

Report of Director City Development

Report to Scrutiny Board (Housing and Regeneration)

Date: 23rd September 2014

Subject: Progress in Delivering Housing on Council Brownfield Land

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<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

1. This report provides an update on activity to bring forward new housing development on previously developed land within Council ownership. This work is being managed through the Housing Investment Land Strategy which co-ordinates activities through the Brownfield Land Programme, Affordable Homes Programme, Council House Growth Programme and Capital Receipts Programme, whilst also supporting work to deliver older peoples housing and self-build sites across the city.
2. Since the last report presented to Scrutiny Board in February 2014 six brownfield sites have been sold for development. In addition, four buildings have been sold for conversion into residential dwellings or for redevelopment as new housing. These sites are collectively expected to deliver 78 new homes. In addition there are currently 25 sites that are under offer to developers and expected to deliver a further 356 units subject to planning approvals.
3. Through the Brownfield Land Programme two sites in Seacroft capable of delivering up to 140 new homes are now under offer to Strata Homes. A further four sites are currently on the market in Middleton with a capacity of c96 units. In addition five sites are being prepared for marketing later in the year which will provide capacity for around 160 units. Market testing has also been undertaken to inform the potential to create a longer term development partnership approach to accelerate development of the remaining sites in the programme.

4. The Council has been successful in securing £8.6m of funding through the Homes and Communities Agencies Affordable Homes Programme 2015-18. This will support the delivery of 408 Council Houses, 308 being new build with the remainder achieved through bringing empty properties back into use. The Council has also supported Registered Affordable Housing Providers (RP's) to secure funding by making sites available to support their proposed development programmes. Through this process 14 Council sites are to be sold and developed by RP's delivering a further 146 homes.
5. Good progress continues to be made in disposing of Capital Receipt sites, with seven buildings or sites sold for residential development since February. In addition nine sites are now under offer with prospective purchasers in the process of securing planning consent or finalising legal documents for exchange. There are currently three sites on the market while work is ongoing to enable 11 sites to be marketed later in the year. This includes sites at Holt Park subject to progressing discussions with Asda.
6. To support the future development of brownfield sites, work continues with ward members to ensure that development proposals are consistent with local aspirations and come forward in a way which fits with local regeneration plans.
7. A Planning Statement has been prepared for Holt Park to guide the future development of the area. This has identified 1.94ha of land suitable for residential development and was the subject of public consultation in November 2013. The intention is to present a final version of the Planning Statement to Executive Board. However, Asda has approached the Council with an alternative credible development solution which involves the reconfiguration of their existing store. This will be explored further before consideration by Executive Board.

Recommendations

8. Members are asked to note the contents of this report, comment on the approach outlined and make suggestions about other ways in which the issues raised in this paper can be progressed.

1 Purpose of this report

- 1.1 This report follows on from those previously considered by Scrutiny Board since July 2012. It provides a further update on the activity being undertaken to secure new housing development on Council owned brownfield land.
- 1.2 The report also provides a response to a request for an update on progress in the delivery of the Holt Park master plan.

2 Background information

- 2.1 A number of reports have been presented to Scrutiny Board with the most recent being on 4th February 2014. This provided a substantial amount of background context about the housing growth agenda and planning approach. In addition it provided an overview of the Council's Housing Investment Land Strategy and the programme activities to deliver this. An update schedule of Brownfield Land was circulated to Scrutiny Board in March, but this report details progress made since February and the last report to the Board.
- 2.2 At Holt Park, following the development of a replacement Ralph Thoresby School and Holt Park Active, the Council embarked upon the preparation of a Planning Statement to guide the future development of remaining land around the district centre. This was the subject of community consultation in November 2013 and identifies 1.94ha of land as being suitable for residential development. In addition it explores the scope to reconfigure the district centre to further assist the regeneration of the area.
- 2.3 The main section of this report covers:
 - Progress in delivering Housing on Brownfield Land:
 - Brownfield Land Programme
 - Affordable Housing Programme and Council House Growth Programme
 - Capital receipts programme
 - Self-build
 - Older People's Housing
 - Progress in establishing further dedicated resources to progress housing growth
 - Progress in delivering the Holt Park Planning Statement

3 Main issues

Delivering Housing on Brownfield Land

- 3.1 Since the last report to Scrutiny, work has been progressed to deliver the Housing Investment Land Strategy (HILS). The schedule attached at Appendix 1 is the updated schedule of sites within the HILS and shows those which have been sold or committed for housing development since February along with future pipeline activity.
- 3.2 Through the HILS, six brownfield sites have been sold for development, with the purchasers having achieved planning approvals for the development of housing. In addition, four buildings have been sold for conversion into residential dwellings or redevelopment for new housing. These disposals are expected to deliver 78 new homes. In addition there are now 25 sites under offer to developers and expected to deliver a further 356 units.
- 3.3 Each of the sections below provides more detail on these headline figures, the progress made in the housing development programmes and summarises future activity in each of these.

Brownfield Land Programme

- 3.4 As reported in February, two sites comprising 3.4ha of land on Asket Drive, Seacroft had been marketed with the benefit of outline planning permission in November 2013. Seven offers were received and were assessed to ensure that they were acceptable in planning terms and that they were viable and deliverable. Strata Homes was selected as the preferred developer in May 2014. Working with ward members, Strata will now further progress its proposals and aims to submit a full planning application in the autumn. These sites are expected to accommodate up to 140 new homes.
- 3.5 Four sites in Middleton (Thorpe Road East, Thorpe Square, Throstle Terrace and Towcester Avenue) were advertised for sale on the open market in July. A closing date of 26th September has been set for offers to be submitted to the Council. The combined development capacity of the four sites is expected to be around 96 homes, subject to offers received and planning application/approvals.
- 3.6 A further five sites (Hedley Chase, New Wortley; Westerton Walk, Tingley; Cartmell Drive North, Halton Moor; Rathmell Road, Halton Moor; and Beckhill Grove, Meanwood) are expected to be marketed by the end of the 2014/15 financial year with a total capacity of c.160 units. Each site will be marketed individually, with the exception of the two sites in Halton Moor which will be packaged together, and will be the subject of further discussions with ward members.
- 3.7 Work is ongoing with Bellway Homes as part of the EASEL project and outline proposals have been made for the redevelopment of land at Oak Tree Mount in Gipton, where there is potential to deliver up to 100 new homes. It is anticipated that a planning application could be made in the autumn, subject to agreement of technical matters, land valuation and further discussion with ward members.

- 3.8 As the Brownfield Land Programme was being considered in 2012/13, informal discussions took place with a number of house builders to gauge the level of likely interest in the sites and the approaches that may be required to attract development. This has informed the marketing and disposal activity to date. A number of other Local Authorities have entered into longer term development partnership arrangements or have formed development companies with developers. A report to Executive Board in February 2014 set out the opportunity to take a similar approach forward and market testing was subsequently undertaken in August 2014 to provide information on the best way to secure a development partner or partners to deliver up to 700 homes across a larger package of sites within the programme.
- 3.9 It is anticipated that the outcome of this research will be reported to Executive Board in October including the proposed approach to progress marketing or procurement during 2015 for a partner to deliver homes on the remaining sites included within the programme.
- 3.10 As previously reported, a 4.9ha development site at Brooklands Avenue in central Seacroft was marketed in June and July 2013, with two offers received. There is a strong community interest in preparing a Neighbourhood Plan for the Seacroft area and following further discussions with ward members about the proposals received and in the light of the strengthening community interest in preparing a neighbourhood plan, it was agreed not to immediately progress the sale of this prominent site, to ensure that its future development is consistent with local views and aspirations.
- 3.11 Officers will continue to actively work with ward members and the Neighbourhood Planning Group to ensure that the Brooklands Avenue site along with others in Seacroft included within the Brownfield Land Programme can be released for development in accordance with any emerging Neighbourhood Plan over the course of the next 12 months.
- 3.12 Following on from the preparation of the Belle Isle and Middleton Neighbourhood Framework (adopted as informal planning guidance by Executive Board in September 2013), a similar document has been prepared for the Beckhill area in Meanwood to set out the development and wider investment opportunities in the area. Ward members have been closely involved in the preparation of the framework and it was presented in draft form to Executive Board in June 2014, following which further local consultation was undertaken in July with the final version being presented to Executive Board in September. The framework sets out detailed guidance about how the Beckhill Grove site (which is included in the Brownfield Land Programme) and the former Miles Hill Primary School (capital receipt site) can be brought forward for development, and will support the marketing of these sites in 2015.
- 3.13 As part of the Leeds City Region Local Enterprise Partnership's (LEP) submission to government for the City Growth Deal, the Council included a proposal in the Strategic Economic Plan for financial support to 'de-risk' brownfield sites in East Leeds, which will help to deliver housing growth on previously developed land in the Seacroft and Halton Moor areas. The government has approved the plan with

the inclusion of £610,000 of funding for use in the 2015/16 financial year and a further £500,000 in 2016/17.

- 3.14 Further discussions are ongoing with the LEP to understand the terms on which this funding will be made available, to ensure it can be used to support the viability of the sites – whether the funds are to be offered as a loan or a grant will be critical to this. A detailed business case is now being worked up in parallel to these discussions in anticipation of the funding terms being appropriate.

Affordable Homes Programme and Council House Growth Programme

- 3.15 As reported to Executive Board in April and June 2014, the Council submitted a bid directly to the Homes and Communities Agencies (HCA) Affordable Homes Programme (AHP) 2015-2018, in an attempt to maximise the amount of grant which could be secured for Leeds. Executive Board set a target of 1,000 new affordable homes to be delivered in the city through the AHP over the funding period. The Council has been successful in securing £8.6m grant funding which will support a programme to deliver 408 new Council homes, 308 being new build properties, with the remaining 100 being through returning empty properties to use as Council homes.
- 3.16 Ten sites have been identified to support the delivery of this programme as detailed below, although in some cases full sites are not required to deliver the number of affordable units for which there is demand or funding. This is particularly the case with the sites that are included within the Brownfield Land Programme, where this could also have the benefit of supporting the viability of a market led approach on the remaining land.

Scheme Name	No. of Units
Mistress Lane, Armley (BLP site – scheme will utilise entire site)	77
Beech Mount, Gipton	6
Beech Walk, Gipton	21
Former Whinmoor Public House, Swarcliffe	22
Broadlea Street, Bramley	30
The Garnets, Beeston	26
Former Squinting Cat PH, Swarcliffe	18
Middleton Park Avenue, Middleton (BLP site – only part of site to be used)	34
Former Miles Hill Primary School, Meanwood	30
Acre Mount, Middleton (BLP site – only part of site to be used)	24
Brooklands Avenue, Seacroft (BLP site – only part of site to be used)	20

- 3.17 The total cost of delivery is estimated at £49m, £8.6m coming from the HCA and the remainder from the Council's Housing Revenue Account. On site delivery is expected to commence in 2015 with all units completed by 31st March 2018.

- 3.18 In order to support Registered Providers of Affordable Housing (RP's) - such as Housing Associations - to bid for funding from the HCA, the Council made 19 sites available in early 2014. Fourteen of these have been taken up, with the potential to deliver 146 new homes as set out in the following table.

Registered Provider	Site	No. of Units
Unity Housing	Parkwood Road, Beeston	19
Unity Housing	Holborn Court, Woodhouse	17
Unity Housing	RocheFord Court, Hunslet	12
Connect	Harley Green, Pudsey	8
LFHA	Newhall Croft	7
LFHA	Manor Farm Rise	14
LFHA	Newhall Gate	28
YHA	Dalesman PH	18
LYHA	Kendal Carr, Woodhouse	23
Together Housing	Holdforth Place, New Wortley	24
Together Housing	St Hilda's Crescent, Cross Green	8
TOTAL		146

- 3.19 It should also be noted that through the Affordable Homes Programme, a number of RP's will also bring forward schemes on privately owned land. Seven private sites are to be developed, although a number of RP's have secured funding through indicative bids for which they will now need to secure land. The Council aims to identify additional suitable Council owned sites which could support delivery. This will help to ensure that the target set by Executive Board is met.

Capital Receipts

- 3.20 Five sites have been sold for residential development and four buildings sold for residential conversion or redevelopment. In addition nine sites are currently under offer of which four are existing buildings. In these cases, legal conveyancing is being progressed or purchasers are in the process of securing planning permission. There are currently three sites on the market while work is ongoing to enable 11 sites to be marketed later in the year. This includes sites at Holt Park.

Self-Build

- 3.21 In June six small sites across the city were marketed for self-build development (Moorland Crescent, Morley; Home Lea former garage site, Rothwell; Half Mile Green, Stanningley; Manor Crescent, Rothwell; Wellington Grove/Ganners Rise, Bramley; and St Catherine's Crescent, Bramley). Offers have been accepted on two sites which are now progressing towards legal completion, while offers are currently being evaluated for a further three sites. These are expected to deliver 13 new self build homes in total. Preparatory work is ongoing to bring a further four small sites to the market later in the year.

- 3.22 It is recognised that self-build development is currently a small contributor to housing growth but there is growing interest in this way of meeting housing demand and it will support a mixed approach to housing development across the city and potentially within sites in due course.

Older People's Housing

- 3.23 Two sites (former Ash Tree Primary School, Kippax and former Kirkland House, Yeadon), are currently being marketed for the development of older people's Housing. These are anticipated to provide a total of 40no. Extra Care Housing units.

Dedicated Housing Growth Team

- 3.24 Whilst good progress is being made to secure new housing development on Council owned land using existing resources and structures, the opportunity to establish a dedicated housing growth team has been explored to refocus and increase staff resources and to accelerate delivery. This team will include dedicated technical, planning and legal staff at a senior level to oversee a number of workstreams including the Council Housing Growth Programme, Affordable Homes Programme, Right to Buy receipts Grant Programme and s106 affordable housing delivery.

Holt Park

- 3.25 The Planning Statement which has been prepared identifies seven development sites in addition to three options to enhance the district centre. Following the public consultation sessions undertaken in late 2013, Asda has approached the Council and confirmed a serious interest in reconfiguring their existing store, presenting an alternative redevelopment option which is being explored further. This would involve the acquisition by Asda of Council owned land. To help to determine the feasibility of their proposal, Asda must further develop their scheme and have requested access to the Council owned land to undertake a topographical survey. A licence is currently being negotiated to permit access. It is anticipated that the survey work will take place in the autumn following which, Asda will work up their proposals and present them to the Council.
- 3.26 The involvement of Asda within a scheme will help to secure a more comprehensive regeneration and development approach to the district centre and surrounding land, maximising the benefits to residents and visitors to the area. This is the basis on which work is continuing with Asda to determine the acceptability of their proposal, which will also help to confirm the location and quantum of new housing development which can be achieved. However, the amount of available housing land is unlikely to fall below 1.5ha.
- 3.27 It is anticipated that Asda will share a detailed development proposal with the Council for consideration by March 2015, following which a report will be presented to Executive Board setting out the development options and seeking approval to the preferred approach.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 There has been no specific consultation during the preparation of this report which presents information for discussion by Scrutiny Board.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 There has been no specific Equality Impact screening undertaken for this report, which presents details of service activities already undertaken and screened.

4.3 Council policies and City Priorities

- 4.3.1 The development of brownfields sites relates strongly to a range of objectives within the City Priority Plans, supporting neighbourhood regeneration and housing growth, in addition to the Best Council Plan.

4.4 Resources and value for money

- 4.4.1 The Council has secured £8.6m of grant funding to support the delivery of affordable housing through the Homes and Communities Agencies Affordable Homes Programme. This will support the delivery of 408 new Council homes, 308 of which will be new build with the remaining 100 being delivered through returning empty properties back into use. The total cost of the programme is in the region of £49m with funding also coming from the Housing Revenue Account.
- 4.4.2 The Council is in the process of establishing a dedicated Housing Growth team. Whilst the team will be substantially resourced through refocusing existing staffing resources, new posts are to be created and will be funded through the Housing Revenue Account and General Fund totalling c£230,000 per annum.
- 4.4.3 The Council has been successful in its bid to the Leeds City Region Local Growth Fund and has secured £1.1m to support activity to reduce development risk on sites in East Leeds. As detailed above, a full business case is now been developed for this investment which will consider the use of additional ring-fenced resources from the programme to further enhance the attractiveness of development sites.

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.

5 Conclusions

- 5.1 As the economy continues to recover, interest in the Council's brownfield sites is increasing with sites successfully being marketed and developers secured. Good

progress has been made in bringing sites to the market in a timely way with a total of 20 sites due to be marketed in the 2014/15 financial year.

- 5.2 Early phases of Brownfield Land Programme have seen viable development propositions coming forward for two sites on Asket Drive in Seacroft with Strata being selected as the developer to take the sites forward. Four further sites are currently on the market in Middleton with five more sites due to be marketed by the end of the financial year.
- 5.3 Future phases of the Brownfield Land Programme are currently being considered and market testing is underway with developers to understand the scope for a longer term development partnership arrangement. The result of this exercise and proposed marketing/procurement approach is anticipated to be presented to Executive Board in October 2014.
- 5.4 The Council continues to progress a range of solutions for its brownfield land and has been success in securing £8.6m from the Homes and Communities Agencies (HCA) Affordable Homes Programme which will see the largest number of new Council homes delivered within the city in recent history. Ten brownfield sites will be developed through this programme.
- 5.5 The Council has also been proactive in making available and promoting its land to Registered Affordable Housing Providers (RP's) to support their bids to the HCA. Fourteen sites will be developed as a result for affordable homes, and the Council will continue to identify further sites which may be suitable and attractive to RP's looking to further expand their build programme or accommodate funding provided for indicative bids.
- 5.6 Whilst only contributing a small number of new homes, the Council continues to embrace and support the delivery of self-build models though identifying and promoting sites for development, and has so far received interest in 5 sites of which two are currently being progressed.
- 5.7 The importance of accelerating work in support of housing growth on brownfield land is recognised and resources are being established to ensure that work can continue at increased pace to deliver new homes, through a dedicated Housing Growth Team.
- 5.8 Bringing forward new housing development remains a priority at Holt Park and is supported through the preparation of a Planning Statement. However, housing opportunities must be considered in the context of potential changes and improvements to the District Centre and particularly the interest which has recently been expressed by Asda to more fundamentally reconfigure their existing store. This has the potential to provide substantial regeneration benefits to the centre and surrounding area and will be the subject of a future report to Executive Board once more detailed proposals have been worked up and reviewed.

6 Recommendations

- 6.1 Members are asked to note the contents of this report, comment on the approach outlined and make suggestions about other ways in which the issues raised in this paper can be progressed.

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.