

Report of Director of City Development

Report to Executive Board

Date: 4 September, 2013

Subject: Proposed amendment to Core Strategy Policy H6

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): City wide	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

The Local Development Framework Core Strategy has been submitted for formal examination by the Planning Inspectorate, due to take place in October, 2013. Housing Policy H6: Part B of the Strategy relates to Purpose Built Student Accommodation.

Recent survey work has been undertaken to examine the current market conditions within Leeds with particular focus on Purpose Built Student Accommodation. This work concludes that there is a current surplus of this type of accommodation, which is likely to increase in the short term. Currently, Policy H6 does not use a needs based assessment for determining future Purpose Built Student Accommodation, and without this criteria could lead to further increases in the surplus of accommodation of this type throughout the city.

In order to manage Purpose Built Student Accommodation more effectively in Leeds an amendment is proposed to Policy H6, recommended by the Student Housing Working Group, to include a need based criteria.

Recommendation

Executive Board is requested to:

- i) approve revision to Policy H6 of the Core Strategy as set out in Appendix 1 for targeted public consultation, as set out in paragraphs 3.1.1 & 3.1.2 prior to the Core Strategy examination.
- ii) agree that the policy amendments may be a material consideration in the determination of planning applications until the Core Strategy is adopted.

1 Purpose of this report

- 1.1 The report outlines the reasoning for the amendment to Core Strategy Policy H6, relating to Purpose Built Student Accommodation (PBSA). Further details on PBSA within Leeds can be found in the 'Student Housing Demand and Supply: A review of evidence' document produced by Re'New that is attached as Appendix 2.

2 Background information

- 2.1 The Core Strategy sets the overall planning objectives, strategic policies and priorities for Leeds up until 2028. It has been through several stages of consultation and was approved by Full Council for submission to Planning Inspectorate at the end of March. Now that the Core Strategy has been submitted for examination the Council is unable to amend the document further. As such any proposed changes considered in this report are recommendations that will be submitted to the Inspector for consideration. The report sets out the reasoning from the Council for the proposed amendments, including evidence recently obtained that demonstrates the current and projected demand and supply of student accommodation within the city. This evidence along with the recommendations from Executive Board will be sent to the Inspector as part of the City Council's statement of case in the lead up to the examination.
- 2.2 For the past decade student numbers have been steadily increasing. This trend, combined with an encouragement from the Council to develop student accommodation outside the Area of Housing Mix has led to a substantial increase in PBSA, particularly in or around the city centre. More recently changes to the economy and university funding have led to a reduction in demand for student accommodation and this has led to an oversupply. Evidence suggests that the 2013/14 intake will see an oversupply of 4,668 bed spaces and using current supply figures this is predicted to rise to 8,470 by 2015/16. By contrast developer interest for PBSA remains high, with several recent permissions for further accommodation (see Appendix 2: Table 4) and continuing pre-application interest.

3 Main issues

- 3.1 Recent analysis by Re'New for the Council suggests that the surplus of student bed spaces within Leeds is set to increase. By contrast this oversupply has not led to a reduction in planning applications for further student accommodation. Demand from developers to build more PBSA remains high as it is still seen as an attractive investment. The Council is concerned that left unchecked, this may lead to a new housing 'bubble' within Leeds. Current large student blocks are difficult to adapt to traditional housing and as such, there could be a large amount of vacant blocks in the future without policy intervention.
- 3.2 The current version of policy H6 is generally encouraging of new provision of PBSA, subject to criteria about amenity and location. It was conceived and agreed by the Council before recent evidence of an increasing oversupply became available. It does not include any criteria for the developer to demonstrate a need for further accommodation. Without this it would be difficult for the Council to resist further planning applications for PBSA in the city centre or across the

Headingley area. As the Core Strategy has yet to undergo formal examination (which begins in October) there is still a limited timeframe available to recommend an amendment to the policy before adoption. Rather than continue with Policy H6 in its current form, amendments have been suggested to improve its effectiveness.

- 3.3 The amendments to Policy H6 include a needs based approach to PBSA; this will limit future development unless it can be demonstrated that there is a need for additional student accommodation or that it has a formal accommodation agreement with a university/higher education institution for the supply of bed-spaces. The amended policy H6 (Appendix 1) sets out details of how a needs based criteria would be satisfied. The policy also includes two other criteria for future PBSA, the first seeks to ensure that new accommodation is of an appropriate quality and size. The second seeks to ensure that future accommodation can be adapted to non-student accommodation if there is a falling future demand.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The proposed amendments to Policy H6 have been through a limited consultation exercise, including internal Council officers, and through the Student Housing Working Group relevant Councillor's, university representatives and Unipol. However, due to a limited timeframe they have yet to be seen by other interested parties; including developers, community groups and previous respondents to Policy H6 that have commented during previous Core Strategy consultation periods.
- 4.1.2 It is proposed to consult with all these relevant stakeholders if approval to the amendments to Policy H6 is given by Executive Board. Any representations will then be reported to the Inspector during the examination of the core Strategy in October.
- 4.1.3 Also, following the Core Strategy Examination, if changes to the Core Strategy are recommended by the Inspector it will be necessary for the Council to undertake at least a 6 week public consultation on those changes. This will further reinforce the process of public involvement and engagement in policy making.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 Policy H6 Part B affects students within Leeds. The Policy has been subject to an EIA through the Core Strategy. As set out in the EIA Screening Report (Appendix 3), it is not considered that these amendments alter the findings of the original EIA.

4.3 Council policies and City Priorities

- 4.3.1 Delivery of the Core Strategy is a Council priority as it sets out the long term spatial vision, objectives and policies for Leeds.

4.4 Resources and value for money

- 4.4.1 As the Core Strategy examination has already been set, and one of the hearings will focus on Policy H6, it is not considered that this amendment will have any implications for resources at this stage.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 The amendment will form part of the formal examination of the Core Strategy in October 2013.
- 4.5.2 A decision may be Exempt from Call In if the decision taker considers that the decision is urgent (i.e. that any delay would seriously damage the Council's or the public's interests). This report is exempt from call-in as the Core Strategy Inspector has set a deadline of 16 September for the submission of supplementary statements by the Council for the Core Strategy examination. Any delay may damage the Council's or public's interest.

4.6 Risk Management

- 3.6.1 Without this amendment there is a risk that continued increase in supply of student bed spaces may create a further housing 'bubble'. The revised version aims to prevent this by ensuring any further development is linked to need. It will provide clearer guidance to developers in the future and thereby reduce risk.

5 Conclusions

- 5.1 The proposed amendments to Policy H6 add a need based approach to the determination of future purposed built student accommodation. This will address the issue of an increasing over supply of this type of accommodation that if unchecked could result in another housing 'bubble'.

6 Recommendations

- 6.1 Executive Board is requested to:

- i) approve revision to Policy H6 of the Core Strategy as set out in Appendix 1 for targeted public consultation, as set out in paragraphs 3.1.1 & 3.1.2 prior to the Core Strategy examination.
- ii) agree that the policy amendments may be a material consideration in the determination of planning applications until the Core Strategy is adopted.

7 Background documents¹

- 7.1 None.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.