

TRINITY LEEDS THE LOCAL IMPACT



ASSESSING OUR IMPACT



Often one of the first of the attributes we present to many of our stakeholders is our size and our scale; Land Securities is the UK's largest Real Estate Investment Trust. It is true; it represents many things, and we are proud of it. But sometimes, the more important thing to consider is not our size and scale, but our impact.

What we do impacts people's lives, and it can change economic fortunes. This year we have set out to capture just how significant those impacts can be, on just one of our development projects – Trinity Leeds. We share our findings here in a short report.

We have been thrilled with the early success of Trinity Leeds; more than 132,000 people visited on launch day, and footfall has already hit 5 million since opening day. The centre is also 90% let.

These are fantastic statistics, but it had already made its mark before a customer set foot inside.

My thanks go to the Laing O'Rourke team, whose efforts in capturing this information have helped shape these findings."

Andrew Dudley,
Land Securities.

July 2013

INTRODUCTION

Land Securities has a significant impact on the national economy through both our Retail and London Portfolios. Our shopping centres and retail parks are shaping the future of retail and having a far-reaching impact within local communities.

To form a deeper understanding of its impact, we commissioned Corporate Citizenship to undertake a socio-economic impact assessment of our recently launched retail development, Trinity Leeds.

We have also commissioned Corporate Citizenship to revisit this report one year on from launch to see how Trinity Leeds continues to impact Leeds and its residents.

HIGHLIGHTS

622

32-month equivalent construction jobs provided directly at Trinity Leeds

1,144

32-month equivalent jobs supported in the wider economy as a result of development at Trinity Leeds

55%

construction workforce from Leeds & Yorkshire

180+

young people benefiting from work-based training

£40,000

awarded by Trinity Leeds to local community and charity groups

30

visits by schools and colleges

£20.6m

paid to Leeds & Yorkshire construction workers

£740m

estimated gross economic impact to UK economy from construction

ABOUT TRINITY LEEDS

1m sq ft

shopping and
leisure development

120

shops, restaurants
and cafés

90%

let with a further 5%
in solicitors' hands



Trinity Leeds is a million square foot shopping and leisure development in Leeds city centre, which opened on 21st March 2013. It has been developed by Land Securities, with Laing O'Rourke as the principal contractor.

Trinity Leeds encompasses three of the busiest shopping streets in Leeds – Briggate, Albion Street and Commercial Street. The development incorporates two large projects: the redevelopment of the existing Leeds Shopping Plaza as 'Trinity West', as well as the new-build 'Trinity East', which replaces the 1970s Trinity and Burton Arcades.



Trinity Leeds development.

The new centre offers over 120 shops, restaurants and cafés, including several new names to the city, as well as a four-screen cinema. It has raised Leeds up by a place in CACI's UK Retail Rankings for 2013, making it the 6th-largest shopping location in the UK, behind London West End, Glasgow, Manchester, Birmingham and Liverpool.

Trinity Leeds represents a significant investment in the Leeds region during a difficult economic period for the construction sector and the UK more widely. The development was halted in 2009 due to the economic downturn, before being restarted in 2010.

It was the UK's first major retail development since Westfield Stratford City opened in east London in 2011. By regenerating and reinventing Leeds city centre as a thriving retail beacon, Trinity Leeds has the potential to attract further investment and redevelopment within the city.

Due to the economic climate, we set ourselves a 40% target for pre-lets before we restarted construction. However, on launch day we were delighted to report it was 90% let with a further 5% in solicitors' hands.

IMPACT AREA: EMPLOYMENT

622

equivalent full-time
construction jobs

55%

from Leeds & Yorkshire

1,144

equivalent full-time jobs
in the wider economy



Trinity Leeds taking shape.

Construction is a highly labour-intensive sector, whose employees tend to be particularly vulnerable at times of high unemployment. According to the UK Contractors Group, the construction industry in Yorkshire and the Humber was the hardest hit in the first year of the recession. Construction employment fell steadily by about 6% per year between 2008 and 2010.

From beginning construction in August 2010 through to January 2013, over 2.7 million hours were worked on site. This translates to over 1,500 years' worth of employment. Adding in office-based staff brings this figure to 1,660.

This is the equivalent of employing about 622 people to work full-time throughout the 32-month construction phase. It doesn't include those employed in the demolition phase that took place in advance of construction in August 2010, so this is quite a conservative figure.

It is important for us to make sure those jobs are, wherever possible, given to local people. So, for the first time, we have monitored where people who worked on the project lived. Our postcode data tells us that 55% of those working on the site came from Leeds and the Yorkshire area; 342 of those 622 jobs were local jobs.¹

Trinity Leeds represents a significant investment in the Leeds and Yorkshire construction industry, which ripples outwards, supporting jobs in all sectors of the economy, both in Leeds and elsewhere. As well as jobs provided directly on site, there are added indirect jobs (throughout the supply chain) and induced jobs (generated through employee spending), calculated to be the equivalent of 1,144 jobs supported over the 32-month construction period.

When consideration is given and effort is made to recruit local people, the economic power of a development is significant. In this instance, the construction of Trinity Leeds brought a valuable jobs boost at a time of recession and individual hardship.

Notes

¹ Workforce data was collected on a postcode basis, as such local labour figures are considered conservative. For example, workers with Huddersfield or Wakefield postcodes would not be considered as Leeds based despite living less than 20 miles from Leeds city centre.



Where possible jobs were given to local people.

IMPACT AREA: SKILLS, YOUNG PEOPLE & EDUCATION

180+

people engaged in training and work experience activity

20

project initiated apprenticeships

30

school visits & site tours

18

college or school workshops hosted by the development team

From the very beginning, we wanted to make sure that when the construction team left Leeds, they left having equipped people with skills as well as providing job opportunities. To this end we set out, in partnership with Leeds City Council and our main contractor Laing O'Rourke, to up-skill as many workers as possible, provide training and work experience to those who may not be employed and give young people the chance to experience development first hand.

We didn't do this alone, but our commitment through the supply chain meant we were able to partner directly with Leeds College of Building and Leeds College of Technology to deliver this training. In particular, the apprenticeships arranged in this way are an especially important way for students to gain experience, improve their employment prospects and in turn increase individual earnings and produce economic value.

Site tours were popular too and included student visitors from Leeds Metropolitan University, from which we went on to support four students through their dissertations. In addition, there were many student visits from local schools. As part of our aim to help those furthest from employment, we also hosted visits for ex-offenders, giving them a taste of the construction industry as a route to sustainable, skilled employment.



In partnership with Leeds City Council and our contractor Laing O'Rourke, we provided training and work experience to people throughout the area to experience construction development first hand.



Local school children learning about construction.

More than 180 young people were engaged in training opportunities.

As a result of maintaining dialogue with Leeds City Council and adopting an open approach, more than 180 young people were engaged in training opportunities, including work experience, work-based qualifications and apprenticeships.

This is a great achievement, but it wasn't without challenges. There is a finite number of people needed to run an efficient construction site; when we were faced with the choice of recruiting additional apprentices with one eye on our target, for example, or safeguarding existing jobs, we chose the jobs.

We help as many people as possible, but decisions like these can be tough. Taken as a team however, in full consultation with key stakeholders, we are able to make the right choices.



Students from Leeds College of Building on site at Trinity Leeds.

IMPACT AREA: THE LOCAL ECONOMY

£20.6m

paid to local construction workers

100%

of workers on and off site paid National Living Wage

£740m

estimated gross economic impact to UK economy from construction



Looking at the wider benefit, the UK Contractors Group estimates that for every £1 spent in the UK construction sector there is a £2.84 impact on the UK economy.

We've reported that 55% of construction workers came from Leeds and the Yorkshire region. We have also calculated that the total amount paid to workers on the project was £37.5 million. This means that £20.6 million has been paid to local people. Whilst we cannot be sure that all of this money is returned to the local economy – people spend their money in different ways – it is reasonable to say that the majority of it will remain within the region.²

The wages of all workers on Trinity Leeds were monitored over the course of the project. Every worker, both on and off site, was paid at least the National Living Wage.³

Aside from wages, it has been difficult to assess how much has been spent locally. The Trinity Leeds project has involved hundreds of businesses in supplying materials, labour and other services. The project used over 300 different suppliers and sub-contractors. In producing this report, we recognise that we need to do more work to fully understand the breakdown of spending in the local and regional supply chain.

However, we estimate that around 10% of the total direct spend, by either Land Securities or Laing O'Rourke, was paid to local suppliers. But, this figure doesn't take into account the amount each sub-contractor would spend locally. Data

from a subset of those sub-contractors indicates that on top of our own direct spend, around 25% of their total supplier spending was with local businesses.

Looking at the wider benefit, the UK Contractors Group estimates that for every £1 spent in the UK construction sector there is a £2.84 impact on the UK economy. This includes the direct impact of spending on wages and other inputs; the indirect impact of increased output and income in the supply chain; and the induced impact of increased wage spending in the economy.

Based on our approximate capital expenditure on the project, the gross economic impact of the Trinity Leeds development project is therefore estimated at around £740 million.



Generating local jobs and spending at Trinity Leeds.

Notes

² Data taken from about 65% of sub-contractors' spending indicates that workers received an average annual salary equivalent to £25,000. This figure chimes with publicly available data but is considered conservative given the significant amount of overtime worked in the construction sector.

³ National Living Wage at the time was £7.20 per hour. Possible exceptions to this may include a small number of sub-contractors' apprentices.

IMPACT AREA: THE COMMUNITY

£40,000

awarded by Trinity Leeds to local community and charity groups

37

groups benefited

200

the number of grants given since the ARISE scheme was established

ARISE

ARISE (the Alliance to Reward Initiatives and Social Enterprise) is a programme introduced by Land Securities to support local communities' initiatives and benefit the local community.

It is important that the Trinity Leeds team is part of the local community, not operating in isolation from it. We see our responsibility to that community as one that creates jobs, improves skills and invests in the long-term economic and social health of Leeds.

We have been fortunate in building a strong reputation for supporting the local community in Leeds. Having developed and run the White Rose shopping centre in south Leeds since 1997, we have been able to demonstrate that we deliver against our promises. Since then, along with our partners, Evans Property Group and Munroe K, we have awarded 200 grants to local grass-roots initiatives via the ARISE (Alliance to Reward Initiatives and Social Enterprise) programme, the 200th of which was recently awarded to Learning Partnerships, an educational charity working with children and adults in inner-city Leeds.

Maintaining this reputation is paramount. At Trinity Leeds we believe we have done so. Throughout the project, and in collaboration with Leeds City Council, we have been involved with many key community partners including the Construction Industry Training Board, Construction Youth Trust and the Holy Trinity Church.



As part of our commitment to support local charities Meanwood Valley Urban Farm will have access to fundraising opportunities, volunteers, promotional space and hundreds of thousands of shoppers at Trinity Leeds.

Further commitment from the team at Trinity comes in the form of charitable support. We established a community fund during the construction project and have awarded almost £40,000 to 37 different organisations.

One-off grants are powerful, and can make a real difference to small groups. But long-term relationships can bring more lasting benefits. To this end, Trinity Leeds will build a relationship, in the same way all our other shopping centres do, with one local charity giving them access to fundraising opportunities, volunteers, promotional space and hundreds of thousands of shoppers. This year, that partnership is with Meanwood Valley Urban Farm.



Supporting local initiatives: Councillor Chris Townsley (ARISE committee) and Hayley Parker (ARISE Board) with Sonjia Pollard of Edu-Play.

LOOKING FORWARD

It is evident from this study that done well, development can make a significant impact in its own right on local, regional and national economies. However, development is just the beginning. Understanding the ongoing impact of Trinity Leeds will be as valuable as seeing how the development phase performed for Leeds and Yorkshire.

Sustained commercial success and delivering current, appropriate brands are its key metrics in terms of performance. But moreover, Trinity's success should be judged by its wider impact on the local economy, the local community and individuals.

The work to ensure this impact will be positive began long before the centre opened; local employment initiatives, charity partnerships and skills-based activities have all been established for some time now. But the true benefit of these will not be felt for some time.

We are continuing to capture this information, and one year on from launch, we will be reporting again on the impacts Trinity Leeds will have had. We expect to see increases in footfall, we should see a change in the night time economy and net economic impact, we may see improved trading for other city centre retailers and we hope to see more jobs for local people and more benefits for the local community.

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