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£200m boost for regeneration as the English Cities Fund doubles in size

Public-private joint venture looks to build on its £1.6bn track record

The English Cities Fund – a partnership between three of the UK’s leading regeneration and investment organisations – has announced that it will double its investment in cities and towns in England to £200m.

The fund is a development company set up by Homes England, Legal & General and Muse Developments. With initial investment of £100m, the fund is on track to deliver five schemes in England with a total value of £1.6 billion.

The fund will now double in size to £200m to target complex, large-scale and long-term regeneration projects which unlock the potential of English cities and towns.

It will seek new partnerships with leading councils, regional authorities and other public sector organisations to transform major sites, deliver mixed-use, residential-led schemes, and create inspiring new places.

The fund was set up in 2001 to bring together the best of the public and private sector, combining the expertise and ambition of Homes England, the Government’s dedicated land and homes agency; Legal & General’s deep capabilities in delivering long-term, joined-up investment across UK property and infrastructure; and the nationwide urban regeneration expertise of Muse Developments.

With a mission to take on challenging development sites and encourage private and institutional investment in cities, the English Cities Fund is behind some of the UK’s most successful regeneration projects in Liverpool, London, Plymouth, Salford and Wakefield.

To date, the fund has delivered 850,000 sq ft of office, retail and leisure space, generating some 5,000 jobs and opening up new urban spaces to the public. It has built 1,300 homes in characterful new neighbourhoods, with a further 2,210 homes still in the pipeline, alongside 820,000 sq ft of new commercial development.

The English Cities Fund has a track record of taking challenging, often stalled sites and creating dynamic urban communities where blue-chip companies, ambitious occupiers, entrepreneurs, homeowners and renters locate side by side. Its schemes have secured over £800m further third-party investment, including from property companies, institutional investors and the public sector.

Sir Michael Lyons, former chair of the BBC Trust and chair of the English Cities Fund, said: “Our cities and towns are the engines of our economy and our cultural and social lives. We must continue to reinvent them in bold and imaginative ways.

“We want to partner with ambitious local authorities and other public bodies who want to attract investment, build homes and support enterprise. Together we can create exceptional places.

“We’re a unique partnership. In bringing together Homes England, Legal & General and Muse, we are demonstrating the combined potential of public and private sector regeneration expertise. We’ve shown over 17 years that it’s possible to commit for the long-term while still delivering at pace. It’s an approach that’s allowed us to see potential where others may not and to transform even the most complex sites.

“As we double the fund, we’re enthusiastic about the opportunities to deliver urban developments which show real imagination and unlock value for our partners and their communities.”

Bill Hughes, Head of LGIM Real Assets, commented: “The expansion of The English Cities Fund is a clear testament to the success that this enlightened public and private sector partnership has had on helping to fundamentally transform and reshape Britain’s landscape through meaningful regeneration and a natural extension of our activities elsewhere. Our joined-up real assets investment approach, alongside this public/private model, will continue to maximise the long-term social and economic impact our regeneration schemes have across the built environment.”

The expanded fund will focus principally on projects which have a gross development value of over £100m.

The fund typically partners with councils and other public sector organisations who are landholders, promoters or stakeholders in key regeneration areas. As well as working with five local authorities, the fund has delivered schemes in partnership with Network Rail, the East Coast Mainline, the Greater London Authority and Homes England.

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Notes to editors

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The English Cities Fund

The English Cities Fund is a development company set up by three of the UK's leading regeneration and investment organisations. We work in partnership with the public sector to transform urban areas and create exceptional new places.

The fund brings together the combined expertise and ambition of Homes England, the Government's homes agency; investors Legal & General; and urban regeneration specialists Muse Developments. Our partnership brings together the best of the public and private sector.

In 2018, we announced the doubling of the fund to £200 million, paving the way for new partnerships and fresh investment into urban areas across England.

Since 2001, we have delivered some of the country's most complex and most successful urban regeneration projects. We're proud to have taken on large, challenging sites in Liverpool, London, Plymouth, Salford and Wakefield and created inspiring new places in the heart of these cities.

Following the expansion of the fund, we are exploring new partnerships with strong public sector organisations to deliver large-scale, mixed-use opportunities.

www.englishcitiesfund.co.uk

Homes England

Homes England is the UK's national housing agency. It brings together land, money, expertise, and planning and compulsory purchase powers, with a clear remit to facilitate delivery of sufficient new homes, where they are most needed, to deliver a sustained improvement in affordability.

Homes England is an executive non-departmental public body, sponsored by the Ministry of Housing, Communities & Local Government.

<https://www.gov.uk/government/organisations/homes-england>

Legal & General

Established in 1836, Legal & General is one of the UK's leading financial services groups and a major global investor, with a number of growing businesses in the US and in other countries. At 30th June 2017, we had over £951 billion in total assets under management. Over fifteen million people worldwide rely on us to help them save for the future and to protect their families and their homes.

Legal & General's long term investment into English Cities Fund is collaboration between two areas of its business – Legal & General Capital, which acts as the investor, and LGIM Real Assets, which acts as the investment manager:

Legal & General Capital (LGC) is the early-stage investment arm of Legal & General Group. Investing from Legal & General's £6bn principal balance sheet, LGC's purpose is to generate long-term shareholder value by injecting new capital into key sectors where there has been a shortage of investment and innovation. Focused on Housing, Infrastructure (Urban regeneration and Clean Energy) and SME Finance, these key sectors reflect our aim to invest for the long term in economically and socially useful assets, to secure competitive returns and to create new asset classes for Legal & General's varied investment requirements, for our partners and for the wider marketplace. Investments to date have included housebuilder CALA Homes, a Build to Rent joint venture, major urban regeneration projects in Salford, Newcastle, Cardiff and Bracknell, SME finance group Pemberton and clean energy firm, NTR.

LGIM Real Assets is a division of Legal & General Investment Management (LGIM), one of Europe's largest institutional asset managers and a major global investor. LGIM manages £951.1bn in assets on behalf of over 3,200 clients (as at 30 June 2017), providing products and solutions spanning all asset classes. LGIM Real Assets, headed up by Bill Hughes, has AUM of £24.9bn (as at 30 June 2017), actively investing and managing assets across commercial property, private residential, infrastructure and property lending and, most recently, corporate credit.

Muse Developments

Muse Developments is one of the country's leading names in mixed-use development and urban regeneration. It is a national developer, with regional operations in Manchester, London, Leeds and Glasgow. Muse is part of Morgan Sindall Group plc, a leading UK construction and regeneration group with revenue of c£2.8 billion and which operates through six divisions of Construction & Infrastructure, Fit Out, Property Services, Partnership Housing, Urban Regeneration and Investments.

www.musedevelopments.com