

**Report of the Director of City Development**

**Report to: Development Plan Panel**

**Date: 11 December 2013**

**Subject: Core Strategy Update**

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s):	All	
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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, Access to Information Procedure Rule number:		
Appendix number:		

**1.0 Summary of main issues**

1.1 The Core Strategy has recently been subject to independent examination. The purpose of this report is to provide an update for Development Plan Panel on the issues arising, the current position and next steps.

**1.2 Recommendations**

That the Development Plan Panel are asked to note the contents of this report.

**2.0 Background Information**

2.1 The Core Strategy was submitted to the Secretary of State for Communities and Local Government on 23<sup>rd</sup> April 2013. The Secretary of State appointed a Planning Inspector, Mr Anthony Thickett, to conduct the examination of the plan.

2.2 The Inspector considered that it would be necessary to hold a preliminary hearing into the Duty to Co-operate. This was held on the 8<sup>th</sup> July 2013. The Inspector subsequently wrote to the authority on 10<sup>th</sup> July concluding that the Council had met the Duty and the plan could proceed to examination. This was important as this is a

legal pass or fail test and once the plan has been submitted any shortcomings cannot be remedied.

- 2.3 The Inspector issued the examination timetable and a series of matters for consideration in early August. He invited the Council and other participants to make further written submissions on these matters by 16<sup>th</sup> September.
- 2.4 The examination commenced on 7<sup>th</sup> October. A series of themed sessions were held in various city centre venues with the final hearing taking place on 23<sup>rd</sup> October.

### 3.0 **Main Issues**

#### Affordable Housing.

- 3.1 In advance of the Affordable Housing hearing (7<sup>th</sup> October), the Inspector had written to the Council, indicating that thresholds and targets should be incorporated into the Core Strategy, rather than being set out within an SPD. The Council made legal submissions that the use of SPD is appropriate within the regulations and that this would be easier to update on a regular basis as economic circumstances change.
- 3.2 Following the hearing, the Inspector has subsequently written to the Council, maintaining his stance that thresholds and targets should be incorporated within the Core Strategy, noting *'if it does not, I cannot assess whether the development planned in the Core Strategy is viable and deliverable'* and *'...I consider that thresholds and targets should be set out in Policy H5 and that, unless it is modified, Policy H5 and the Core Strategy's approach to the provision of affordable housing cannot be said to be sound'*. At present, our viability evidence is based on the current interim targets; we have no evidence yet to support a higher figure at this time. Consequently, in seeking to address this issue and in consultation with the Executive Member and in order to help move the Core Strategy process forward, a report has therefore been drafted for the December cycle of Executive Board to set out a proposed modification to Policy H5 to incorporate thresholds and targets.

#### Accommodation for Gypsies, Travellers and Travelling Show People

- 3.3 At present the Core Strategy contains no figure for the number of Gypsy and Traveller pitches needed over the life of the plan, contrary to national guidance. Members will be aware that an updated pitch requirement study was approved by Executive Board on 4<sup>th</sup> September for submission to the Core Strategy examination. That study suggested that 40 pitches are needed. The debate at the hearing (16<sup>th</sup> October) was centred on whether the supporting evidence was sufficiently robust or whether it understates the real level of need.
- 3.4 The Council had to acknowledge during the examination that the plan did not make specific provision for the needs of Travelling Show people. The conclusion from the

debate seemed to be a need for 15 plots which would require 1 or 2 sites totalling 3 acres. This will need to be a modification to the plan.

- 3.5 Following the hearing session on Gypsies and Travellers, the Inspector has since written to the Council, confirming that he is satisfied that the evidence and subsequent figure arising for travelling show people is appropriate. However, with regard to Gypsy and Traveller pitch requirements, whilst the Inspector welcomes the further work undertaken by the City Council, he *'...does not consider that this provides a robust and reliable indicator of the full need for gypsy and traveller accommodation in Leeds'*. Officers have subsequently sought further clarification on what further survey work is required and the Inspector has referred the Council to the 2007 Gypsy and Travellers Accommodation Assessment guidance. Officers have reviewed this material, with a view to undertaking a focussed and time-limited piece of work on outstanding issues, including further survey work on concealed households. In taking this forward, officers are working closely with GATE (Leeds Gypsy and Traveller Exchange) to undertake the survey work (to reflect the outstanding issues raised by the Inspector), within agreed timescales. It is currently anticipated that the work will be completed for consideration (together with any proposed modifications to Policy H7) by Development Plan Panel and Executive Board in the new year (anticipated February/March), prior to dispatching to the Inspector.
- 3.6 In writing to the City Council on the above matters, the Inspector has indicated a desire to assist the Council in establishing the ways forward but has indicated that due to other Examination commitments, he will be unable to conduct any further hearings (should the need arise) until March 2014.

#### Homes in Multiple Occupation and Student Housing

- 3.7 HMOs and student housing were the subject of extensive discussion. The Inspector recognised that the A4D exists (and was not a matter before him) and it was therefore appropriate for the Council to have a policy against which to consider applications. We have no indication on his views on the detail.
- 3.8 The Council did acknowledge that there was a need for a pragmatic approach where the great majority of a street was already in HMO use, otherwise the few remaining family home owners could be disadvantaged. It was also recognised that "flipping" could have benefits in encouraging family occupation where lack of demand is affecting the HMO market. A modification will be needed to accommodate this.

#### Housing Need and Supply

- 3.9 A significant part of the examination was not surprisingly taken up with a debate on housing need and supply. The Inspector considered not only the target but also

whether the approach set out in the plan would facilitate delivery, including issues of viability.

3.10 There are some fundamental issues for the Council that could arise from this part of the examination:

- The Core Strategy target is already challenging, a higher target would increase the need for further green belt land release and make it more difficult to demonstrate a 5yr land supply;
- It was debated whether the target should include an allowance for under provision in recent years (there is also a debate that is more relevant at appeal that any under-supply should be made up in the following 5yrs rather than be averaged over the life of the plan);
- The use of a windfall allowance, particularly in the first five years was questioned;
- House building representatives see phasing as an inappropriate restraint if it means that the next phase would not be released even where a 5yr supply is absent. From the Council's point of view a phased approach that can easily be set aside has the potential to undermine delivery on brownfield urban sites.

3.11 There is no indication of the Inspector's views on these issues and therefore no understanding of the extent to which further work may be necessary. For instance if he thinks the current target is inadequate will he give us a new figure or simply suggest re-assessment, perhaps with some guidance on the factors to take into account? If we have a new target we then have to consider how this should be distributed. The Inspector might agree the figure but consider that the proposed distribution is not appropriate. This would create difficulties of redistribution.

3.12 There was also a debate on the scale of new safeguarded (PAS) land that the plan should identify. Current provision is to identify land for a further 6,600 dwellings. Housing interests suggested that that represents less than 2yrs additional land and was therefore inadequate in terms of NPPF guidance. Any additional requirement would put further pressure on the green belt.

3.13 Both the housing and PAS response have the potential to create significant issues for the Council, in particular through the potential to require even greater release of green belt land which is bound to be controversial. However, it should be noted that there was significant counter point to calls for higher numbers, from local Members, MPs and local resident's groups; many of whom suggested lower housing numbers.

#### Next Steps

3.14 In reflecting the correspondence received from the Inspector, officers are seeking to address outstanding issues, in order to keep the Core Strategy process on track. As noted above, following consideration by the Executive Member a report has been drafted on a proposed modification for affordable housing and work is on

going to scope and undertake further work regarding pitch requirements for Gypsies and Travellers.

- 3.15 In consolidating issues arising from the City Council's own submissions and through the hearing sessions, the Inspector has been sent draft schedules of "main" and other modifications. Our current approach is that any change to policy wording is regarded as a "main" modification even where it does not change the sense of the policy. A copy of the draft "main" modifications schedule is attached for members' information. It should be emphasised that the City Council; is still awaiting a response from the Inspector on these draft modifications and as outlined above, further work is being undertaken on Affordable Housing and Gypsies and Travellers, consequently the modifications will be subject to change.
- 3.16 Consistent with the approach set out in the Executive Board report of 4<sup>th</sup> September these modifications have been discussed with the Executive Member to consider whether any modifications are so significant that they require more formal approval.
- 3.17 Main modifications will need to be advertised so that representations can be made and the Inspector can consider all views before coming to a conclusion. This will clearly affect the timetable for a final report. Changes which require further work and which would clearly require extensive debate prior to formal approval will inevitably slow progress to adoption. This will also affect the timetable for site allocations work.

#### **4.0 Corporate Considerations**

- 4.0.1 The Core Strategy, once adopted will form part of the Statutory Development ('local') Plan for Leeds and is a key corporate priority for the Council.

#### **4.1 Consultation and Engagement**

- 4.1.1 Prior to submission, the preparation of the Core Strategy was subject to several stages of formal and informal (early engagement 2006, 'Issues and Alternative Options' 2007, 'Preferred Approach' 2009, Publication draft 2012, Pre-submission Changes 2013). The modifications arising from the Examination process will need to be 'Advertised' for a period of 6 weeks, consistent with the LDF Regulations.

#### **4.2 Equality and Diversity / Cohesion and Integration**

- 4.2.1 Equality Impact Assessment Screening was undertaken on the Core Strategy and was included as part of the Core Strategy material at submission stage.

#### **4.3 Council Policies and City Priorities**

- 4.3.1 The Core Strategy reflects a range of Council and city-wide priorities, set out in the Best Council Plan 2013 – 2017. These include Regeneration, opportunities for job growth and economic development, meeting housing needs, public health, environmental protection and enhancement and supporting the delivery of infrastructure (including schools).

#### **4.4 Resources and value for money**

- 4.4.1 The Local Plan is being prepared within the context of the LDF Regulations, statutory requirements and within existing resources. There are no specific resource implications for the City Council arising.

#### **4.5 Legal Implications, Access to Information and Call In**

- 4.5.1 This report provides the Development Plan Panel with an interim update as to the current position following a series of hearings held by the Inspector as part of his examination of the Council's Core Strategy conducted pursuant to the Planning and Compulsory Purchase Act 2004 and the Town and Country Planning (Local Planning) (England) Regulations 2012. The Inspector has informed the Council as part of his preliminary findings that he considers that the Core Strategy as it stands is not sound in respect of its policies in relation to affordable housing and gypsies and travellers. The Council cannot progress to adopt the Core Strategy until such time as the Inspector concludes that it is a sound plan. It follows that in order to move this forward the Council must take such steps as are appropriate to ensure that the plan is a sound one.
- 4.5.2 The Development Plan Panel is an advisory committee to Council and the Executive Board and therefore this current report is not subject to call in.

#### **4.6 Risk Management**

- 4.6.1 As emphasised above, the Core Strategy is a key corporate priority. Within the context of this, the preparation of the Site Allocations Plan is dependent on the Core Strategy setting out the overall scale and distribution of the housing requirement. Any delay to the Core Strategy process will therefore impact upon the timetable for the preparation of the Site Allocations Plan. Officers are therefore seeking to resolve outstanding matters as quickly as practicable.

#### **5.0 Conclusions**

- 5.1 The Core Strategy has recently been subject to independent examination. This report has provided a summary update for Development Plan Panel on the issues arising, the current position and next steps.

#### **6.0 Recommendations**

- 6.1 That the Development Plan Panel are asked to note the contents of this report.

#### **7.0 Background documents**

- 7.1 None

#### **Appendices**

Appendix 1 Draft Schedule of "Main" modifications.

**Appendix 1: Draft Schedule of “Main” modifications**