

Public Document Pack Supplementary Agenda

Items 9 and 14 refer

SCRUTINY BOARD (HOUSING AND REGENERATION)

Meeting to be held in the Civic Hall, Leeds on Friday, 20th July, 2012 at 10.00 am

A pre-meeting will take place for ALL Members of the Board in a Committee Room at 9.30 am

MEMBERSHIP

Councillors

B Atha	-	Kirkstall;
D Collins	-	Horsforth;
J Cummins	-	Temple Newsam;
P Grahame	-	Cross Gates and Whinmoor;
M lqbal	-	City and Hunslet;
S Lay	-	Otley and Yeadon;
V Morgan	-	Killingbeck and Seacroft;
D Nagle	-	Rothwell;
J Procter (Chair)	-	Wetherby;
Towler	-	Hyde Park and Woodhouse;
G Wilkinson	-	Wetherby;
Mr G Hall	-	Co-optee (Non-voting)

Please note: Certain or all items on this agenda may be recorded

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ltem No	Ward/Equal Opportunities	ltem Not Open		Page No
9			QUERIES RAISED UNDER QUARTER 3 PERFORMANCE REPORT MARCH 2012	1 - 8
			To consider a report of the Head of Scrutiny and Member Development on queries raised under Quarter 3 Performance Report at the March 2012 meeting.	
14			DEVELOPMENT OF BROWNFIELD SITES	9 - 16
			To consider a report of the Director of City Development on the development of Brownfield Sites.	



20th July 2012

Provision of training and employment opportunities on new affordable housing schemes.

Introduction

This paper provides Scrutiny Board with details of the previous level of training and employment opportunities delivered as a result of the Homes and Communities Agency (HCA) National Affordable Housing Programme (NAHP) in 2011/12; the expected level of forthcoming opportunities arising from delivery of the Affordable Homes Programme 2011/15 and outlines the work which is ongoing to ensure that collaborative efforts to maximise opportunities are pursued.

Background

As a condition of HCA funding under the NAHP, there was a requirement to provide a specified number of employment and training opportunities, including apprenticeships on new affordable housing schemes according to the value of the scheme. As a condition of funding, providers were required to submit quarterly information to the HCA on employment and training outputs on each of their schemes.

Outputs from 2008/11 National Affordable Housing Programme

Between 2009 and March 2012 **59 apprenticeships** and **19 work placements** were created or safeguarded on schemes which delivered 565 affordable homes via the National Affordable Housing Programme in Leeds.

Potential Outputs from the 2011/15 Affordable Homes Programme

The current programme is estimated to deliver in excess of 700 new affordable homes over the period 2011/15. It is <u>estimated</u> that this could result in the provision of an additional 100 new employment opportunities including apprenticeships and work placements over the next 3 years.

However, it should be noted that the HCA no longer imposes national apprenticeship targets as a condition of funding. The Affordable Homes Programme 2011/15 saw the end of significant levels of grant funding for development by Registered Providers (RPs) and introduced a model which encouraged providers to use their existing assets to raise finance and help reduce the amount of public funding needed to deliver new supply, which is the main driver currently.

In addition it is important to understand that whilst RPs appreciate and support the need to create employment opportunities as a priority for the Council this is a matter outwith the Council's direct control and will be the subject of negotiations between RPs and their contractors, especially in view of the necessity for them to provide greater value for money to the HCA.

However, officers in the Regeneration Service with the support of the Employment and Skills service continue to work collaboratively with RPs to ensure that opportunities are maximised. The Housing Investment Team continues to monitor RPs employment and training outputs including apprenticeships, work placements and other employment opportunities. The importance of this issue as a priority for the Council is reinforced to RPs at the regular RP Delivery Group meetings where RPs are encouraged to share examples of good practice and details of their performance.

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Apprenticeships Report

Leeds – August 2011 to April 2012

This report provides a review of the quarterly apprenticeship management information data from the National Apprenticeship Service (NAS). The data made available by NAS in January 2011 is the period August 2011 to April 2012.

Apprentices

- The total number of apprenticeship starts from August 2011 to April 2012 were: 1,716 for 16-18 year olds; 1,671 for 19-24 year olds; and 2,118 for 25+. This gives a total of 5,505 apprenticeship starts this year, compared with 5,095 the same period the previous year, a yearly increase of 8%.
- The Leeds' apprenticeship participation rate for 16-18 year olds for 2009/10 is 9.5%. Currently there is no 2010/11 or all ages or national/regional comparison data available.
- Leeds' apprenticeship success rate for all ages in the 2010/11 academic year was 77%. The regional rate was 77% and the national rate was 76%.
- For 16-18 year olds, in April 2012 there were 108 new apprenticeships starts, this is a decrease on the previous month's figure of 169 and a increase the previous year's figure of 93. Currently there is no monthly trend data available for other age groups.
- The following frameworks have the largest number of 16-18 year olds apprentices: Customer Service (194); Providing Security Services (178); and Business Administration (126). For 19-24 year olds the most common frameworks were: Retail (193); Health and Social Care (189) and Customer Service (183). Whereas, for the 25+ year olds most apprentices where in: Health & Social Care (415); Customer Service (321) and Management (288).
- From August 2011 to April 2012 the posts that were most frequently available to all ages on Apprenticeships Vacancies Online were in: Business Administration & Law (540); Retail & Commercial Enterprise (279); Engineering & Manufacturing Technologies (103); and Health, Public Services & Care (71).
- The sector subject area with the greatest number of apprenticeship applications, via vacancies online, amongst under-19s in Leeds was Engineering and Manufacturing Technologies with 16.1 applications per advertised vacancy. Other areas with high numbers of applicants, as of April 2012 were: Information & Communication Technology (11.6); Construction, Planning and the Built Environment (10.1); and Science and Mathematics (9.0).
- The greatest number of apprenticeship starts for 16-18 year olds were in: Retail and Commercial Enterprise (367 starts); Business Administration and Law (356 starts); Health, Public Services and Care (305 starts); Engineering and Manufacturing Technologies (300 starts).
- 34% of apprentices aged 16-18 are female and 66% are male. 53% of apprentices aged 19-24 are female and 47% are male. 60% of apprentices aged 25+ are female and 40% are male. We have not been provided with a gender percent for combined all ages.

- 9% of 16-18 year olds are classed as disabled, 7% of 19-24 year olds are also classed as disabled and 7% of 25+ year olds are classed as disabled. We have not been provided with a disabled percent for all ages.
- We are seeking BAME information for all apprenticeships in Leeds.
- We are aiming to develop a greater understanding of which localities apprenticeships reside in and how these relate to our target unemployment localities. To further this work we require residential location data for all apprentices.

Employers

- We are seeking final confirmation for all employer engagement rates from 2009/10 to 2010/11. We are also seeking regional and national comparisons and more regular updates for employer engagement statistics.
- For 16-18 year olds the top 3 providers of apprenticeships are, in descending order of places: Focus Training & Development Ltd, Elmfield Training Ltd, and Leeds College of Building. For 19-24 year and 25+ olds the top three providers are Elmfield Training Ltd, Leeds City College and JHP Group Ltd.
- The majority of apprentices work for employers of an unknown size. For those apprentices for which employer size data is available 38% work in businesses with up to 149 staff, 22% work in businesses with 50-499 staff, 16% work in businesses with 500-4999 staff and 24% work in businesses with over 5000 staff.
- We are currently seeking more information on the type, size and location of employers who have employed an apprentice of any age.

2011/12 QUARTER 4

CITY PRIORITY PLAN REPORT CARD

Meeting: Sustainable Economy and Culture Board Outcome: businesses are supported to start up, innovate thrive and grow Employers to 7.2% (an additional 240 employers) by the end of 2011/12 - April 11.

Why and where is this a priority

Apprenticeships are the government's primary workforce development tool for existing employees and new recruits, with a particular focus on young people. A larger and broader mix of Leeds employers need to be engaged in Apprenticeships in order to grow the city's skills base, increase employment and improve business productivity.

Story behind the baseline

It has not been possible to ensure the provision of reliable data on employer engagement with Apprenticeships. Discussions are ongoing with the National Apprenticeship Service (NAS) on the provision of information on the employer count, therefore the RAG rating is Amber. Other measures will continue to be used to monitor progress and the effectiveness of interventions to promote the expansion of Apprenticeships.

Performance is measured in academic years, August to July. The latest available data covers the period from August to October 2011. The Leeds' Apprenticeship success rate for all ages in the 2010/11 academic year was 77%. The regional rate was 77% and the national rate was 76%.

The total number of Apprenticeship starts from August 2011 to October 2011 were: 861 for 16-18 year olds; 633 for 19-24 year olds; and 784 for 25+. This gives a total of 2,278 Apprenticeship starts in the current academic year, compared with 1,730 in the same period the previous year, a yearly increase of 32%.

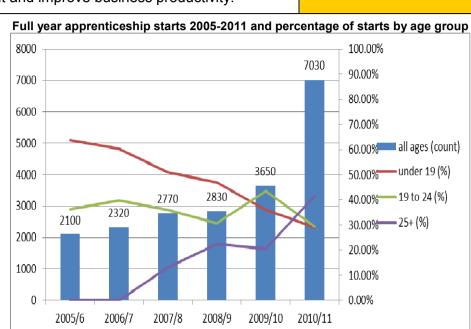
The following frameworks have the largest number of 16-18 year olds apprentices: Customer Service; IT & Telecoms; and Beauty Therapy.

For 19-24 year olds the most common frameworks were Retail; Customer Service; and Hospitality & Catering. For those over 25 years old, the largest number of apprentices were in Retail; Customer Service; and Health & Social Care.

66% of apprentice starts by 16-18 year olds are at an intermediate level, 34% are at an advanced level. 67% of starts by 19-24 year olds are at an intermediate level, 31% are at an advanced level and 2% are at a higher level. For Apprenticeships starts for all ages there has been a 46% annual increase on intermediate level starts, an 8.4% increase on advanced level starts, and a 11% decrease in higher level starts. 8% of 16-18 year old are identified as disabled, 6% of 19-24 year olds are identified as disabled.

What do key stakeholders think

NAS is currently analysing the findings of a questionnaire to learners and employers. The outcomes of this will be available later in the year and will be used to inform ongoing work to promote Apprenticeships to employers and to support learners to take up these opportunities in Leeds.



Priority: Increase the apprenticeship engagement rate amongst Leeds

Population: All people in Leeds

Academic Years



 Identify 227 new Apprentices in poportunities, so of which have been filled to date. A central careers fair for young people in Leeds, took place on 22 and 23 November at the Royal Armouries, Leeds. A total of 1,629 from 26 schools attended across both days. Participation was higher than in the previous year (1222). Work between Prospects and partners is now underway to consider the detailed feedback and make adjustments for next year's event. Leeds City Council worked with West Yorkshire Learning Providers, the National Apprenticeship Service and businesses to deliver an Apprenticeship Information Evening at the Leeds Town Hall on 14 March 2012. This year's event had an additional focus on Level 4 Apprenticeships and progression routes to higher education. Initial estimates are that over 800 young people and their parents/carers attended. An evaluation is currently being undertaken by Children's Services to inform follow up work with schools/academies and IAG providers. The Civic Hall hosted the inaugural Leeds Apprenticeship Awards in February, to coincide with National Apprenticeship Week 2012. Over 220 people attended to celebrate the work of apprentices, businesses and learning providers in the city. The winners of the Leeds Apprenticeship Awards are listed at <u>www.leeds.gov.uk/awards</u>. Additional Apprenticeship Ambassadors have been identified within the city to include a key developer in the city through Land Securities. What worked locally /Case study of impact The Leeds Apprenticeship Awards provided a platform for celebrating the profile and importance of Apprenticeships. Ten award categories recognised apprentices, employers, learning providers and schools. The event generated a wide range of media interest which served to further promote Apprenticeships with the city. In addition the event gained recognition as a model of good practice by the National Apprenticeship Service in the promotion and celebration of Apprenticeships in Leeds.<th> Engagement Strategy targeted at supporting schools and academies discharge their new Information, Advice and Guidance responsibilities from April 2012. This aims to provide up-to-date information and practical support to staff and will be launched April to June 2012. The Council is seeking support from the government through the City Deal initiative announced by the Deputy Prime Minister in November support an accelerated programme of support to SMEs to take on apprentices in Leeds and across the Leeds City Region. Employment Leeds in partnership with Jobcentre Plus and Leeds City College has developed a pre-Apprenticeship programme to support individuals looking to secure an Apprenticeship with the Leeds NHS Trust. The pilot cohort of learners have all secured an interview for a Apprenticeship with the Trust. Data Development The National Apprenticeship Service (NAS) has validated the Data Sharing Agreement. There has been an improvement in the level of data provided on Apprenticeship Starts, however this is now received less frequently and with greater time lags. Discussions are ongoing to identify an appropriate measure and reliable data source to reflect employer engagement. NAS is not able to provide data on the ethnicity of apprentices. The Council is seeking to agree a separate data sharing agreement with NAS for data on unsuccessful candidates and improve application success rates. </th>	 Engagement Strategy targeted at supporting schools and academies discharge their new Information, Advice and Guidance responsibilities from April 2012. This aims to provide up-to-date information and practical support to staff and will be launched April to June 2012. The Council is seeking support from the government through the City Deal initiative announced by the Deputy Prime Minister in November support an accelerated programme of support to SMEs to take on apprentices in Leeds and across the Leeds City Region. Employment Leeds in partnership with Jobcentre Plus and Leeds City College has developed a pre-Apprenticeship programme to support individuals looking to secure an Apprenticeship with the Leeds NHS Trust. The pilot cohort of learners have all secured an interview for a Apprenticeship with the Trust. Data Development The National Apprenticeship Service (NAS) has validated the Data Sharing Agreement. There has been an improvement in the level of data provided on Apprenticeship Starts, however this is now received less frequently and with greater time lags. Discussions are ongoing to identify an appropriate measure and reliable data source to reflect employer engagement. NAS is not able to provide data on the ethnicity of apprentices. The Council is seeking to agree a separate data sharing agreement with NAS for data on unsuccessful candidates and improve application success rates.
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What we did

- Over 760 Apprentices in total have participated in the Council's apprentice programme, the scheme is now one of the largest local authority programmes in the country.
- Employment Leeds, the council's support to employers in the city, supports the recruitment of apprentices. It has worked with employers to identify 227 new Apprenticeship opportunities, 98 of which have been

New Actions

- The Council is working closely with schools and academies to further develop and tailor National Apprenticeship resources to provide young people with information on Apprenticeships, where to find information and how to apply for vacancies on line.
- The Council has undertaken work to develop an Apprenticeship Engagement Strategy targeted at supporting schools and academies to es
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Risks and Challenges Ensuring the learning providers can respond to changing employer needs and match provision to local growth sectors. Ensuring young learners are provided with appropriate Information, Advice and Guidance on the wide and growing range of apprenticeships opportunities through targeted activity and interventions with learners, parents and carers, and schools.

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Report of the Director of City Development

Report to Scrutiny Board (Housing and Regeneration)

Date: 20 July 2012

Subject: Bringing Forward Brownfield Development Sites

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	🗌 Yes	🛛 No
Are there implications for equality and diversity and cohesion and integration?	🗌 Yes	🛛 No
Is the decision eligible for Call-In?	Yes	🛛 No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	Yes	🛛 No

Summary of main issues

1. This report presents an overview of the issues relating to brining forward brownfield development land in Leeds for residential use.

Recommendations

Members are asked to note the report and offer comment on the issues raised.

1. Purpose of this report

1.1 This report has been prepared in response to a request from Scrutiny Board for a discussion paper on issues relating to the development of brownfield land in Leeds and how it can be brought to the market.

2. Background information

- 2.1 A significant feature of Leeds renaissance in the last 10-15 years has been the reuse of brownfield land to accommodate new residential developments. In broad terms this has been underpinned by population and household growth and driven by the boom in city centre living, the availability of credit for developers/house buyers and planning policies (national and local) encouraging a 'brownfield first' approach, which have collectively resulted in land values high enough to support good profit margins for developers and land-owners.
- 2.2 During this period the Council has maintained a healthy disposal programme, benefiting from sale of brownfield land for housing. Since 2005, sales of brownfield

property amounted to almost £28m, with an estimated 1,500 housing units delivered on 38 hectares as a result of subsequent developments by purchasers.

- 2.3 Following the 'credit crunch' of 2007/8 and the subsequent economic downturn, the property and development markets have made a significant withdrawal from development on brownfield sites, which have in large part ceased to offer prospect of a return on land values. Although this has been evident throughout the city, it has particularly been the case in the city centre, inner areas and peripheral estates.
- 2.4 In the city centre, sites that were previously purchased at pre-crunch values and not developed now lay fallow due to the unviability of developing and selling flats at the densities required to make the originally anticipated commercial return. In some cases these sites have returned to the lending bank's ownership due to the liquidation of the companies set up to purchase and develop them.
- 2.5 Sites in non-central marginal locations that previously would have been capable of delivering small commercial profit or land value can now be described as submarginal and some way from being of interest to house builders. This has been exacerbated more recently by the swing towards greenfield development following the release of Phase 2 & 3 UDP land for planning applications, which has resulted in some refocus of the local development industry away from inner city and estate locations towards profitable current and future edge of city opportunities.
- 2.6 The proportion of residential completions on brownfield land in Leeds grew from 53% in 1997 to a peak of 97% in 2006. The trend has subsequently been downward, with 86% of completions on brownfield land in 2011.
- 2.7 The Council has continued efforts to secure the disposal and development of brownfield sites in its ownership and has retained priority regeneration and disposal programmes that focus on those areas where much of this land is located.
- 2.8 The capital receipts disposal programme has however slowed and expectations of both income and development potential have been significantly reduced. Since the height of the market in 2007/8 when brownfield disposals were valued at £12m, average annual receipts have been around £2.4m.
- 2.9 The EASEL project is building new homes on two cleared sites in Gipton and Seacroft, albeit on a supported basis significantly different to that of the fully market-lead development originally envisaged. Over 200 new homes have been built since 2008.
- 2.10 The Council has also succeeded in disposing of some brownfield sites directly to the market for development, securing a positive land value in doing so a recent example being Walmer Grove in Pudsey for which a conditional contract is currently being negotiated and the purchaser is preparing a detailed planning application. In addition, the site of the former Moorhaven older people's home will be sold in the next few days following the purchaser's receipt of detailed planning permission.
- 2.11 The ability to do such deals is however very much dependent upon site conditions (abnormal costs) and location, with market confidence not consistent across the city.

- 2.12 Partner agencies have also continued to play a key role in bringing forward, disposing and developing brownfield sites. The Homes and Communities Agency (formerly English Partnerships) has remediated and disposed of the former Allerton Bywater coal workings and is in the process of taking land at the former Wharfedale Hospital to the market for housing development. The HCA has provided significant subsidy and grant to developers through programmes such as Kickstart, Get Britain Building, HomeBuy Direct and also provides grant to Registered Providers through the Affordable Housing Programme. In total 1690 units have been delivered since 2008 with HCA support.
- 2.13 In the Aire Valley Leeds, the Miller Homes Scheme at Yarn Street continues to be active with two phases (c100 units) delivered so far on brownfield land. The first two phases were supported through Kickstart but Miller Homes declined to pursue the current Get Britain Building scheme which offers loan support to the developer rather than to individual purchasers. Elsewhere the owner of the Yorkshire Chemicals site (Black Bull Street) submitted an application for family housing on the edge of city centre brownfield site. There is as yet no confirmation when this type of development will actually come forward. Despite a range of permissions already granted across Aire Valley Leeds there is not indication currently that any developer is actively preparing for new housing developments.
- 2.14 In the Holbeck Urban Village area public sector pump priming of public realm and site funding, through the former Regional Development Agency, has lead to private residential developments of over 600 units on sites such as the Round Foundry, Manor Mills and Granary Wharf. A further 70 units are in the pipeline for the next phase of the Tower Works project.
- 2.15 For the private sector negotiating independent third party purchases of land, brownfield sites in more attractive locations are proving to be of interest. Bellway has commenced development of the former Vicker's tank factory in Crossgates with three and four bedroomed houses. Also in Crossgates, work will soon commence on the former Optare site. The Green Bank site which straddles the Urban Village boundary at its western edge is currently being consulted on in preparation for a planning application. An existing planning application for the site includes provision for a 33 story tower although the new application, by owners Taylor Wimpey will seek to reduce the scale and number of residential units (to around 600) to reflect current market trading conditions. Such developments are indicating a return to more traditional family type housing estates at lower densities.

3. Main issues

3.1 Land Ownership and Interests

- 3.2 Consideration of the brownfield challenges in the city requires appreciation of the differing nature of land ownership and interests. These sit broadly in three categories:
 - Leeds City Council
 - Other public bodies (eg. HCA, NHS)
 - Private interests (eg. developers, banks & investment institutions, individuals)

- 3.3 The intentions of these interests for their land will be driven by different pressures, aspirations and governance arrangements.
- 3.4 The Council has its own conflicting demands to balance and satisfy the Housing Growth agenda and need to deliver against the city's housing needs; regeneration aspirations for some of the areas in which sites are located; and capital receipt aspirations attached to the land assets.
- 3.5 Other public bodies may be required to respond to aspirations and demands not directly linked to the land itself (eg. clinical and commissioning needs and estate reconfiguration in respect of the NHS), which add further complexity to the way in which land is brought forward for development. There will also be direct policy and funding pressures to respond to from central government.
- 3.6 Private interests will often be driven by the need to recoup purchase costs and ideally obtain a profit on a sale or development. This may lead to owners holding on to land until they are able to bring it forward on a commercial basis and may often play a significant role in determining the eventual nature and form of the development. Where land is owned by banks and investment institutions (particularly as a reversion from liquidated companies) there may be limited immediate and proactive interest in the asset.
- 3.7 Alongside these ownership interests local communities, ward members, individuals and businesses will have their own views and ambitions for sites.

3.8 Planning

- 3.9 The planning system as a whole has a key role to play in providing or supporting the conditions of certainty that are critical to the development process, particularly where there may be a perception of greater risk attached to the viability of development on brownfield sites.
- 3.10 The city has a range of planning tools at its disposal (or emerging) to offer this certainty, encourage investment and guide development of previously used land. Principal amongst these is the adopted Unitary Development Plan, which focuses on the development and regeneration of brownfield land in the inner areas and the emerging Core Strategy.
- 3.11 The Council produces planning statements and planning briefs for sites, including those it is seeking to dispose of (scope of these is dependent upon the size and complexity of a site), which offer guidance on potential uses, design and siting matters and also support the marketing of the development opportunity.
- 3.12 At a wider level, particularly in priority or regeneration areas, area frameworks can be used and adopted as either formal or informal planning guidance. These provide a more strategic overview of larger sites or collections of sites, their fit with surrounding uses, more detailed development scope and can be part of broader marketing and area regeneration initiatives. Examples of these include the Beeston & Holbeck Land Use Framework and the Aire Valley Area Action Plan.

3.13 Following the 2011 Localism Act there are now further ways in which the planning system can support and stimulate brownfield residential development – locally drawn up, pro-growth Neighbourhood Plans will offer clarity and certainty to developers on the potential of sites where these have been designated for housing. These will have an important relationship to work on the ground to affect visible neighbourhood improvements and confidence in the future prospects of an area (such as community safety partnership work, neighbourhood management).

3.14 Future Delivery Opportunities

- 3.15 The ability of the city and its stakeholders to address its brownfield sites and bring these forward for development will be strongly influenced by two important market dynamics.
- 3.16 Firstly the increasing pressure for development of Greenfield locations, stimulated initially by the release of Phase 1 & 2 UDP sites has refocused the market towards sites which are considered easier to develop and make a commercial return from, away from more challenging and less profitable brownfield locations.
- 3.17 Secondly the prevailing macro-economic conditions will mean it is unlikely that the property and housing markets will see a significant uplift towards pre-crunch levels; values will remain substantially lower and the bar for brownfield sites to become viable for development, with a product that is viable for development and attractive for house buyers, will remain too high.

3.18 Leeds City Council

- 3.19 Work is underway to establish the means or vehicles through which greater interest can be secured from the market in the Council's brownfield sites and to secure a more certain and sustainable development pipeline.
- 3.20 The Council has a range of land requirements in reconfiguring, improving and delivering its services, for example in finding sites for new schools and sites for older people's housing. These sites are required to be reserved or set aside to meet service needs.
- 3.21 The Council's immediately available residential development sites have been reviewed and can be divided into two packages:
 - (a) sites upon which it is likely that financially viable schemes can be delivered;
 - (b) sites of marginal or no financial viability which would not be of interest to the market without some form of Council assistance.
- 3.22 The first type of site could be expected to sell on the open market with the Council realising a capital receipt. In the current market it is expected developers would wish to proceed on a conditional basis and secure detailed planning permission before completing the acquisition. The second type of site is unlikely to be financially viable without some form of support or subsidy.

- 3.23 There are therefore a range of potential options that could be considered in bringing these sites as a whole to the market:
 - Advertised for sale on an open market basis
 - Deferred purchase (disposal and land value returned to the council only upon completion of development)
 - Equity Share in houses constructed (the Council takes a stake off-set against land value)
 - Profit Share (either an agreed proportion of sales or through overage)
 - Direct financial assistance (in the form of grant or cross subsidy from more viable sites)
 - Purchase of houses to guarantee level of sales revenue (requiring Council capital)
 - Partnering with Registered Providers (which may require HCA grant to be allocated)
 - Infrastructure improvements by LCC (requiring up front capital investment)
 - Transfer of affordable housing requirements from other market-lead sites
 - Relaxation of s.106 requirements
- 3.24 These approaches might be considered on a site-by-site basis or under a packaged approach through which the sale of viable sites could be combined with those that are less viable.
- 3.25 There has been growing interest nationally in the extent to which expanding the private rented sector could meet housing requirements, particularly of people who have been unable to access mortgage finance to buy their own property but who would not qualify for social rented housing. The government have been looking at ways through which institutional investors can be encouraged to invest in this market and how some of the technical barriers to investment including land can be overcome.
- 3.26 In Leeds, in conjunction with the HCA and colleagues in other Leeds City Region authorities, feasibility work is being undertaken to see how the model might work in the regional market. Location will be key, both in terms of meeting the aspirations of a relatively affluent working population and achieving sufficient scale to make the investment attractive. Ideally schemes would be located near economic centres or on main transport routes. There are a number of brownfield sites which might be appropriate for this and work is ongoing to identify those sites which could lend themselves to this model.
- 3.27 The Affordable Housing Scrutiny Working Group, which concluded its inquiry last month, received a series of discussion papers on the issue of institutional investment and included further detailed consideration of this investment model within its recommendations.
- 3.28 Other Public Bodies
- 3.29 The HCA holds a portfolio of development land arising from its former role as English Partnerships and from its current role in bringing forward housing development on redundant government land. New phases of development are being brought forward at Allerton Bywater and the former Wharfedale Hospital site

is also being brought to the market. There are also a range of former Yorkshire Forward sites located in the Holbeck Urban Village area that sit with the HCA to be brought forward for development.

3.30 The HCA has offered to work with the Council in market testing some of the Council's sites with its own sites through its Delivery Partner Panel (DPP) later in 2012. This exercise will provide feedback from the DPP members whether the sites are attractive and what delivery mechanism may be effective in realising development; it will also offer views on how the sites could be delivered to stimulate development.

3.31 Private Interests

- 3.32 The ability and willingness of private interests to bring forward brownfield sites for development will be almost wholly determined by the wider property and housing market and a viability assessment of when land will become profitable.
- 3.33 Such private sites are predominately located in areas such as the city centre, Holbeck Urban Village, Aire Valley and at Kirkstall Forge.

4.0 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 There has been no specific consultation on this report, which is presented as an initial discussion document for Scrutiny Board.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 There has been no Equality Impact screening undertaken for this report, which is presented as an initial discussion document for Scrutiny Board.

4.3 Council Policies and City Priorities

4.3.1 The remediation and development of brownfield sites relates strongly to a range of objectives within the City Priority Plans.

4.4 Resources and Value for Money

4.4.1 There are no specific resource implications related to this report.

4.5 Legal Implications, Access to Information and Call In

4.5.1 There are no specific legal implications related to this report.

4.6 Risk Management

4.6.1 There are no specific risks related to this report, which is presented as an initial discussion document for Scrutiny Board.

5. Conclusions

- 5.1 The ability to bring brownfield land forward for development is very strongly related to the ability of landowners to make a return and for the development to be profitable. Following the credit crunch and dip in property and housing markets there has been a move away from a high level of interest and realisation of residential brownfield schemes in inner areas, towards a focus on those sites that have a perceived lower level of technical risk and greater chance of commercial return, in greenfield and outer locations.
- 5.2 The ability of the Council and other public bodies to dispose of its brownfield sites is also severely constrained without the funding for significant site preparations or pump priming, requiring new ways of disposing of sites and securing development investment.

6. Recommendations

6.1 Members are asked to note the report and offer comment on the issues raised.

7. Background documents¹

7.1 Ther are no background documents

¹ The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.