Public Document Pack

Late Information for 26th September 2012 Development Plan Panel

The following late information was made available at the meeting:

- Affordable Housing Thresholds response in relation to previous issues raised by Councillor Leadley at Development Plan Panel
- Further clarification provided in relation to Policy CC3
- Amendments to reflect Council's duty to improve Public Health.

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Agenda Item 3

Affordable Housing Thresholds

The affordable housing threshold is currently 15 as set out in SPG, schemes above this capacity must provide affordable housing. The Economic Viability Assessment (EVA) (June 2010) examined a number of scenarios in relation to scheme viability and thresholds focusing on those sites which were viable when the unit threshold was set at 15 units and tested to see what levels of affordable housing could be supported as this threshold was decreased. This enabled analysis to determine whether a sliding scale of percentage requirements for affordable housing is appropriate on smaller schemes.

The Economic Viability Assessment examined three market scenarios, baseline (recession level), pre-recession level (height of the market), and a midpoint position. A set of assumptions covering a range of site sizes, market areas, density, dwelling mix, revenues and costs were considered to determine what development is viable.

The EVA also distinguishes between locations within the market zones to reflect high, medium and low value areas, by using beacon locations within these areas. No viability was seen at the baseline position (current/ recession) for sites in the City Centre or inner areas and therefore no analysis of thresholds in these areas has not been undertaken.

Baseline (recession) Housing market scenario

An analysis of thresholds was carried out at the baseline position, in the golden triangle area viability is most heavily affected around the 8- 11 units mark with the tipping point in difference being about 10 units. This is replicated to a certain extent in the outer area market with the tipping point being at 9. The mix of tenure is important however. This modelling of thresholds had been undertaken assuming that social rented and intermediate units are delivered in equal percentages. If this were tipped in favour of social rented units it is likely that the impact on viability will be more severe and the tipping point would increase to over ten units. If the tenure balance where shifted to provide a higher level of intermediate tenure then this may result in a lowering of the possible threshold

Height of the housing market

At the height of the market, when the housing market is at its height, an analysis of thresholds was also carried out, in the golden triangle area viability is most heavily affected around the 8-15, with a tipping point about 10 units, and for medium value areas about 11 units. Again this will depend on the tenure split of dwellings.

In the Golden Triangle area at the height of the market a threshold of 8 units, for medium value areas a threshold of 15. For the other area 11 units for both high and medium value areas. The results of this modelling focusing on small sites shows that the difference in viability between sites of 15 units and sites of 10 units is marginal. However, below a threshold of 10 units the level of affordable housing which can viably be delivered varies across all of the scenarios tested. The EVA highlights that when considering varying thresholds this would need to be carefully considered, and cannot be looked at in isolation but within the context of other policy considerations such as mix of tenure, benchmarks and targets, therefore an SPD is seen as the most appropriate place to set that level of detail, by doing this a flexible approach to delivery will be achieved.

Mix of Tenure

Another factor which is important is the mix of tenure on sites of less than 10 units as for this analysis a 50/50 split between social and submarket has been assumed. However if more social rented units were provided, then the impact on viability will be more severe and the

tipping point would increase to over ten units. If the tenure balance were shifter to provide a higher level of intermediate tenure then this may result in lowering of the possible threshold.

Administration costs

There are administration costs associated with a reduced threshold, as any reduced threshold would mean more viability assessments for those schemes were developers wish to provide a lower level of affordable housing then set out in the policy. The time involved in assessing small schemes is not likely to be less proportionate than that involved in assessing larger schemes. The unit cost of administration per affordable housing unit secured is therefore likely to be greater for small schemes than for larger schemes. Therefore it is probable that there is a point at which the costs of reduced thresholds would outweigh the benefits given the staff time that a large number of small schemes will take up or the delay in the processing of planning applications.

Community Infrastrucuture Levy (CIL)

The Government has delayed production of the final CIL Regulations until the new year. These will set out whether the definition of infrastructure is changed so that the CIL receipts can be spent on affordable housing.

In setting the CIL Charging Schedule it may be possible to distinguish between different sized schemes which therefore do or don't provide affordable housing. This could mean that subject to viability, a higher rate could be set on schemes which don't provide affordable housing, and although in itself that would not create more affordable housing, it would create a larger overall CIL receipt and potentially allow for offsetting additional funds which the Council chose to spend to that regard. However, the CIL Regulations require that if differing charges are set, then they must relate to differing uses, and so it should be noted that this approach to splitting up the broad residential category into different 'uses' based solely on provision of affordable housing has not yet been tested at Examination anywhere in the country.

At the very least, even if the CIL cannot distinguish housing schemes without on-site affordable housing, it could be acknowledged in the Core Strategy that a portion of the CIL receipts raised might be used to help provide affordable housing in recognition of small housing developments that cannot provide on-site affordable housing. This should then provide recognition that affordable housing is one valid cause when apportioning CIL receipts.

Conclusions

The evidence in the EVA demonstrate that there is evidence to support reducing the threshold from the current 15 to 10. However there are a number of other considerations including administration costs of reducing the threshold below 15 units, the management of single units on sites and whether the percentage requirement should remain the same despite a reduced threshold. An Affordable housing Supplementary Planning Document will provide up to date guidance on targets, within the context of core Strategy ranges.

It is proposed that a sentence be added to paragraph 5.3.17 to say that use of the CIL will be explored to generate contributions for affordable housing in relation to housing developments of fewer than 10 dwellings.

Also, given that some Members at Development Plans Panel 2nd July 2012 were not clear that the provisions of Policy H5 are designed to set overall parameters for an Affordable Housing Supplementary Planning Document rather than for considering planning applications directly, greater clarity would be provided by inserting the words "for a Supplementary Planning Document".

Suggested Changes (additions in grey italics, deletions in strikethrough)

Affordable Housing

- 5.2.11 In conformity with national policy guidance, affordable housing will be required to meet local needs. The policy has been informed by the evidence base, including the Leeds Strategic Housing Market Assessment (Update 2011) (as referred to in PPS3, Annex C) and the Economic Viability Assessment 2010 (in accordance with PPS3 Para 29).
- 5.2.12 Since affordable housing planning policy was first developed in the early 1990s, Leeds has always been able to demonstrate a need for affordable housing (UDP paras 7.5.14 – 19, Assessment 2001/02, Assessment 2003, Assessment 2007 and Assessment 2011). Following national practice guidance, need for affordable housing was calculated to be 480 per annum 2003 and 1889 per annum in 2007. The most recent Strategic Housing Market Assessment (2011) identifies an annual need of 1158 affordable housing dwellings. Not all of this need will be met by the planning system, other methods of delivery such as grant funded schemes also play an important role in the delivery of affordable housing.
- 5.2.13 The Economic Viability Assessment 2010 explored what percentages of affordable housing and what mixes for example social rented /sub-market types of affordable housing would be viable. It did this for different geographical areas of Leeds and for different states of the market, firstly baseline (the depressed period of 2010), secondly mid point and thirdly height of the Market (2007). It concludes that in periods of buoyancy affordable housing could be delivered at 50% in high value areas but that in periods of adversity some areas are hardly able to sustain any affordable housing.
- 5.2.14 Affordable housing should meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and house prices. It should include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision.
- 5.2.15 Households vary in their ability to afford housing. The Strategic Housing Market Assessment 2011 (SHMA) uses evidence of household earnings combined with forecast growth in different types and sizes of household to assess affordability. The profile of earnings in Leeds is polarised and this is forecast to continue with growth in well paid professional and managerial jobs on the one hand and growth in low paid sales, service and elementary occupations on the other whilst the growth in medium paid occupations is predicted to be modest. This means there will continue to be a large proportion of households in Leeds that can afford very little. The SHMA concludes that 60% of affordable housing should be of the "social rented" type. Given changes in national definitions and funding for affordable housing, it is possible that the definition "social rented" as very low rent housing may be blurred with the meaning of "affordable rent". As such it is important that the Core Strategy clarifies what is meant by different levels of affordability so that identified needs are met.
- 5.2.16 The SHMA suggests that households need earnings of at least £15,000 to afford more than "social rented" housing. This equates to approximately the lowest dectile of earnings in Leeds. The affordability of affordable housing should be designed to meet identified needs of households in both lower quartile and lower dectile bands of earnings. From an initial starting point of 40% of affordable housing to meet needs of households in lower quartile earnings, an SPD will

advise how these percentages may vary in different areas of Leeds and may vary over time as new evidence emerges.

5.3.17 Policy H5 provides an overall framework for the provision of affordable housing. It is appropriate that details such as thresholds and targets is provided through a Supplementary Planning Document. This will reflect market conditions and can be reviewed as economic conditions change and the life of the Core Strategy within the context of Policy H5. For schemes that are below the threshold to require the provision of on-site affordable housing, the City Council will explore use of the Community Infrastructure Levy to generate contributions toward affordable housing provision.

POLICY H5: AFFORDABLE HOUSING

Housing developments above a certain threshold should include a proportion of affordable housing to be provided on the development site. The affordable housing provision should provide for a tenure mix in terms of submarket and social rented housing. Over the plan period to 2028 the threshold, amount of affordable housing and tenure splits may vary depending on housing needs and market conditions applicable at the time. An Affordable Housing Supplementary Planning Document will therefore provide up to date guidance on targets and provision sought, which may vary depending on the local area. An annual update to the SPD of affordable housing price benchmark figures will also be provided.

The broad range of provisions for a supplementary planning document will be:

i) A threshold between 10 and 15 dwellings will apply – affordable housing will be sought on any development at or above the threshold. There is no site size threshold.

ii) Overall targets for affordable housing will vary from 5 to 50%.

iii) Affordability of affordable housing to be designed to meet identified needs of households as follows;

- 40% affordable housing for households on lower quartile earnings
- 60% affordable housing for households on lower dectile earnings

During the Core Strategy plan period, Affordable Housing SPDs will determine what particular thresholds, targets and affordability mix will apply to which areas of Leeds.

The affordable units should be a pro-rata mix in terms of sizes and types of the total housing provision, unless there are specific needs which indicate otherwise, and they should be suitably integrated throughout a development site.

Applicants may choose to submit individual viability appraisals to verify that the affordable housing target cannot be met. In such cases, affordable housing provision may be reduced accordingly.

Elderly persons sheltered housing and low cost market housing should not expect the requirement for affordable housing to be automatically waived or reduced, although individual viability appraisals will be taken into account.

Secure arrangements in the form of S106 agreements, must be agreed to ensure delivery and that affordability embodied within affordable housing is maintained for future people of Leeds in housing need

CHANGES TO CORE STRATEGY TEXT

Deprivation and Health Inequalities

- 2.30 In terms of health, Leeds performs well compared to the other core cities in England (Birmingham, Bristol, Liverpool, Manchester, Newcastle, Nottingham and Sheffield) and has the lowest mortality rate for males and females of all ages. There have been huge improvements to life expectancy in the last decade, which has increased by two years for both men and women and over the same period, the mortality rate fell by over 18%. Whilst the health of Leeds has improved overall, the City is performing below the England average, consequently, the need to tackle health issues and disparities across the District is a major challenge for improvement.
- 2.31 Narrowing the health gap within Leeds is a priority within the Leeds City Priority Plan and the Leeds Health and Well Being Strategy. Despite becoming wealthier as a city over the last 20 years, Leeds still has too many deprived areas, where there is a poor quality of life, low educational performance, too much crime and anti-social behaviour, poor housing, poor health, and families where no one has worked for a few generations. The gap in life expectancy between the most disadvantaged parts of Leeds and the rest of the city remains at around ten years. In seeking to address this key cross cutting issue through the Development Plan and in reflecting the duty to improve Public Health (Health & Social Care Act 2012, Section 12), an integral part of the Core Strategy therefore, is to seek to 'narrow the gap', through the overall approach and policy framework.
- 2.32 Out of 476 Super Output Areas (SOAs) in Leeds, the 2010 Index of Multiple Deprivation shows that there are 92 which fall into the most deprived 10% in the country. In 2007, Leeds had 22 SOAs that were ranked in the most deprived 3% nationally, this number rose to 25 in 2010. Overall, 154 improved their ranking but 322 fell between 2007 and 2010. Gipton and Harehills is the only ward with all of its SOAs ranked in the most deprived 20% nationally. There is therefore a clear need to continue to tackle the multiple problems of poverty and to improve all parts of Leeds. Improving the health of the city's population is a key objective to be the best city in the UK. A thriving economy where people have access to jobs and a decent income is essential to good Within this context also, information provided through the Joint health. Strategic Needs Assessment (JSNA) for Leeds, highlights the wide range of health issues and factors across the District and their associated implications. These include population change and key groups within the population (including children and an aging population), behaviours and specific health conditions. The plan provides an opportunity to tackle health priorities in relation to a number of key social determinants of health (including the delivery of high quality housing, the provision of greenspace and in promoting opportunities for cycling and walking).

Map 2 Indices of Multiple Deprivation

Key Challenges

- 2.42 Leeds is a large and diverse city, with a proud heritage, a quality environment and home to a wide range of communities and businesses. As outlined above there are major opportunities for growth and regeneration and a desire for this to be achieved and managed in a way, which reflects the unique character of the district and the principles of sustainable development. In the preparation of the Core Strategy therefore there are a number of key challenges the overall spatial vision, development strategy and policy framework is seeking to meet. These include:
 - Planning for population growth and the complex needs of a diverse population *(including opportunities to improve public health),*
 - Facilitating local opportunities for urban regeneration and economic growth, within the context of major changes and uncertainty in the national and international economy,
 - Planning for housing growth in a sustainable way in suitable locations, whilst meeting a range of housing needs,
 - Ensuring that opportunities for regeneration and economic growth support the aspirations of the community in delivering needed jobs and homes,
 - Ensuring that the physical development and growth of the District, is managed in a sustainable way, to respect the local identity, character and distinctiveness of communities and delivers high quality design and environment enhancement,
 - Opportunities for regeneration and growth are supported with the necessary infrastructure,
 - The need to maintain and develop, a longer term partnership approach to development and growth within the District, with a range of stakeholders including communities, investors and infrastructure providers.

3. SPATIAL VISION

Spatial Vision and Objectives

- 3.1 Leeds has been successful in recent years in regenerating its older urban areas, attracting inward investment, strengthening the role and attractiveness of the City Centre and protecting the District's distinctiveness and character. However, much remains to be done, especially given the consequences of the economic downturn and the reduction of public finance. In order for Leeds to move forward and to fulfil its potential as a major City and regional capital, a clear spatial vision is required to guide decisions on future developments and the policies that will help to deliver these. An integral part of this 'vision' is that local communities will be fully engaged with the need to bring about the sustainable growth of the city and to help the Council to manage investment in a way that delivers tangible community benefits.
- 3.2 The long term vision for the Leeds metropolitan district is that by 2028:
 - Leeds will have maintained and strengthened its position at the heart of the City Region and has grown a strong diverse and successful urban and rural economy, with skilled people and competitive businesses, which are sustainable, innovative, creative and entrepreneurial. All communities will have equal chances to access jobs and training opportunities through the growth of local businesses.
 - Leeds City Centre will remain a successful destination for the people of Leeds and beyond, with a vibrant commercial, leisure and cultural offer. The Trinity and Eastgate centres will be well established and the South Bank will be integrated into the City Centre, which includes a new City Centre park acting as a gateway to the Aire Valley.
 - The spatial management of growth will be planned to balance the use of brownfield and greenfield land in a sustainable way, as part of an overall framework promoting development in suitable locations as a basis to meet identified needs.
 - The distinctive settlement pattern within the Leeds district will be maintained and their character enhanced, whilst providing for and supporting new housing growth opportunities. The main urban area of Leeds will support the diverse and distinctive communities that surround it, separated by agricultural land, woodland, valuable green spaces, habitats, and amenity areas.
 - Town and local centres will remain at the heart of their communities and provide a good range of shopping, services and local facilities.
 - Aire Valley will become an innovative new living and working community which is a national model for sustainable development, accommodating up to 9,000 new homes and 35,000 new jobs within a distinctive green environment. An integral part of the urban eco-settlement will be the

establishment of low carbon solutions, and energy requirements in established communities will have been significantly reduced by retrofitting.

- The Regeneration Priority Areas will have undergone successful transformations, in terms of having more attractive environments, improved choice and quality of housing, better access to employment through improved education and training, and increased connectivity to adjoining neighbourhoods, including the City Centre.
- In reflecting the role of Leeds as a strategic transport hub (including Leeds City Station and Leeds Bradford Airport), serving existing communities and in planning for new growth, sustainable forms of development are delivered (which include public transport as an integral part). Consistent with the ambitions to be 'the best city in the UK', the Leeds will be better connected, by an accessible and integrated transport system, which supports communities and economic competitiveness.
- Leeds will have a wide network of multi-functional Green Infrastructure (including green space areas) which provides an improved quality of life for residents to enjoy healthier lifestyles. This will also be a strong incentive in attracting new business to the area. Through new development, opportunities will be taken to improve connections between Green Infrastructure to enhance its value and achieve a better spatial distribution.
- Leeds will be resilient to climate change through the use of innovative techniques and efficient use of natural resources.
- Place making will be embedded into the planning process which has led to the creation, protection, and enhancement of buildings, places and spaces that are valued by people. This will have a positive contribution towards better *public* health and wellbeing, especially in communities where there have been clear health disparities and disadvantage.

Objectives

3.3 In reflecting this Spatial Vision, the following Objectives are set out below:

(i)	City Centre:
	In supporting the continued vitality, economic development and distinctiveness of the
	City Centre as the regional centre, the Core Strategy will:
1.	Accommodate first and foremost the needs of offices, shops, hotels, institutions and
	leisure and entertainment uses, accepting that there is a place for residential and
	supporting facilities such as parks, convenience stores, health centres, nurseries and
	schools;
2.	Give priority to the development of land opportunities in the southern half of the City
	Centre.
3.	Strengthen the vibrancy, distinctive character and cultural appeal of the City Centre,
4.	Make the City Centre accessible to all, including improved pedestrian and cycle links
	to adjoining neighbourhoods.

(ii)	Managing the Needs of a Successful District: To manage the needs of a growing City, the Core Strategy needs to:
5.	Plan for population growth and the implications of demographic change <i>(including</i>
	opportunities to improve public health).
6.	Promote a diverse, enterprising and competitive economy supported by a skilled work
	force.
7.	Deliver economic development which makes best use of land and premises across
	the district in sustainable locations, accessible to the community and wider labour
	market.
8.	Deliver housing growth in sustainable locations related to the Settlement Hierarchy,
	by prioritising previously developed land in urban areas and through the phased
	release of greenfield sites to ensure sufficiency of supply and provision of supporting
	infrastructure.
9.	Plan for a sufficient mix, tenure and type of housing to meet a range of community
	needs including affordable and specialist housing.
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(iii)	Place making
40	In supporting distinctive and cohesive places, the Core Strategy will:
10.	Promote the role of town and local centres as the heart of the community which
	provide a focus for shopping, leisure, economic development and community facilities,
11.	while supporting the role of the City Centre. Support the provision of community infrastructure that is tailored to meet the needs of
• • •	the community including high quality health, education and training, cultural and
	recreation, and community facilities and spaces.
12.	Support high quality design and the positive use of the historic environment to create
	distinctive and cohesive places that include measures to improve community safety.
13.	Promote the physical, economic, and social regeneration of areas taking into account
	the needs and aspirations of local communities.
14.	Support the improved <i>public</i> health and wellbeing of Leeds' residents and workforce.
(iv)	A Well Connected District :
	In the delivery of an accessible and integrated transport system to support
	communities and economic competitiveness, the Core Strategy aims to:
15.	Increase the use of sustainable forms of transport by facilitating the delivery of new
	infrastructure and the improvement and management of the existing system, transport
16.	hubs and interchange (including Leeds City Station).
10.	Ensure new development takes place in locations that are or will be accessible by a choice of means of transport, including walking, cycling, and public transport.
(v)	Managing Environmental Resources :
(•)	In safeguarding the environment of the District, the Core Strategy needs to:
17.	Protect natural habitats and take opportunities to enhance biodiversity through the
	creation of new habitats and by improving and extending wildlife corridors.
18.	Secure development which has regard to its impact on the local environment and is
	resilient to the consequences of climate change, including flood risk.
19.	Promote opportunities for low carbon and energy efficient heat and power, for both
	new and evicting device many
20.	new and existing development. Make efficient use of natural resources, including the implementation of sustainable

	design and construction techniques, the use of minerals, and the effective minimisation and management of waste.
21.	Protect and enhance Green Infrastructure, strategic green corridors, greenspace, and areas of important landscape character, taking the opportunity to improve their quality, connectivity and accessibility through the development process.
vi)	Implementation and Delivery :
	In progressing the proposals of the Core Strategy, the Council will:
22.	Work in partnership with a wide variety of sectors and agencies including the Leeds
	City Region in the delivery of the Core Strategy and as a focus to explore
	opportunities for funding and delivery.
23.	Work with local communities in Leeds to ensure that local people are involved in
	shaping the future growth of the city with appropriate community benefits.
24.	Ensure that new development is served by appropriate levels of infrastructure to
	support the delivery of the Core Strategy.

4. SPATIAL DEVELOPMENT STRATEGY

4.1 Overview and Location of Development

- 4.1.1 The Spatial Development Strategy outlines the key strategic policies which Leeds City Council will implement to promote and deliver development. The intent of the Strategy is to provide the broad parameters in which development will occur, ensuring that future generations are not negatively impacted by decisions made today. The Spatial Development Strategy is expressed through strategic policies which will physically shape and transform the District. It identifies which areas of the District play the key roles in delivering development and ensuring that the distinct character of Leeds is enhanced. It is complemented by the policies found in the thematic section, which provide further detail on how to deliver the Core Strategy. Integral to this approach, the plan reflects the duty to improve public health as a cross cutting issue, incorporated within a number of key policy topic areas. This includes housing (improving the supply and quality of new homes in meeting housing need), the economy (providing opportunities for local employment opportunities and job growth), the role of centres (in proving the facilities and services for the community in accessible locations), regeneration (targeting specific priority areas across the District), transport and accessibility (improving public transport and opportunities for walking and cycling), place making (maintaining and enhancing local character and distinctiveness) and the environment (the protection and enhancement of environmental resources including local greenspace).
- 4.1.2 The Key Diagram is presented at the end of this section, and compiles these Policies to provide a broad illustration of what the Plan will achieve by 2028. It highlights how and where development will occur, and those development areas which are key to delivering the Core Strategy. The Key Diagram is indicative only, and does not set out site boundaries or define the extent to which development is proposed to occur.
- 4.1.3 The level of housing growth expected to occur by 2028 within Leeds is greater than any other authority within England. A growing and diverse economy brings a need for new housing, sustainable and reliable transport systems, and services to meet the changing needs of the population. Bringing this future growth and prosperity to all residents remains a key consideration for the district.

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Connections

5.1.19 To address the physical and social disconnectivity between the City Centre and the inner-city (the Rim), the Council will advance and promote schemes to improve pedestrian linkages. Particular attention will be given to overcoming obstacles to movement such as Armley Gyratory, Sheepscar Junction and the Southern Inner Ring Road/M621. The West Leeds Gateway Supplementary Planning Document provides more information about Armley Gyratory. In line with Policy CC3, new development will need to be laid out and designed to improve connectivity, for example large redevelopment sites might be laid out with new traversing roads or pathways to improve connectivity; smaller developments might enhance an existing route by providing lighting or installing windows overlooking the route to improve natural surveillance. Any provision made under Policy CC3, will need to be considered in relation to the open space provision or contributions expected under Policy G5. The focus of these policies is to provide appropriate levels of on and off site contributions to open space and infrastructure to improve amenity and connectivity.

Open Space and Permeability

5.1.20 Existing public open space will be protected and new space sought in association with new development in line with the green space policies (G3 and G5). Maximum pedestrian permeability and public accessibility should be promoted in new development.

POLICY CC3: IMPROVING CONNECTIVITY BETWEEN THE CITY CENTRE & NEIGHBOURING COMMUNITIES

Development at appropriate locations is required t *T*o help provide and improve routes connecting the City Centre with adjoining neighbourhoods and improve connections within the City Centre in order to *improve access to jobs and services, to encourage greater usage and* make walking and cycling easier, safer and more attractive, *new development will be expected*:

i) to make contributions (and contributions through the Community Infrastructure Levy once introduced),

ii) if proposals are located in the line of or adjacent to a new route or a route planned for improvement, to make appropriate route enhancements or appropriate off site contributions. This page is intentionally left blank