

Report of Director of City Development

Report to Executive Board

Date: 19 November 2014

Subject: Next Steps in the Brownfield Land Programme

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s): City & Hunslet, Killingbeck & Seacroft, Gipton & Harehills, Middleton Park, Temple Newsam		
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 checked="" type="checkbox"/> Yes	<input 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:		

Summary of main issues

1. The delivery of high quality new housing of all tenures and in the right locations is critical to realising the Vision for Leeds and delivering the Best Council Plan. It plays a key role in meeting the needs of current and future residents of Leeds; enabling families and children to be healthy and to succeed; meeting older people's needs and preference to live independently at home; and in helping communities realise ambitions for the regeneration of their neighbourhoods. The development of Council owned brownfield land will support this and can directly help in the Council's Best Council Plan objective of Promoting Sustainable and Inclusive Economic Growth, whilst also contributing to the objectives of Ensuring High Quality Public Services, Creating a Child Friendly City and becoming an Efficient and Enterprising Council.
2. The Council's Brownfield Land Programme was established in January 2013 with the aim of bringing brownfield sites owned by the Council forward for development of

new homes in a co-ordinated and phased way and at pace, in ways that would mitigate risk and increase viability. The programme includes 29 sites totalling 45ha of land, capable of delivering c.1200 new homes, predominantly in the Halton Moor, Middleton and Seacroft areas of the city

3. To date six sites included within the programme have been marketed in two separate sales packages, with further small packages of land soon to be advertised. This phased approach to marketing and disposal is starting to show results through interest shown from developers that are relatively new to the city and which are experienced in working both in regeneration areas and on sites with technical development challenges. Firm offers for development sites in Seacroft and Middleton have been received and are now being progressed.
4. At its meeting in February 2014, Executive Board supported the intention to explore the potential of forming a partnership with one or more developers through which sites can be developed with more certainty and at greater pace, without the need for ongoing individual disposal exercises. This could also provide the Council with another route through which the delivery of wider housing growth objectives could be achieved such as specialist older people's accommodation or higher proportions of affordable housing.
5. Drawing on the Council's experience of joint venture arrangements relating to land and property and the results of recent market research, this report sets out a proposal to use the Homes and Communities Agency's Development Partner Panel to select a developer or developers to work with the Council in in this way to deliver homes on a package of available sites.
6. The programme includes the Council-owned sites which are currently part of the EASEL project. The Council has continued to work with Bellway to secure the development of sites included within the EASEL Strategic Development Agreement Bellway is currently developing new homes in Gipton and preparing plans for a further site there. Discussions are ongoing about the future of the two remaining sites in the agreement but there is potential that these will become available for consideration through the proposed routes available within this wider programme.

Recommendations

Executive Board is asked to note the content of this report and:

- i) Agree to use the Homes and Communities Agency's Development Partner Panel to select a development partner or partners to deliver new homes on sites included within the Council's Brownfield Land Programme as set out in paragraph 3.22;
- ii) Delegate authority to the Director of City Development to determine how the sites outlined in paragraph 3.22, in addition to any additional sites made available through the potential termination of the EASEL Strategic Development Agreement (paragraph 3.23), are to be included within each development package;
- iii) Delegate authority to the Director of City Development, in consultation with the Executive Member for Economy & Transport, to enter into a development agreement with a preferred developer or developers selected through the procurement exercise as set out in recommendation i), with the final terms of any such agreement to be reported back to Executive Board.
- iv) Delegate authority to the Director of City Development to incorporate other cleared development sites into the procured partnership as may be appropriate, as a means of increasing the capacity and pace of housing delivery in the city.
- v) Note that the Head of Regeneration will be responsible for implementation as outlined in the report.

1 Purpose of this report

- 1.1 This report provides an update on progress made to deliver new housing on brownfield sites through the Council's Brownfield Land Programme and seeks approval for an approach to secure further sustained development over the next 5 years.

2 Background information

- 2.1 The Local Development Framework Core Strategy targets the delivery of 70,000 new homes through to 2028. The Core Strategy plans for the longer term regeneration and growth of the District over a 16 year period, as part of an overall and integrated framework. Central to this approach is the need to give priority to sustainable development in planning for economic prosperity, seeking to remove social inequality, securing opportunities for regeneration, and planning for infrastructure, whilst maintaining and protecting and enhancing environmental quality for the people of Leeds.
- 2.2 Underpinning these broad objectives and supported by the Core Strategy evidence base, is need to develop new housing within the inner urban area, with a minimum of 60% of new homes to be built on previously developed brownfield land over the plan period.
- 2.3 In January 2013, Executive Board agreed to establish a Brownfield Land Programme through which Council owned brownfield sites predominantly located in Halton Moor, Middleton and Seacroft will be brought forward for development in a coordinated and programmed way. Executive Board also agreed the principle of using receipts achieved through the sale of sites to support disposal and development of other sites in the programme.
- 2.4 A further report was presented to Executive Board in February 2014 which provided a comprehensive update on the variety of approaches to securing new housing on Council owned brownfield land, including progress made through the brownfield land programme.
- 2.5 In July 2013, Executive Board agreed the Housing Investment Land Strategy (HILS) which continues to be monitored and updated and seeks to bring together a comprehensive list of Council owned sites which are suitable for residential development and a co-ordinated approach to delivering the most appropriate form of housing for each site taking into consideration the Vision for Leeds, Best Council Objectives and local need i.e. market, affordable, self-build/custom build or specialist older people's housing. All of the Brownfield Land Programme sites are included within the HILS.
- 2.6 This approach to housing growth, to meet a range of needs using the Council's land will be central to the work of the new dedicated Housing Growth Team,

and there will be a strong relationship between this and delivery arrangements through the Brownfield Land Programme.

- 2.7 The Brownfield Land Programme itself includes 33 Council-owned sites with an indicative capacity of over 1200 homes based on an average development density of 30 units to the hectare. Most of the sites are located in East and North East Leeds (20 sites) with eight sites in South Leeds and a further four sites in West Leeds. Three of the sites included within the programme form part of the EASEL development agreement which was entered into with Bellway in 2008 but are yet to be developed.
- 2.8 The sites are mainly found in parts of the city where there has been limited successful market housing delivery in recent years and in areas which could benefit from an integrated approach to neighbourhood improvement, development and investment. To achieve this, Neighbourhood Frameworks have been adopted for Belle Isle and Middleton and for the Beckhills. Work is currently underway on a similar document for the Seacroft area which is expected to be completed by the end of the year. These documents are the result of substantial Ward Member input and community engagement and set a clear view of local regeneration and housing growth potential.
- 2.9 As detailed in the Supply of Specialist Housing for Older People paper elsewhere on the agenda, there is a need to develop a range of homes for older people across Leeds to meet the increasing demands of this demographic in the coming years. There is an opportunity to look at delivery of some older peoples housing via the brownfield programme. As set out below this option has previously been considered for the Brooklands Avenue site in Seacroft, where potential still remains, but could be explored further for other sites in the programme.
- 2.10 The Council has been successful in gaining a funding allocation through the Local Growth Fund (LGF) to undertake remediation and preparatory works within the Brownfield Land Programme, given the low value of these sites.
- 2.11 This (LGF) allocation has been obtained 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 sites 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.
- 2.12 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.

- 2.13 To date six sites in the programme have been marketed. Two sites comprising 3.4ha of land on Asket Drive, Seacroft were marketed with the benefit of outline planning permission in November 2013. Strata Homes – a regional scale house builder - has been selected as the preferred developer and through discussions with Ward Members it is now finalising a planning application for the site for around 140 new homes.
- 2.14 In July 2014, four sites in Middleton (Thorpe Road East, Thorpe Square, Throstle Terrace and Towcester Avenue) were marketed with a closing date for offers of 26th September. These have a combined development capacity of around 96 homes and 2 offers have been received. These are currently being assessed, though early indications are that development is viable and it is anticipated that a preferred developer can be selected by the end of the year.
- 2.15 In June 2013, a 4.9ha site at Brooklands Avenue, Seacroft was marketed for development to accommodate people over the age of 55. Whilst offers were received they did not entirely meet the requirements of the brief and it was decided in consultation with Executive and Ward members not to progress with the disposal until a Neighbourhood Framework for Seacroft has been completed.
- 2.16 A further five sites (Hedley Chase, New Wortley; Westerton Walk, Tingley; Cartmell Drive, 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.
- 2.17 Work is also ongoing with Bellway Homes as part of the EASEL development agreement. Bellway is currently on site at Thorn Walk, Gipton delivering 51 new homes, 28 of which are for open market sale with the remaining 23 being acquired as 'pre-sales' by the Council as part of the Council Housing Growth Programme. Additionally, outline proposals have been made for the redevelopment of land at Oak Tree Mount in Gipton for around 100 new homes.
- 2.18 Bellway acquired and started development of a site on South Parkway in Seacroft through the EASEL development agreement in 2008. However, due to the recession, a very slow pace of sales resulted in the developer closing the site in 2012, with 83 of 201 dwellings still to be built. To support the re-start and completion of this development, the Council has been working with Bellway to establish a binding link between this site and the proposed development of a Protected Area of Search (PAS) site at Spofforth Hill, Wetherby. This would be in keeping with the Council's interim planning policy related to PAS sites, whereby development of the green field site would cross subsidise the delivery of a brownfield site, in this case at Seacroft. If approved through the planning

process, this will allow the Seacroft development to be completed over the next three to five years.

- 2.19 Discussions are proceeding with Bellway about the status of the remaining two sites included within the Development Agreement (Seacroft depot on South Parkway, Seacroft and Amberton Terrace, Gipton). If Bellway is not able to make viable proposals for these sites, they will be removed from the development agreement with mutual consent and become available for development via the Brownfield Land Programme. This will end the contractual relationship with Bellway for the delivery of EASEL.
- 2.20 As part of the EASEL programme a Joint Venture Company was established between the Council and Bellway Homes. Through the Homes and Communities Agency's (HCA) Affordable Homes Programme, the Council has directly secured grant funding to support the delivery of 135 affordable homes across the Acre Mount and Middleton Park Avenue sites in Middleton, and Mistress Lane site at Armley. In the case of the Middleton sites, this will only take a small amount of the available development land, leaving the remainder available for other residential development opportunities. Additional affordable housing is expected to be developed by a Housing Association using HCA funding on land at Holdforth Place, New Wortley.
- 2.21 Given the importance of ensuring that momentum in brownfield housing delivery is capitalised on and sustained, alternative disposal, partnership and development approaches have been explored and are set out in the main part of the report.

3 Main issues

- 3.1 Although a start has been made to addressing the challenges in developing housing on the Council's brownfield land, there is now a need to increase the rate at which the Council is able to secure the delivery of new homes in the city's regeneration areas.
- 3.2 At its meeting in February 2014 Executive Board supported the intention to explore the potential of forming a partnership with one or more developers to achieve these aims. Market research has since been undertaken to explore how this could be achieved, which has given rise to several options for Executive Board to consider in how this may be taken forward.

Market Research

- 3.3 A structured market research exercise was conducted during the summer of 2014 to establish whether there is an appetite within the development industry to enter into any form of partnership with the Council to build new homes on its brownfield sites. A number of other Local Authorities have established development partnership arrangements or development companies and the research sought views from developers about these arrangements, their

benefits and drawbacks and the potential for this approach to develop the sites available in Leeds.

- 3.4 The Homes and Communities Agency (HCA) has an established framework arrangement known as the Development Partner Panel (DPP), which is available for use by public sector bodies which includes a range of nationally recognised house builders. The opportunity for developers to be included on the DPP was promoted by the HCA in 2012 and was advertised through the Official Journal of the European Union (OJEU). The selection of developers for inclusion within the panel was robust and 24 developers were appointed to the panel by the HCA for the Northern Lot (which covers Leeds).
- 3.5 Developers included within the Homes and Communities Agencies Development Partner Panel (DPP) as well as affordable housing providers and other developer contacts known to the Council were invited to respond to the market research exercise through completing a short questionnaire. Six detailed responses were received (five of which were from developers on the DPP), covering national volume house builders, regeneration specialists and regional house building interests.
- 3.6 The key messages from the market research are as follows:
- (a) Multi-site development opportunities are attractive as there are opportunities for economies of scale;
 - (b) There is no appetite for very complex procurement models as this increases developer costs at risk, which, given low values, would make the potential brownfield land packages unattractive;
 - (c) A majority of developers would be interested in the brownfield programme, and would be likely to bring sites forward for mixed tenure;
 - (d) All developers believed that they could begin developing new homes within 2 years of the procurement process commencing, although ground conditions and viability may be limiting factors;
 - (e) All developers are committed to the use of local labour and apprentices.
 - (f) There is some interest in exploring the potential for custom build or extra care housing if the Council is minded to pursue these;
- 3.7 These messages are supported by the key lessons learnt by the Council from experience with EASEL, which include:
- (g) Long and complicated marketing or procurement processes cannot easily adapt to changing market conditions/ objectives and are time consuming and costly to negotiate;

- (h) For the Council to effectively manage the delivery of new housing on a package of sites, legal and commercial arrangements need to be sufficiently flexible and adaptable to changing external conditions;
- (i) There are limitations and risks of committing significant assets to a single-partner delivery arrangement, where the pace of delivery may be too strongly influenced by their commercial appetite.

Options

- 3.8 Drawing on the market research and lessons learnt, there are a number of options that are open to the Council in considering an appropriate form of delivery partnership to meet its brownfield housing aims, summarised below:
1. Progress the sale of individual sites using a conventional open market disposal process.
 2. Progress the sale of packages of sites using a conventional open market disposal process;
 3. Establish a Joint Venture Company between the Council and a single private sector partner;
 4. Develop a bespoke procurement approach to select a development partner or development partners;
 5. Use of the HCA's DPP as a means of procuring a development partner or development partners;
- 3.9 In assessing these options and the most effective way forward for the Council, consideration must be given to a number of critical factors in realising ambitions for the programme. These are:
- Speed and timeliness of delivery
 - Certainty
 - The ability to generate and sustain market interest
 - Flexibility for the Council and partner(s)
 - Appropriate management of costs and risks

Options 1 & 2: Continued Open Market Disposals

- 3.10 Market research and valuation advice sought at the time the Brownfield Land Programme was being established found that it was necessary to appropriately package sites to improve sales prospects and ensure development opportunities are viable and of a scale to make a positive impact on the local area. As such, the disposal of individual sites has been minimised and would not realise benefits.

- 3.11 Six sites have already been marketed, in two packages. Whilst offers have been received in both cases, the market research indicates that reliance on such an approach would not maximise the development potential of the programme and that delivery could be achieved at greater pace if development partnerships could be formed. Whilst the use of options one and two cannot be ruled out in the future, they are not the preferred principle delivery route.

Option 3: Joint Venture Company

- 3.12 The Council has direct experience of such arrangements with the EASEL JVCo. It was an accepted view at the time of procurement that housing-led market delivery could deliver significant complimentary investment to support the regeneration of areas based on high and increasing property values. Although the concept of housing driving regeneration remains a valid one, it is important that the Council is realistic about the extent and pace at which this can be achieved in the current economic climate using planning contributions and the emerging Community Infrastructure Levy (CIL) regime.
- 3.13 In other examples where Councils and developers have JVCo arrangements, such as Sheffield Housing Company (Sheffield City Council and Keepmoat), delivery is focused on housing and a mix of tenures and types to meet local demand. The multi-site delivery approach provides the company with economies of scale and greater potential to reinvest receipts into related regeneration investment. However, there are no upfront promises of major capital investment in areas, assets, or neighbourhood planning as was the case with EASEL.
- 3.14 The Brownfield Land Programme is in the region of 1200 new homes, which is considered to be too small for an effective and cost-efficient joint venture arrangement. A JVCo would come with operational costs and other resource implications to procure, establish and manage, with the additional potential for protracted procurement and legal negotiations.

Options 4 & 5: A Flexible Development Partnership

- 3.15 These options would result in a similar form of delivery vehicle, the establishment of one or more development partnerships through a single procurement exercise to deliver new housing on a package of sites in a phased/programmed way.
- 3.16 There are a number of benefits of utilising a procurement approach compared to a conventional disposal process, specifically the ability of the Council to be more prescriptive about the range of housing that could be delivered i.e. specific requirements for older people's accommodation or affordable housing provision; delivery timescales; and quality or design standards for new housing.

- 3.17 The primary difference in the two options is the pace through which the partnership can be formed with the HCA's DPP process reducing the procurement timescale by at least 4 months. Although the use of the DPP will exclude some potential development partners, those that are on the panel have been through rigorous checks and tests to ensure that they are suitable partners for local authorities in the delivery of new homes. This reduces risks to the Council and all of the nationally recognised house builders and a number of regeneration specialists are included.
- 3.18 The marketing of six sites so far has provided opportunities for all developers to work in Leeds. The use of the DPP and appointment of development partners would not preclude the continued open market disposal of other sites in the HILS where this may be appropriate.
- 3.19 There was limited support for the Council exploring the creation of its own Developer Panel/ Framework, it would take time to scope out, establish and procure and could involve extensive legal negotiations to agree an appropriate form of contract with a developer. The HCA has indicated that a number of Councils have gone down this route, but have ultimately selected partners that are on the DPP. Additionally, the market research indicates that the use of the DPP, with the standardised documentation and development agreement, will produce the quickest results and provide a structured partnership arrangement with the selected developer.

Proposed Approach

- 3.20 It is proposed to use the HCA's DPP as a means of procuring and contracting a development partner or partners to progress the delivery of new housing on the Council's brownfield land through large packages or 'lots' of sites to ensure economies of scale and critical mass.
- 3.21 This is on the basis that:
- i) the DPP is readily available for use by a range of public sector organisations with an agreed form of contract;
 - ii) each panel member has already been rigorously assessed by the HCA;
 - iii) the major house builders are included on the panel;
 - iv) the procurement timescale to select developers is streamlined as the OJEU process has been undertaken by the HCA (saving at least 4 months);
 - v) the use of the DPP will save both the Council and developers cost and resources by avoiding the need to undertake a full OJEU procurement process; and

- vi) the use of a procurement exercise to select development partners will allow the Council to be more prescriptive about the type of housing to be delivered, development timescales and the quality of construction.
- 3.22 Fourteen sites (see Appendix 1) are to be considered for inclusion initially as part of a procurement exercise as set out below and will be subject to further consideration and discussion with developers.
- Barncroft Close, Seacroft
 - Kentmere Approach, Seacroft
 - Former Asket Hill Primary School, Seacroft
 - Brooklands Drive, Seacroft
 - Brooklands View, Seacroft
 - Seacroft Crescent North, Seacroft
 - Seacroft Crescent South, Seacroft
 - South Parkway, Seacroft
 - Kendal Drive, Halton Moor
 - Wykebeck Mount, Osmondthorpe
 - Acre Mount, Middleton
 - Middleton Park Avenue, Middleton
 - Meynell Approach, Holbeck
 - Lovell Park Road, Little London
- 3.23 Should the EASEL development agreement be terminated, the remaining undeveloped sites will also be considered for inclusion:
- Old York Road Depot, Seacroft
 - Amberton Terrace, Gipton
- 3.24 Some of the sites may lend themselves in-part or wholly to the delivery of older people's accommodation or for custom build housing. The use of a procurement approach provides the Council with the opportunity to include the delivery of such accommodation and make land available for custom build, with other requirements potentially being for the delivery of a greater proportion of affordable housing than would usually be required through the planning process.
- 3.25 This will be explored further through the procurement process and through joint working with the Housing Growth Team and Adult Social Care as appropriate.

Proposed Procurement Programme

- 3.26 Subject to Executive Board approval, a procurement process using the DPP can commence in the New Year. Initially developers included on the DPP will have 4 weeks to express an interest in the opportunity following which a short listing exercise will take place to identify up to 5 developers who will be given 10 weeks to work up detailed proposals and submit a tender. Tenders will be

assessed against a predetermined assessment criteria and it is anticipated that development partners will be selected by late summer 2015 following which they will begin the process of securing planning permission on a phased basis with work anticipated to commence on site in 2016.

- 3.27 It is likely that the delivery of new homes supported through the HCA Affordable Homes Programme will commence in advance of development brought forward through the proposed partnership(s). In addition, it is anticipated that development will be underway by late 2015 on the 5 sites which are to be marketed separately through a conventional disposal process, ensuring continued delivery through the programme during the procurement exercise.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Detailed discussions have taken place with ward members in Chapel Allerton, Gipton, Seacroft and Middleton about the sites within their wards.
- 4.1.2 In Middleton, ward members were all involved in the preparation of the Belle Isle and Middleton Neighbourhood Framework and there was significant community engagement as part of the process, prior to the document being agreed by Executive Board in September 2013. The same approach was taken in the Chapel Allerton ward where the Beckhill Neighbourhood Framework has been prepared.
- 4.1.3 Work is ongoing with the Killingbeck and Seacroft ward members to scope out the development and investment opportunities within the ward as part of the emerging Neighbourhood Framework. This will be the subject of public consultation once a draft of the document has been completed and discussions will continue with an emerging Neighbourhood Forum with a view to identifying whether this work could eventually inform a formal Neighbourhood Plan for the area.
- 4.1.4 The Executive Member for Transport and Economy and Executive Member for Neighbourhoods Planning and Personnel have been briefed on a number of occasions about specific disposal activity and the overall programme approach.
- 4.1.5 The Housing & Regeneration Scrutiny Board has received a series of reports and updates on the progress of planning for and delivering housing on the Council's brownfield land.
- 4.1.6 Specific development proposals will be the subject of statutory consultation once planning applications have been submitted.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An Equality Impact Screening was undertaken at the inception of the Brownfield Land Programme and has been reviewed and updated in September 2014. This has indicated that there would be no specific implications for equality groups – the programme would be addressing land predominately in deprived areas and its outcomes would potentially result in an improvement in the external perception of these, greater access to and choice of housing and opportunities for local people in training and employment.
- 4.2.2 Individual site proposals will come forward through the planning process and applications will be subject to statutory requirements in respect of site design and accessibility of housing developed.

4.3 Council policies and City Priorities

- 4.3.1 The Brownfield Land Programme and more generally the development of new housing on previously developed land relates strongly to the Best City agenda, in particular Best City to Live and Best City to do Businesses. Securing development on previously developed land ensures growth of the city in a sustainable way, minimising the need to develop on greenfield sites. In addition the proposed approach gives the potential to secure investment in new homes and attract investment from both the private and public sectors.
- 4.3.2 This programme also supports the Best Council plan objectives to promote Sustainable and Inclusive Economic Growth; Build a Child Friendly City; support the delivery of The Better Lives Programme, Delivering High Quality Public Services and Creating An Efficient and Enterprising Council.

4.4 Resources and value for money

- 4.4.1 The Council's brownfield sites are actual or potential liabilities in terms of management and maintenance costs. They detract significantly from the neighbourhoods in which they are located and have a negative impact on the delivery of council and other public services (through health and safety issues and anti-social behaviour).
- 4.4.2 The majority of the sites in the programme are not likely to have significant positive land values, or may indeed not be viable as standalone sites. However a multi-site delivery approach will support viable development, generate New Homes Bonus and maximise the capital receipts from these sites.
- 4.4.3 The proposed approach using the HCA's DPP is free of charge, with established processes and draft legal documents. This will save the Council considerable time and resources compared to establishing another procurement route for a multi-site approach.

- 4.4.4 Executive Board has previously approved the principle that receipts achieved through the sale of sites should be used to support disposal and development of other sites within the programme. This will initial fund a variety of legal and technical due diligence checks, the preparation of planning and design guidance, and in the future could include remediation and infrastructure work reduce development risk for the site. In addition, as outlined in the report the Council has been successful in securing an allocation of funding through the Local Growth Fund to undertake works to de-risk sites prior to marketing. A business case is being prepared which will detail the nature of this work with expenditure required in the 2015/16 and 2016/17 financial years.
- 4.4.5 Future activity on the brownfield land programme will be accommodated from existing resources within the Asset Management and Regeneration Service, working in a coordinated way with the emerging Housing Growth Team to ensure that custom build, affordable housing and older people's housing options are appropriately integrated within the wider procurement approach.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 Progressing delivery of the Brownfield Land Programme will require ongoing legal advice around contractual matters. Given the opportunity for the Council to progress works which improve the attractiveness of sites to the development industry, state aid implications will need to be explored.

4.6 Risk Management

- 4.6.2 Delivery via the DPP is a tried and tested delivery model by Local Authorities and the HCA across the country. It provides flexibility in approach, scope and vision, while establishing a clear structure for delivery and documentation.
- 4.6.3 The risk of delay in delivery via the DPP will be mitigated by limiting the packaging of sites and keeping some sites where suitable for single site disposal. There will also be claw back clauses within the documentation to ensure delivery to a specified programme.
- 4.6.4 The responses received through the market research exercise indicate that the use of the DPP mitigates procurement risk on the part of developers. This may result in greater interest being received. It will be necessary to have a clear scope and vision for the project at the outset which will help to mitigate the risk of future delays. In Middleton a Neighbourhood Framework was approved in 2013, while work is ongoing with ward members to prepare a similar document in Seacroft which will be complete early in 2015.
- 4.6.5 A high level risk register has been developed and will be monitored and managed through established project management arrangements.

5 Conclusions

- 5.1 The Brownfield Land Programme has made good progress and offers have been received on 6 sites which will deliver c.240 new homes.
- 5.2 To ensure the delivery of housing on land included within the programme is achieved at pace, further exploration has taken place to determine alternative ways of engaging with developers beside conventional land disposals.
- 5.3 Following market research undertaken in the summer of 2014 it is proposed to utilise the Homes and Communities Agencies Development Partner Panel to procure at least one development partner to progress housing delivery on land included within the Brownfield Land Programme.
- 5.4 It is anticipated that procurement will commence in early 2015 with preferred developers selected by the end of the summer, following which time development partners will secure planning consent with a view to commencing on site in 2016.

6 Recommendations

- 6.1. Executive Board is asked to note the content of this report and;
 - i) Agree to use the Homes and Communities Agency's Development Partner Panel to select a development partner or partners to deliver new homes on sites included within the Council's Brownfield Land Programme as set out in paragraph 3.22;
 - ii) Delegate authority to the Director of City Development to determine how the sites outlined in paragraph 3.22, in addition to any additional sites made available through the potential termination of the EASEL Strategic Development Agreement (paragraph 3.23), are to be included within each development package;
 - iii) Delegate authority to the Director of City Development, in consultation with the Executive Member for Economy & Transport, to enter into a development agreement with a preferred developer or developers selected through the procurement exercise as set out in recommendation i), with the final terms of any such agreement to be reported back to Executive Board.
 - iv) Delegate authority to the Director of City Development to incorporate other cleared development sites into the procured partnership as may be appropriate, as a means of increasing the capacity and pace of housing delivery in the city.
 - v) Note that the Head of Regeneration will be responsible for implementation as outlined in the report.

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.