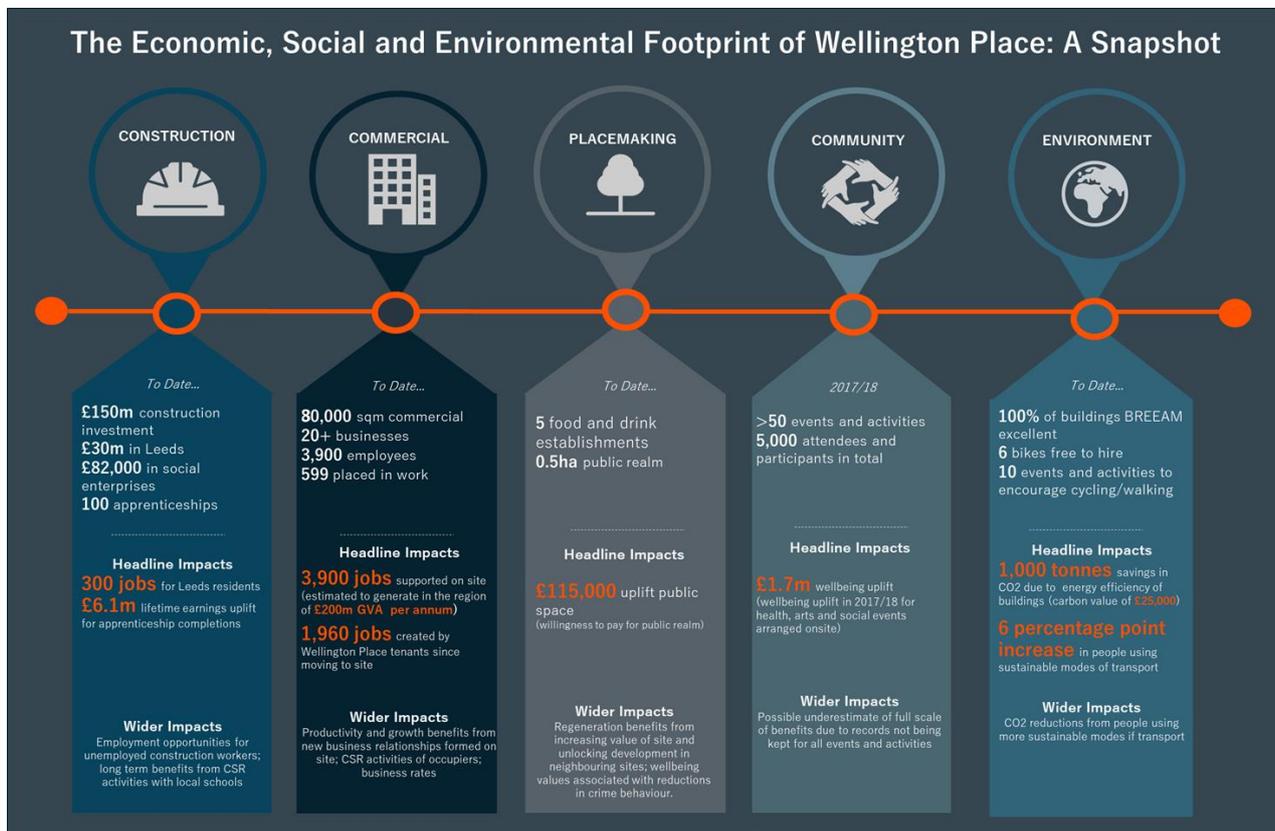
Summary

The development of Wellington Place has delivered economic, social and environmental value:

- The construction of the scheme has delivered economic value through the supply chain and recruitment of local labour. The contractors have delivered social value by training up apprenticeships and working with people who face significant barriers to work, including homeless people
- The delivery of new commercial space has delivered economic value through the jobs and economic activity created on-site. This has mostly centred on high value sectors which are crucial to wealth creation in Leeds.
- The delivery of new public realm has provided social value through the provision of new public space, while the year-round programme of events and activities have contributed to the health and wellbeing of people who work at Wellington Place.
- The delivery of energy efficient buildings has minimised the carbon footprint of Wellington Place, while the travel initiatives arranged on-site have helped to encourage staff to use sustainable modes of transport to travel to work

This section quantifies these impacts wherever possible and highlights other impacts which are important but difficult to measure.

Headline findings regarding the economic, social and environmental footprint of Wellington Place are provided in the infographic overleaf.



Approach to Measuring Impact

3.1 The report has focused on three broad categories of impact during the construction and operational stage of Wellington Place:

- **Economic impact:** the additional impact delivered to the local and UK economies, Most economic impacts can be tracked and measured in quantitative terms against a common set of indicators such as the number of jobs delivered and the overall economic value (turnover and Gross Value Added) supported by these.
- **Social impact:** the impact of development on the lives of people interacting with Wellington Place: whether working on the site itself, visiting the area or living/working nearby. While typically more intangible than economic impact, social impact can be quantified in a number of ways:
 - Wellbeing values provide a methodology for putting a figure on how people value non-market goods. For example, the value we experience from increasing our confidence or from living next to open spaces. These things are important to us, but are not commonly expressed or measured in monetary values. We have used the HACT community investment values from the Social Value Bank to help determine well-being values throughout the document. This methodology accounts for deadweight (ie what would have been achieved anyway, regardless of the intervention).
 - Cost Savings to the public sector and therefore society as a result of a particular intervention. For example, the cost savings to the public sector for placing an unemployed young person into employment.
- **Environmental impact:** these types of effects relate to reducing the carbon footprint of the development and improving air quality.

3.2 In most cases we are concerned with the impacts which have been generated on-site (ie within the red line boundary). However we have also considered the role that Wellington Place has played in catalysing development in Central Leeds and encouraging regeneration of neighbouring sites (this is a particular focus of Chapter 4 which looks to the future of Wellington Place).

Occupier Survey

3.3 In order to assess the various sources of impact, we undertook a web survey of occupiers based in Wellington Place. This collected information on the following:

- The number and profile of their staff (gender, occupations, residential locations) and whether the workforce has grown
- Their reasons for locating at Wellington Place and whether they moved from
- How they rate the public realm, amenities and activities at Wellington Place
- Whether they believe the facilities have had a positive effect on their business and the health and wellbeing of staff.

3.4 This survey was sent to key decision makers within each of the 12 main occupiers at Wellington Place. This did not include Regus, the company which sublets office space to small businesses. Nine of the 12 occupiers responded to the survey (75%). These 12 occupiers cumulatively represent over 90% of staff on site (excluding Regus).

Accounting for Additionality

- 3.5 Additionality is an important element of any impact assessment: *are the impacts that have been achieved additional to those which would have been achieved in the absence of the intervention?* Assessment of additionality is an integral component set out within central governments formal guidance and standards for impact appraisal and assessment guidance, as set out within the HM Treasury Green Book.
- 3.6 The best way to understand additionality is to define a ‘reference case’ against which the impact of intervention can be benchmarked over time. However, this is difficult in the context of place based regeneration schemes: the continual evolution of places make it difficult to identify directly comparable references cases, or to understand what would have happened anyway.
- 3.7 In the context of Wellington Place, the majority of impact within the red line of the development can be classified as ‘additional’, given that the site was previously underused retail warehousing supporting c. 250 jobs.
- 3.8 That said, it is important to consider the extent to which on-site activity reflects ‘displacement’ of uses from elsewhere in Leeds, and the extent to which impacts are retained locally by existing communities. It is also important to consider the ‘additional’ impact achieved by MEPC through delivery, benchmarked against that which might have been achieved by a different developer under the same planning aspirations and obligations.
- 3.9 The additionality achieved at Wellington Place is considered and discussed in the following sections although it has not always been possible to quantify the net-additional impact.

Construction Phase Impacts

- 3.10 To date over £150m has been invested in the development of the site². This expenditure has generated economic benefits in Leeds and Yorkshire by supporting local businesses to secure supply chain opportunities.

- 3.11 Shepherd Construction were appointed for the construction of the first two buildings (10 and 6 Wellington Place). The business was then sold to Wates Construction who have completed two further buildings (5 and 3) and are currently on site with 4, 7 and 8 Wellington Place. Over the course of the construction period they have built up a detailed knowledge of the local supply chain for Leeds construction projects and have shown a strong commitment to using local suppliers. Of the £148m construction value, around £31m has been spent with contractors based within 10 miles of the site and £62m with contractors within 25 miles of the site (see Figure 4.1)³. Over a five year construction period, these contracts are enough to:

Figure 3.1 Ground-breaking on 4 Wellington Place

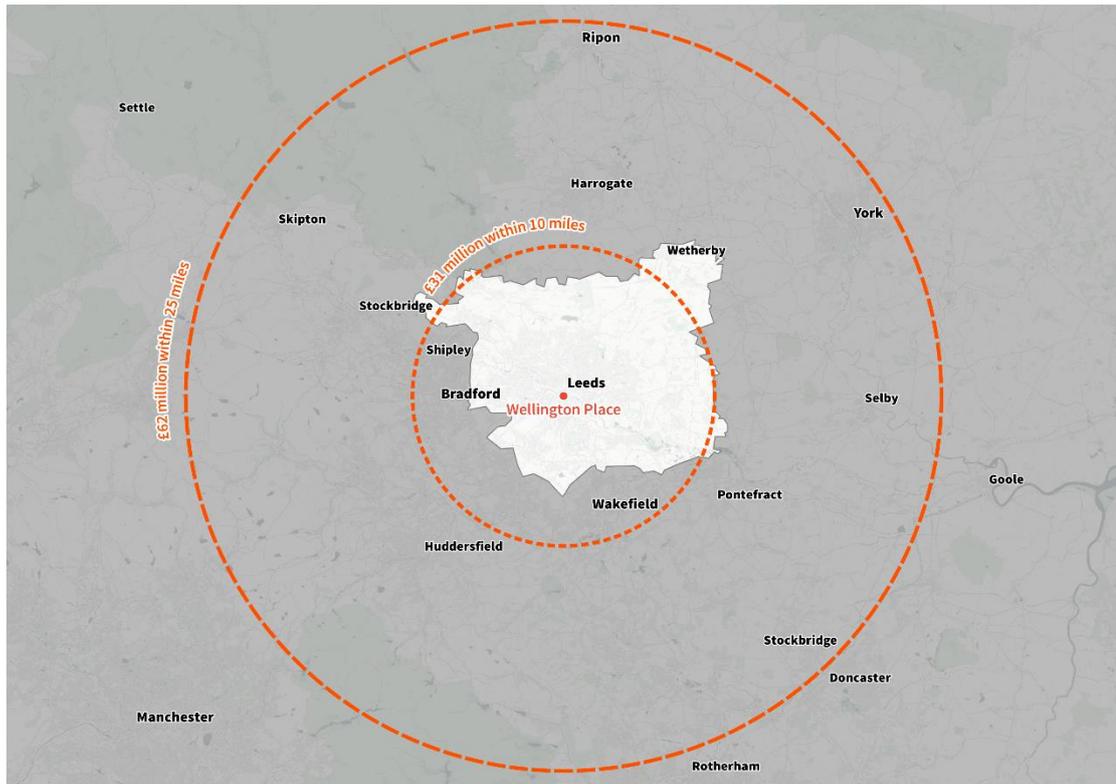


² Based on estimates provided by Wates Construction

³ It has not been possible to obtain an estimate of the value of contracts awarded to firms based in Leeds District however this is broadly equivalent to 10 miles from the site

- Directly support around **180 jobs per annum** within 25 miles, and total **Gross Value Added of around £22m**.
 - Support a total of around **220 jobs** and **£26m in GVA** when multiplier effects are taken in to account.
- 3.12 Wates has also engaged extensively with social enterprises and spent around **£82,000** with social enterprises during the construction of Wellington Place, including Recycling Lives, En:able Communities and the Renewable Energy Cooperative..

Figure 3.2 Local supply chain expenditure



Source data provided by Wates Construction

- 3.13 In addition to these supply chain benefits, Wates have committed to recruiting and training local workers during the construction of Wellington Place. They have engaged with a number of Leeds based initiatives including Step into Construction, which helps unemployed and disadvantaged Yorkshire residents to pursue a career in the construction industry. For the construction of buildings 7 and 8 Wates have worked with two homeless people from Leeds, training them up in basic construction skills and giving them a job at the end of the training programme.
- 3.14 As a result of these initiatives and others, Wates’s monitoring data shows:
- around **300 Leeds residents** have been directly employed during the construction of Wellington Place
 - the development has resulted in **100 new apprenticeship completions**, providing local people with the skills and experience to build a career in construction
- 3.15 The department for Business Innovation and Skills (BIS, now BEIS) estimate the total net present value per apprenticeship start is £61,000 over the lifetime of the apprentice; this includes economic benefit to the individual through increased wages and benefits to

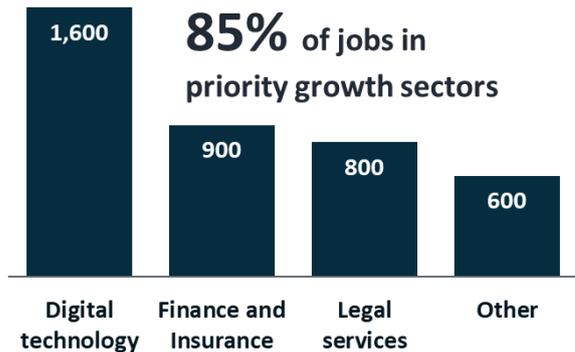
employers through increased productivity. Applying this figure to the total number of apprenticeship starts on Wellington Place results in a value of **£6.1m** in current prices.

Operations on Site

Economic impacts

3.16 The previous section showed how Wellington Place has quickly established itself as a thriving new business quarter. There are currently around **4,827 employees** working within commercial premises on site. Most of these are working within offices (3,800) with the remaining 100 employees working in retail, hospitality and leisure facilities onsite. The site has proved to be a highly attractive location for digital technology, finance and insurance and legal services, which account for **85% of jobs on site**. These are all high value, wealth-creating sectors which have been identified as priorities for growth by the Leeds City Region.

Figure 3.3 Employment by Sector at Wellington Place



Source MEPC and Occupier Survey

- 3.17 The vast majority of work undertaken at Wellington Place is highly skilled and well paid. **62% of employees work in managerial or professional occupations** which is more than double the average for Leeds (29%). Key occupations on site include software engineers, solicitors, financial advisors and finance and investment analysts.
- 3.18 These employees are estimated to support a salary value of **£125m** per annum and total economic value (GVA) of around **£200m**. This level of economic activity will support significant multiplier effects across Leeds. Applying HCA guidance on typical multipliers, we estimate this could support an additional **380 jobs** and **£20m in GVA**.
- 3.19 The jobs at Wellington Place are also an important source of employment for local residents. Around **60% of the on-site jobs are taken by people who live in Leeds**.

Supporting business growth

3.20 One of the distinctive features of Wellington Place is that it has provided an environment for businesses to flourish. Only two businesses have left Wellington Place meaning it has an extremely high retention rate, and a high proportion of businesses have grown since moving to the site.

3.21 Three quarters of respondents to the occupier survey reported they were either satisfied or very satisfied with the availability of space to grow, and four of the tenants stated that it was one of the main factors which influenced their decision to move to Wellington Place.

3.22 This is supported by a number of quotes

from senior staff of businesses that have expanded since moving to Wellington Place:

- *“It is great to be able to expand into a state of the art development so close to our existing headquarters”*⁵ – Richard Flint, Former Chief Executive Sky Betting and Gaming
- *“It was the best solution to meet our expansion needs”*⁶ – Slavica Sedlan, Willis Towers Watson
- *“It was the best choice for us to remain at Wellington Place when it came to expanding our Leeds operation”*⁷ – John Garside, HR Director Equifax Europe

3.23 This has meant that Wellington Place has helped to retain high growth businesses within Leeds and contributed to job creation in the city. Eight of the nine businesses that responded to the occupier survey reported that they had expanded operations since moving to Wellington Place. Cumulatively these expansions have created an additional **1,960 jobs** in Leeds. This means **over half of the current employment at Wellington Place has been due to indigenous business growth.**

Other Business Benefits

3.24 The high skilled nature of work undertaken by several of the businesses means that the ability to attract and retain talent is key to business success and competitiveness. Our survey of occupiers showed that this was a key factor influencing location decisions for a number of tenants, and that the high quality public realm, amenities and social events had helped them to attract and retain staff, which contributes to productivity and competitiveness.

I’m also encouraged not only by the speed with which 6 Wellington Place has been fully let; but by the fact that part of this is as a result of indigenous business growth for a number of the development’s existing tenants⁴.

Roger Marsh OBE, Chair of Leeds City Region Local Enterprise Partnership

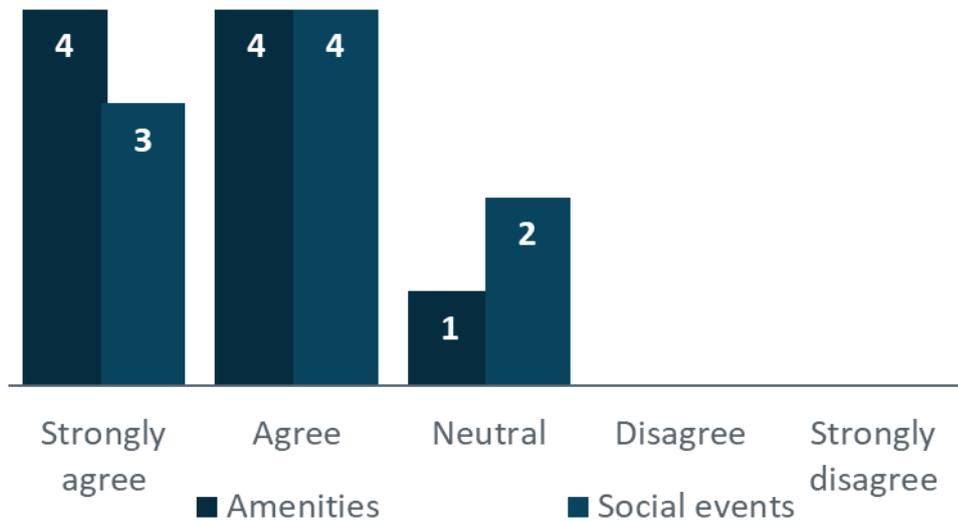
⁴ <http://www.commercialnewsmedia.com/archives/46113>

⁵ Ibid

⁶ <http://www.thebusinessdesk.com/yorkshire/news/2008736-insurance-broker-completes-wellington-place-move>

⁷ <https://www.insidermedia.com/insider/yorkshire/equifax-expands-in-leeds>

Figure 3.4 To what extent would you agree that on-site amenities and social events have helped your business to attract and retain staff?



Source Wellington Place Occupier Survey

3.25 There is also evidence that MEPC’s focus on developing a strong business community has led to additional benefits for tenants. Just over half of occupiers agreed that the amenities and programme of events arranged on site had led to new business relationships (eg collaborations or client relationships).

3.26 It is difficult to quantify these types of benefits but we would expect this to translate to increased turnover and/or productivity for Wellington Place tenants.



Half of occupiers say social events have led to **new business relationships**

Additionality of economic benefits

3.27 Although a large proportion of the current tenants at Wellington Place relocated from other parts of Leeds (10 of the 12 main occupiers), there is still evidence that the **additionality of economic benefits has been high**. This is because:

- A large proportion of these businesses moved to Wellington Place so that they could grow. As stated above, nearly 2,000 new jobs have been created by tenants since moving to the site. Given that there has been limited other Grade A development in Leeds city centre, we believe a large proportion of these jobs can be considered additional.
- The additional capacity provided by Wellington Place has helped to support an increase in occupied office space across Central Leeds, which suggests the offices vacated by current tenants have been taken by other occupiers. CoStar data shows total occupied office space in Central Leeds has increased by over 80,000 sq m since 2014 (when the first buildings were completed).

- 3.28 By providing an additional 80,000 sq m of Grade A office space, Wellington Place has therefore helped to grow the size of Central Leeds and the amount of economic activity that it can support. We therefore conclude that additionality of economic benefits is high.

Social Value

Placemaking

- 3.29 The economic impacts of place-making activities are embedded within the economic impact of the commercial activities described above. Office based staff choose to spend time and money in the bars, restaurants, gyms and other facilities which in turn supports turnover and employment within these businesses.
- 3.30 However, there is also a social value generated by placemaking which is not reflected in local expenditure. In particular, the free to use public space at Wellington Place, including Tower Square and the Courtyard, provide intrinsic benefits to individuals which are not reflected in market values. These could include the value that people derive from the restored lifting tower, the enjoyment they take from playing games in the Courtyard or the pleasure they gain from relaxing in a landscaped environment.
- 3.31 These types of benefits are difficult to quantify but make an important contribution to the success of Wellington Place by strengthening the emotional links that people have to the development. This is evidenced by the occupier survey which showed that the public space was the second most valued amenity by staff after food and drink establishments (cited by eight of the nine respondents).

The best thing about Wellington Place is the campus environment. The estate genuinely puts a smile on people's faces.

Equifax, Response to Occupier Survey

Figure 3.5 Public realm at Wellington Place



Source MEPC

3.32 More generally, the strong sense of place is also reflected in Wellington Place's annual customer satisfaction survey, which consistently shows over 95% of staff rate the development as 'good', 'very good' or 'excellent'. The most recent survey also showed high levels of satisfaction with the events and activities arranged onsite including the food festival, street food pop-ups and market stalls with 99% of respondents rating these events as 'good', 'very good' or 'excellent'.

Figure 3.6 On-site amenities which are most valued by staff



Source Wellington Place Occupier Survey

- 3.33 Putting a value on these benefits is difficult and should be treated as illustrative. Research from DCLG estimates indicative willingness to pay per net additional hectare of new public realm provided. Applying these benchmarks to the new public realm provided at Wellington Place to date results in a willingness to pay equivalent of **£115,000 per annum**.
- 3.34 There is a risk that this underestimates the value that people have derived from Wellington Place, particularly the role it has played in regenerating this part of Leeds. Other social value research in to the benefits of regeneration has found that community regeneration improvements had a value of around £6,500 per person per year and the value of a positive perception of a local community was as high as £11,600 per person year. However the research did not cover commercial-led regeneration projects such as Wellington Place.
- 3.35 Research by the University of Leeds in 2011 found that people were willing to pay £23 per annum for increased access to city centre shared space. To understand what this means for Wellington Place we would need to know the number of people who use Tower Square as a shared space. If this was just applied to the 4,827 people who currently work on site it would generate a value of £90,000. However as Wellington Place grows and enhances its links with neighbouring areas this will increase footfall in the site and increase the value of Tower Square over time.

Health and Wellbeing

- 3.36 A wide range of the events and activities at Wellington Place contribute to staff health and wellbeing. In some cases, there is a clear and direct link to health, such as the sports facilities and activities and the workshops designed to improve mental health. However, a number of the other events and social groups could provide indirect benefits. For example, initiatives which encourage participation in the arts have also been shown to contribute to improved health and wellbeing⁸. There is also an extensive literature on the wellbeing benefits of increasing social capital⁹ that can be generated through involvement in social activities and groups.

Figure 3.7 Health facilities at Wellington Place



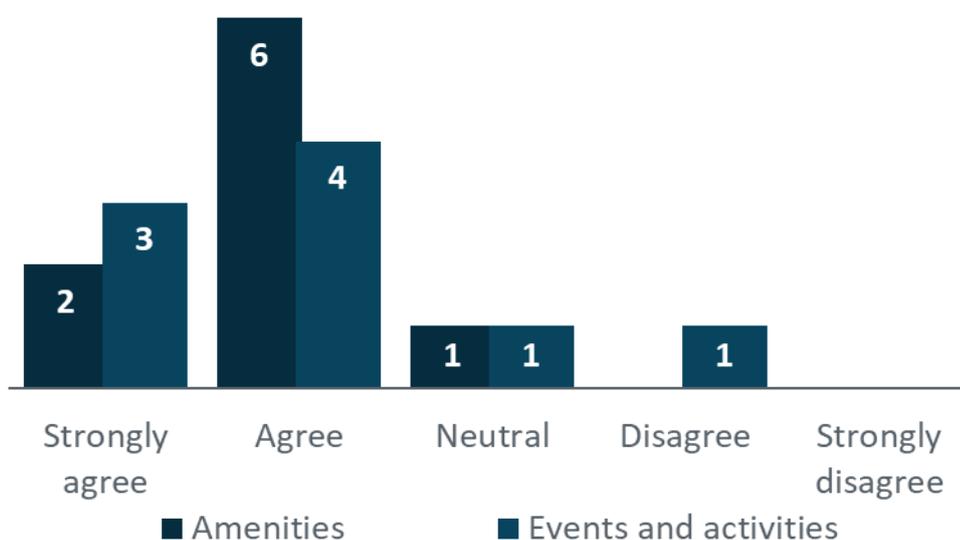
Source MEPC

- 3.37 Figure 3.8 shows a high proportion of respondents to the survey agreed that the amenities and activities at Wellington Place had contributed to improved staff health and wellbeing. The survey also showed that a large majority agreed that the amenities and activities had created a strong and friendly business community which provides evidence of increased social capital.

⁸ Department for Culture Media and Sport (2014): Quantifying the Social Impacts of Culture and Sport

⁹ the networks and relationships among people who live and work in a particular area

Figure 3.8 To what extent would you agree that on-site amenities and activities have improved your employees health and wellbeing?



Source Wellington Place Occupier Survey

3.38 It is difficult to provide robust estimates of the number of people who have participated in activities which could contribute to improved health and wellbeing since there are not accurate records for all of the events/activities. However based on MEPC monitoring data we know that:

- Over **3,000 people** have attended general social events over the course of the year. These include the monthly street food market, the annual Lunchfest festival and Wimbledon on the big screen¹⁰.
- Just under **100 people** registered for the bike hire scheme and there have been **364 rentals** since it started in 2017.
- **140 people** have attended the workshops, seminars and advice sessions to promote health and wellbeing in the last 12 months. These include themed workshops around 'happiness in the workplace', 'time management', 'stress management', a nutrition talk and a cancer health awareness session.
- **200 people** have participated in sports activities including charity spin classes, exercise classes, a 5K fun run, lunchtime walks and outdoor circuit classes. This is likely to be an underestimate as lots of the sports activities on-site has been informal so records are not kept (eg use of five-a-side pitches). It also does not include the number of people who regularly undertake exercise in the gym facilities provided on site.
- Around **60 people** attend the weekly or monthly activity groups such as the Wellington Place choir, book club and knitting club.

¹⁰ This is a cumulative figure from the events hosted however this is likely to double-count a number of people who have attended multiple events. However we know that there were 1,400 'unique' attendees at Lunchfest and around 300 people at each of the street food markets

- **465 participants** in one-off activities or themed events. These include the Wellington Place photography competition, pasta making classes, history talks and Pride events.
- 3.39 It is not possible to provide a cumulative estimate of participation in events and activities due to the risk of double-counting. However, based on the above we believe it is reasonable to apply the following cautious assumptions:
- 250 people undertake frequent mild exercise as a result of the events and activities at Wellington Place.
 - 100 people have become members of social groups
 - 400 people have participated in the arts.
- 3.40 Based on the HACT community investment values from the Social Value Bank, we estimate that this has generated health and wellbeing benefits with a value of **£1.7m per annum**.

Charity

- 3.41 A number of charity events have been arranged at Wellington Place, including raffles, charity clothes donations, a World-Cup sweepstake and a number of sponsored sports events raising money for various charities. Cumulatively these events have raised **£2,000** in the past year. These events could also generate further social value if they resulted in people undertaking regular volunteering however we do not have enough information to quantify these benefits.

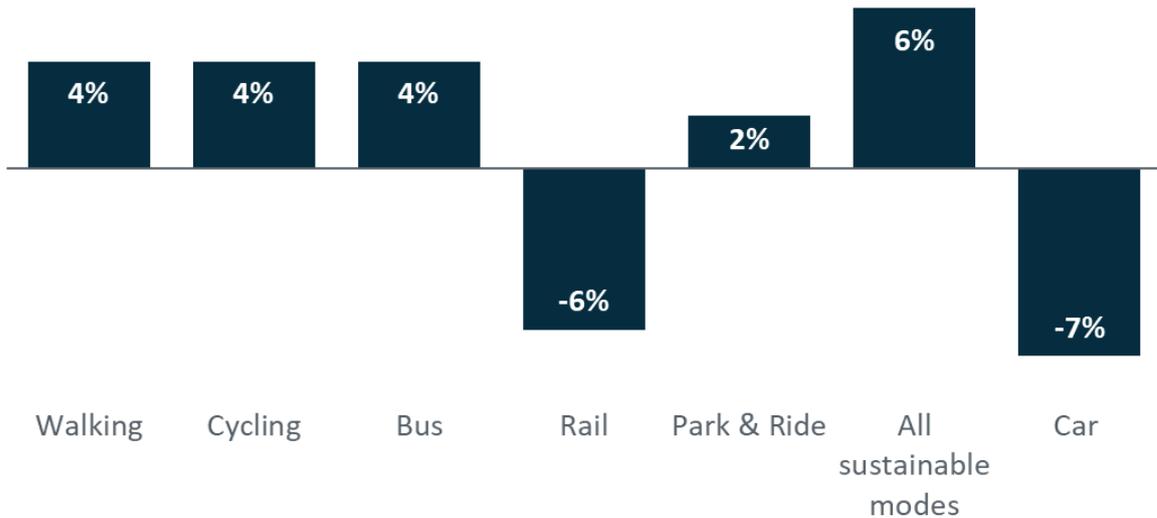
Environment and Sustainability

- 3.42 Wellington Place has minimised its impact on the environment through two main mechanisms:
- **Design of the buildings.** All of the new buildings achieved a BREEAM rating of excellent for both design and construction stages. The most recent buildings all target an Energy Performance Certificate rating of B, the second highest rating for energy efficiency.
 - **Amenities and activities.** These have encouraged sustainable modes of commuting by making it easy for staff to cycle, walk or use public transport.
- 3.43 To estimate the CO2 emissions savings as a result of the energy efficient design of buildings we have drawn upon the following sources:
- A 2013 report on the energy efficiency of buildings which found that the typical new office building in the UK generated 100kg of CO2 per sq m each year.
 - The 2016 briefing paper 'Assessing carbon emissions in BREEAM' which demonstrated that the average CO2 saving for a BREEAM assessed building is 22%, whilst a BREEAM Excellent building is expected to reduce carbon emissions by 33%.
- 3.44 Based on a total of 31,000 sq m of office space, this means Wellington Place has delivered carbon savings of around **1,000 tonnes** compared to the average for new office buildings in the UK. Based on a typical carbon value of £25 per kg of CO2, the savings are equivalent to £25,000.
- 3.45 While it is more difficult to quantify the carbon savings attributable to sustainable travel initiatives, there is evidence from the Wellington Place travel survey that a growing proportion of staff are reducing car usage in favour of more sustainable modes of transport. There was a six percentage point increase in the proportion of staff who used sustainable

modes between 2014 and 2018, compared to a seven percentage point fall in the proportion travelling by car.

- 3.46 It should be noted that the composition of staff at Wellington Place changed significantly between 2014 and 2018 so we cannot attribute all of this change to sustainable travel initiatives. Nevertheless, there is evidence that staff at Wellington Place adopt more sustainable travel patterns than the average for Inner Leeds, with 75% using a sustainable mode compared to 70% in Inner Leeds.

Figure 3.9 Change in proportion of staff using different modes of transport between 2014 and 2018 (percentage points)

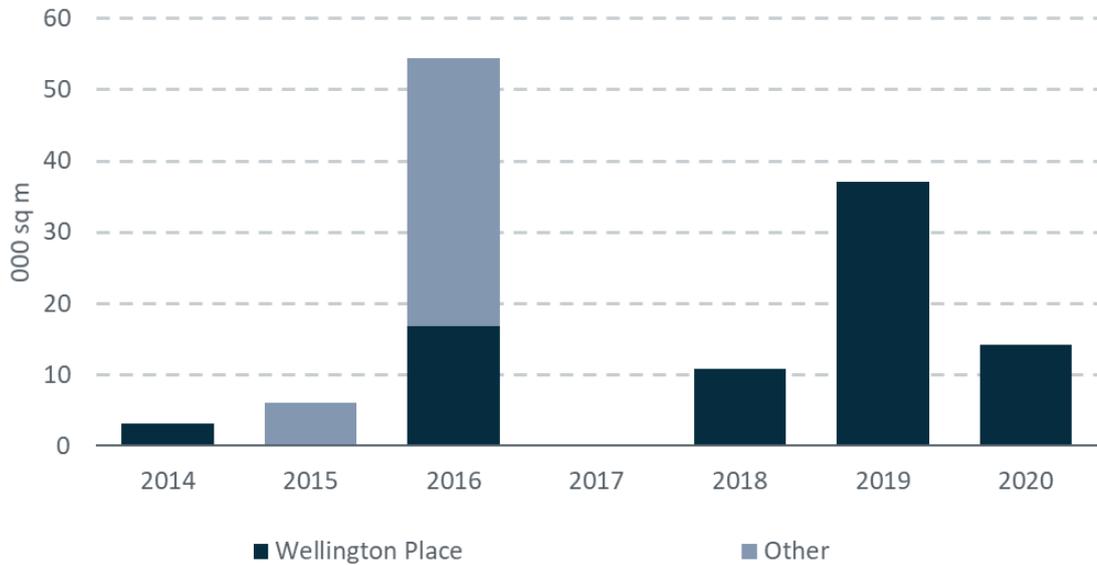


Source Fore Consulting Wellington Place Travel Survey

Offsite Catalytic Effects

- 3.47 In addition to the economic, social and environmental benefits delivered on site, Wellington Place has delivered wider benefits for Leeds by acting as the catalyst for new development in in the city centre. Chapter Four looks specifically at how it is helping to support the regeneration of the West End.
- 3.48 Wellington Place has been instrumental in kickstarting new Grade A office development in Central Leeds. By the time buildings 4, 7 and 8 are completed the development will have accounted for 65% of all new Grade A space delivered in the city since 2009. The strength of demand from occupiers for the early stages of development helped to breathe confidence in to the office market after several years with no new deliveries of office space, and was followed by a number of speculative developments at Sovereign Square, Queen St and Central Square.

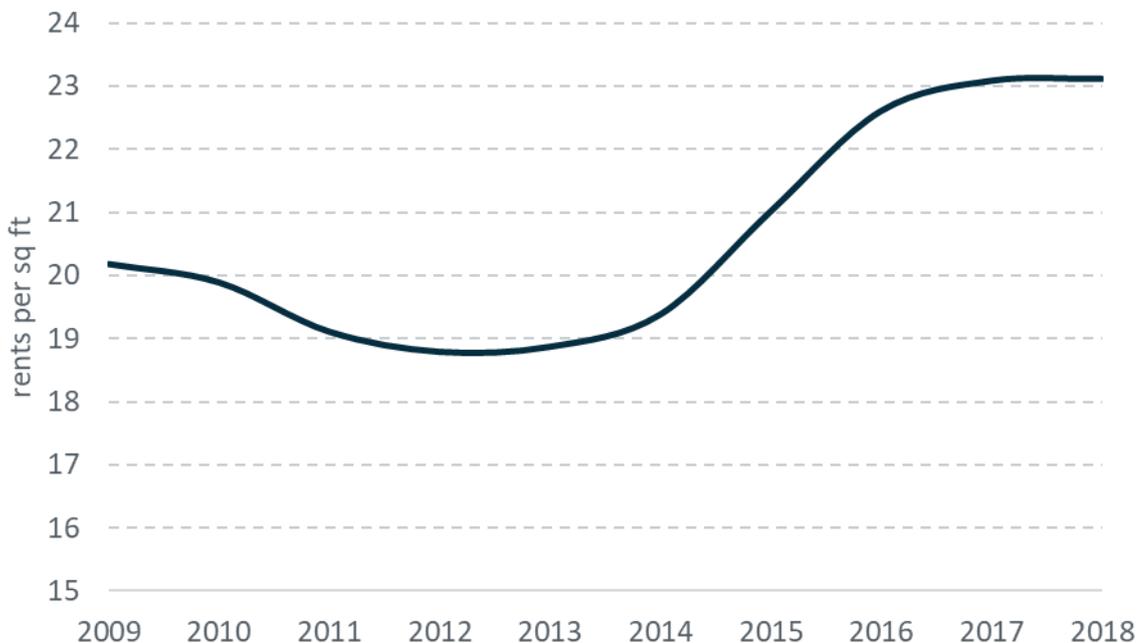
Figure 3.10 New Office Floorspace Delivered or Under Construction in Central Leeds, 2014 to 2020



Source: CoStar data, 2018

3.49 Analysis of office rents also shows the impact that Wellington Place and these other developments has had on rents in the city centre office market. The increased delivery of new Grade A office space helped to raise average rents from 2014 onwards. Coupled with the high rate of take-up, this has helped to make speculative development more attractive and has acted as a catalyst for new development.

Figure 3.11 Average office rents in Leeds city centre, 2009-2018



Source CoStar

3.50 Tom Riordan, chief executive of Leeds City Council has recognised the role of Wellington Place in revitalising the city centre office market: “Over the last few years the city centre

landscape has undergone a tremendous change and with developers such as MEPC, working with Hermes Investment Management and CPPIB, this will continue. The further developments at Wellington Place alongside the upcoming projects in the South Bank mean that there is a real impetus that will help to meet the demand for grade A office space in the city centre.”¹¹

- 3.51 Recent market reports by agents highlight the current confidence in the Leeds city centre office market and the role that Wellington Place has played.
- *“Looking ahead to the rest of the year the completion of MEPC’s 3 Wellington Place will provide an additional 110,000 sq ft of much needed Grade A space.... Looking even further ahead to 2019, we expect the availability to have pushed top rents to £32 per sq ft. With development on the rise and plenty of new opportunities in the pipeline, the future looks good for the Leeds office market and we expect 2018 to be another strong year for the city” Savills, April 2018*
 - *“There was a 23% increase in Grade A transactions this quarter, totalling 129,884 sq ft. The largest Grade A deal was HMRC taking 60,000 sq ft at 3 Wellington Place. The second largest Grade A deal was also for space in 3 Wellington Place, with accountancy firm Mazars leasing 13,000 sq ft..... The positive momentum has continued in Q3 and, given the number of active occupier requirements, the Leeds office market looks set for another outstanding performance”. Colliers Leeds Offices Quarter 3 2018*
 - *“Out of the 39 city centre transactions across the quarter, four were in excess of 10,000 sq ft, with the largest being a 60,000 sq ft letting to HMRC at 3 Wellington Place. Grade A accommodation accounted for almost 70% of all space transacted underlining the continuing trend of a “flight to quality” by occupiers.... with a number of existing live requirements the Leeds office market is on track for another strong year with city centre transactions expected to reach 700,000 sq ft” Sanderson Weatherall Leeds Office Market Update Q3 2018 Snap Shot*

¹¹ <https://www.wellingtonplace.co.uk/community/5-wellington-place-breaks-ground/>

4. The Future for Wellington Place and the West End of Leeds

Leeds Government Hub

- 4.1 2019 will see the next major milestone in the evolution of Wellington Place, with the arrival of HM Revenue and Customs (HMRC) and NHS Digital in buildings 7 and 8. This will form a new regional Government Hub in Leeds, with a workforce of around 6,000 people. Once fully occupied this means Wellington Place will be home to around **10,000 employees**, equivalent to **one in ten jobs in central Leeds**¹².
- 4.2 HMRC's move to Wellington Place is part of its modernisation agenda which will introduce major changes in the way the department works. A key part of this agenda was rationalising its 170 offices in to 13 large, modern offices covering each region of the UK, with Leeds as the regional centre for Yorkshire & Humber. The jobs which are based at Wellington Place will mainly be relocations from the 13 small offices which were located all over the region.
- 4.3 Wellington Place was chosen ahead of a number of other locations for several reasons, including its public transport links, facilities for staff, ability to deliver to HMRC's timescales and value for money. The new Regional Centre will provide a higher quality environment for workers, which will allow HMRC to make more effective use of digital technology and implement more flexible ways of working.
- 4.4 NHS Digital already has a significant presence in Leeds but is consolidating its estate in order to enable smarter and more flexible working and to encourage greater collaboration with the wider NHS, other government departments and local organisations.
- 4.5 Both organisations will **enhance Wellington Place's reputation as a centre for highly skilled activity**. NHS Digital is already well-established as one of the largest employers in Leeds' technology sector and employs highly skilled IT professionals across a range of roles.
- 4.6 HMRC will locate a number of different services at Wellington Place including IT and digital, corporate services, tax compliance and customer services teams. The exact balance of job roles is not known at this stage, but HMRC estimate that initially around 40% of the jobs will be in professional and managerial roles with the remaining 60% in administrative positions. However HMRC anticipate that this will change over time as part of its modernisation agenda and the need to become a more highly skilled, technology-based organisation. This means they will need fewer people in administrative roles and more tax specialists with digital skills, along with data analysts and digital experts.
- 4.7 The location of the Government Hub at Wellington Place will therefore not just act as a **catalyst for economic growth in Leeds city centre**, but could also create a significant **cluster of digital expertise and activity** which could support the continued growth of Leeds's technology sector. A 2018 report by Tech Nation found that this sector was now worth £1bn and is growing rapidly. The report found that this growth had been fuelled by "*regional success stories*" such as Sky Betting & Gaming but also by the tech arms of public institutions like NHS Digital which are "*helping to build the tech community and help create strong centres of excellence*". The location of the Government Hub at Wellington Place

¹² Central Leeds has been defined using the middle super output area Leeds 111 (E02006875). This is bounded by the Inner Ring Road to the north, by the River Aire to the west, Quarry House to the east and includes much of Holbeck Urban Village as well as the city centre

will therefore mean that two of the technology sector's anchor institutions are both located on the site, which could in turn attract other tech businesses to the West End of Leeds.

Future Development Onsite

- 4.8 In addition to buildings 7 and 8 building 4 will be completed by 2020 and will deliver an additional 14,500 sq m of office space (potentially accommodating around 1,200 people).
- 4.9 Beyond this there are plans to deliver:
- 62,000 sq m of additional office floorspace in plots 9, 11, 13 and 14a.
 - A new hotel on plot 11 fronting Tower Square providing up to 250 beds
 - Around 200 residential apartments
 - Around 4,600 sq of retail, leisure and hospitality uses
 - A multi-storey car park
- 4.10 This scale of development could cumulatively accommodate an additional 7,000 employees, which would take total employment on site to over **18,000 jobs**. This would mark Wellington Place out as a major commercial quarter, comparable to some of the largest city centre developments anywhere in the UK including Kings Cross in London (26,000 jobs when fully developed) and Spinningfields in Manchester (c. 20,000 jobs). Given the current profile of occupiers we would expect a significant number of these to be in highly skilled and high value sectors. These would in turn support further economic activity through supply chain and salary expenditure effects.
- 4.11 The significant increase in density would also contribute to placemaking by increasing footfall in the site and making it easier to attract a wider range of retail and leisure amenities to Wellington Place. MEPC have plans to offer a number of additional amenities to staff which would make it an even more attractive place to work including hairdressers, lifestyle businesses and nurseries. It has been difficult to attract these types of businesses in the past due to low footfall, but the growth from the Government Hub and future rounds of development will overcome this barrier. The development of a multi-storey car park will also make it easier to accommodate a nursery which requires parking for drop-offs.
- 4.12 The planned future development therefore has the potential to create a nationally significant new business quarter capable of attracting blue chip companies and international investors, but also a highly distinctive and attractive extension to Leeds city centre offering new spaces for Leeds residents to live, work and play.

Regeneration of West End

- 4.13 One of the original Masterplan principles for Wellington Place was to improve connectivity to the west of the site and to encourage urban regeneration on neighbouring sites. This was in line with the Vision for Leeds and the principles of urban design set out in Renaissance Leeds.

4.14 The strategy for the future growth of Leeds has evolved since these reports were published in the mid 2000s. However, the continued expansion of the city centre and regeneration of the West End remain key priorities.

The West End is a growing part of the city. It's vibrant, it's vital, and it's such an important part of the future for the city.

4.15 The Leeds Inclusive Growth Strategy 2018-2023 sets out "twelve big ideas" which it sees as being key to delivering inclusive growth. Number 6 states the aim of 'doubling the size of the city centre', which includes the continued regeneration of the West End as well as improving links to neighbouring communities through better walking, cycle and public transport connections.

Gerald Jennings – President, Leeds Chamber of Commerce

4.16 Wellington Place has played a pivotal role in the regeneration of the West End to date, transforming it from a low value retail park in to a high quality new business quarter. The project is now continuing this contribution by acting as the catalyst for urban regeneration in neighbouring areas. On the neighbouring Yorkshire Post Site, construction as commenced on 242 residential units for Grainger. A number of other residential-led schemes have been approved for neighbouring sites at Monkbridge, BAM Latitude and Globe Road which would result in the regeneration of nine acres of derelict land in close proximity to Wellington Place (see Figure 4.1).

Figure 4.1 West End Regeneration Sites



Source MEPC and Hatch Regeneris

4.17 Plans for a residential and leisure-led development at the Monk Bridge site were approved in May 2017. The plans for the site, located to the west of Wellington Place off Whitehall road focus on regenerating a former industrial area with a Grade II listed Gritstone viaduct. The site aims to deliver over 600 new homes, to restore the arches of the viaduct to provide

commercial space for retail units, bars and restaurants, and provide a new public park on the viaduct that draws inspiration from New York's famous Highline.

- 4.18 Most notably, the new “Highline” public park will directly link to Wellington Place and the main walking route through the site. This will create a new, highly distinctive pedestrian route for people living in the development to access the site and a flow of public spaces all the way through to the city centre, in keeping with the original Renaissance Leeds principles. This will increase footfall in the site, including during weekends, adding to the sense of place and vibrancy that has been created at Wellington Place. It will also mean that Wellington Place will have achieved its original masterplan objective of supporting regeneration and improving connectivity to the west of the site.

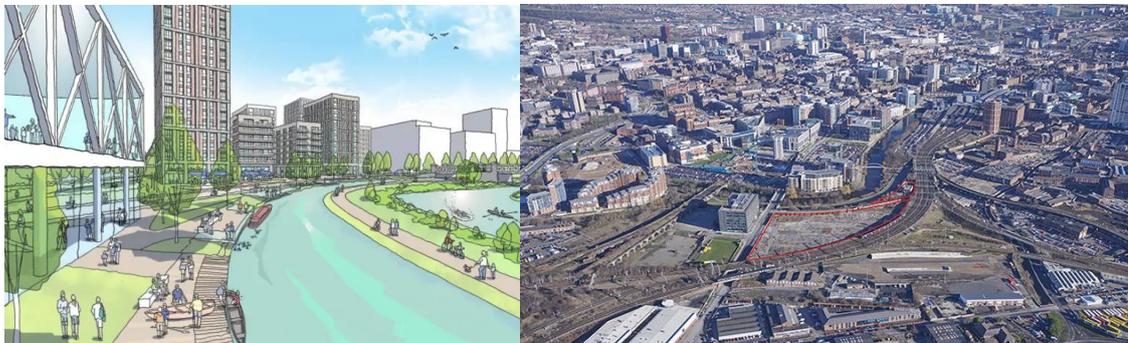
Figure 4.2 Planned development at Monk Bridge



Source: Carey Jones Chapman Tolcher

- 4.19 Get Living acquired the Globe Road site in June 2017 and plans to invest up to £180m in developing a residential neighbourhood with over 700 homes for rent. The site sits alongside Doncaster Monk Bridge, a short distance from Wellington Place in the South Bank area of Leeds.
- 4.20 Get Living outlined aims to start work in 2019 and complete the construction of the entire project within 18 months. The site is, in part, targeted at new employees that will be moving to the area to work at Wellington Place. In March 2018, the Yorkshire Evening Post reported that Get Living intends to finish the development of the site before the Government Hub at Wellington Place is fully operational, to be in the position to offer flats to some of those civil servants. Therefore this development can be attributed to the increased confidence in the West End that has been generated as a result of Wellington Place.

Figure 4.3 Get Living's plans for the Globe Road site



Source: Get Living

5. Conclusions

- 5.1 The impacts described in this report demonstrate that Wellington Place has already delivered significant economic and social value for Leeds. The project has transformed a run-down and underused retail centre in to a highly successful new business quarter and provided a natural extension to the city centre including new public spaces and retail and leisure amenities. It has provided an environment for businesses to grow and created a place which is valued by staff and visitors alike.
- 5.2 However the true impact of Wellington Place is only just about to be realised. The arrival of HMRC and NHS Digital will take total employment on site to around 10,000 employees, tripling the number of people who will use the site from day to day. The arrival of both Government departments will help to reinforce its reputation for high skill professional services, bringing tax specialists to mix with the solicitors and financial advisers, and will add significantly to the density of digital expertise that already exists on site.
- 5.3 This critical mass of activity will also help to unlock the real potential of Wellington Place, supporting the viability of new amenities and residential development on neighbouring sites. In turn this will increase footfall on the site even further, adding to the sense of place and potentially supporting a thriving night-time or weekend economy in and around the site.

Key Reflections

Long term commitment to place-making

- 5.4 The achievements of Wellington Place map strongly against the original vision and masterplan, and the principles set out in the Renaissance Leeds report developed in the mid-2000s. That it has taken over 10 years to get to this stage is testament to the strength of the original vision but also to the long-term commitment of MEPC to delivering that vision.
- 5.5 The approach marks a departure from more traditional approaches to development which attach less importance to placemaking than the delivery of new commercial space. While the value of placemaking is now more widely recognised, the approach taken on Wellington Place can be considered to be ahead of its time.
- 5.6 MEPC's commitment to place-making has also resulted in a highly flexible approach which has meant the site has been able to adapt to the economic downturn, turning a challenge in to an opportunity by greening the site and turning it in to a well-used community asset.

A people-oriented approach

- 5.7 From the outset, Wellington Place was designed around the needs of people. This was embedded in the vision and masterplan for the site but is also at the core of MEPC's philosophy of developing strong business communities. While a growing number of developer/landlords can claim to prioritise placemaking, few can demonstrate the commitment to creating a strong business community that has been achieved at Wellington Place. This commitment is evidenced by:
- the long and growing list of events and activities that MEPC arrange at Wellington Place,
 - the feedback received from the occupier survey, many of whom cite the "partnership between tenant and landlord" as being one of the key strengths of Wellington Place, and

- the high retention rate of tenants, with only two businesses having ever left the estate since the first buildings were built.

Leading the way for Leeds city centre regeneration

5.8 Wellington Place can legitimately claim to be the major commercial development in Leeds in recent memory. By 2020 it will have accounted for 65% of new office development in Central Leeds over a ten-year period. Given the ambitious plans by Leeds City Council to double the size of the city centre and significantly increase its employment base, Wellington Place is the only project which has shown how this can be done successfully. It provides confidence for some of the other major developments which are planned such as the regeneration of the South Bank, but also sets the bar high for future developments, showing the importance of a clear vision and a commitment to placemaking that others should follow.



www.hatchregeneris.com

London: +44(0)207 336 6188

Manchester: +44(0)161 234 9910