

Report of the Director of City Development

Report to Executive Board

Date: 17 December 2014

Subject: East Leeds Extension: acquisition of land between Wetherby Road and York Road

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): Harewood, Crossgates & Whinmoor, Roundhay	<input checked="" type="checkbox"/> Yes	<input 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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix 1 and Plan 1 Appendix number:10.4(3)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Summary of main issues

1. The East Leeds Extension (ELE) is the single largest area of allocated green field housing land in the city. Together with adjacent land with planning permissions and emerging proposals for residential development the area has potential to accommodate up to 7000 new homes as a significant contribution to the city's housing growth targets for 2028, as set out in the Core Strategy. The ELE offers a major opportunity to contribute to the Best City ambitions through the delivery of critical infrastructure and ensuring the creation of 'liveable places' in an area of major growth.
2. The Northern Quadrant (NQ) is the first part of the East Leeds Extension (ELE) to come forward, where an outline planning application has been submitted in July 2012 by a consortium of landowners and developers for the development of housing and a section of the East Leeds Orbital Road (ELOR) between the A58 and A64 arterial routes. This proposes 2,000 new homes, a primary school, green spaces and a local centre with retail and community facilities, together with details of the route of ELOR through the site. The Local Planning Authority remains in negotiation with the applicant regarding determination of this application, though it has been agreed in principle that the developers would contribute the full cost of building this section of ELOR and dedicate the required land for this.
3. Executive Board has previously noted that the Council will take a leading role in the delivery of ELOR and other infrastructure requirements to facilitate the housing development in this area. It has also noted that there is the potential that the Council may have to use its CPO powers in the event that land required to enable delivery of ELOR cannot be secured by negotiation.

4. The NQ consortium has ownership or control over the majority of land within the NQ area. Although the consortium have sought to reach a negotiated deal for the land required to deliver ELOR through the site it has not proved possible to reach a mutually acceptable agreement with all parties. The parties involved have approached the Council to establish whether it would be in a position to directly acquire the relevant land, in its leading role in delivering ELOR and as a strategic enabler for housing growth. Executive Board has previously noted that for any land not available for construction of the NQ section of ELOR, the consortium has stated that it will indemnify the Council for any reasonable costs incurred in acquiring the land.
5. The Council has held initial discussions separately with the parties concerned and this report sets out the basis on which the Council could seek to acquire the property in the interests of facilitating the delivery of ELOR and the housing growth benefits associated with it.

Recommendations

Executive Board is asked to:

- i. agree that the Director of City Development enters into negotiations to seek to agree terms for the purchase of the land interest as defined in the exempt appendix, owing to it forming a strategic interest within the NQ within the ELE that will facilitate the delivery of ELOR;
- ii. to request a report back from the Director of City Development to the Executive Board on the terms to be provisionally agreed at which time an injection into the Capital Programme will be requested together with an Authority to Spend the monies for its purchase.
- iii. note that the Head of Land and Property will be responsible for the implementation of the actions as set out in the report.

1 Purpose of this report

- 1.1 The purpose of this report is to recommend that the Council progresses negotiations for a land acquisition to enable the delivery of the Northern Quadrant (NQ) section of the East Leeds Orbital Road (ELOR) within the East Leeds Extension (ELE).

2 Background information

- 2.1 The East Leeds Extension (ELE) is the single largest area of allocated green field housing land in the city. Together with adjacent land with planning permissions and emerging proposals for residential development the area has potential to accommodate up to 7000 new homes as a significant contribution to the city's housing growth targets for 2028, as set out in the Core Strategy. The ELE offers a major opportunity to contribute to the Best City ambitions through the delivery of major infrastructure and ensuring the creation of 'liveable places' in an area of major growth.
- 2.2 The area can be seen as a strategic growth point where there is scope for significant investment in infrastructure and new development together with new jobs particularly in the construction related industries and in the commercial retail and office sectors, schools, health care and other related uses that will support the large scale housing development envisaged.
- 2.3 The East Leeds Orbital Road (ELOR) will be the major item of infrastructure that will enable and unlock development of this land, providing vehicular access for the new residential areas, relief to the existing Outer Ring Road and enhanced connectivity from the M1, through Thorpe Park to the East and North East of the city. In so doing it will provide for a coherent approach to place making, effectively separating strategic and through traffic from new and existing residential neighbourhoods.
- 2.4 Executive Board has previously noted that the Council will take a leading role in the delivery of ELOR and other infrastructure requirements to facilitate the housing development in this area.
- 2.5 The Northern Quadrant is the first part of the ELE, between the A58 and A64 arterial routes, that has come forward for development, with an outline planning application submitted by a consortium of landowners and developers in July 2012 for 2,000 new homes, primary school, green spaces and a local centre with retail and community facilities, together with details of the route of ELOR through this part of the allocation.
- 2.6 The Local Planning Authority remains in negotiation with the applicant regarding determination of this application, though it has been agreed in principle that the developers would contribute to the full cost of building this section of ELOR and dedicate the land it has under its control for this. The contribution of costs would be through a combination of works in kind for advanced construction of the main junctions of ELOR with the A58/A64 and subsequent payments to the Council based on the rate of housing delivery on the site. This payment mechanism has been referred to as a 'roof tax'.

3 Main issues

- 3.1 Within the NQ section of the ELE the Northern Quadrant Consortium (NQC) has control of large areas of the land covered by its current planning application, either through freehold ownership or under option agreements. Although it has sought to negotiate with all the owners in this area, it has not been able to agree terms for all the land required to deliver the proposed scheme, including the section of ELOR through the site.

- 3.2 The Council is in a position as an enabling authority with an agreed leading role in delivering ELOR to explore the terms on which it itself may acquire property, where a private treaty has not proved possible between the land owners and NQC. This would support the determination and deliverability of the current planning application and offer the current land owners a measure of certainty. This approach would also assist the Council with providing greater certainty in regard to its developing business case for the West Yorkshire Transport Fund, which will offer significant public finance for the wider ELOR project, but requires the deliverability of the entire route to be demonstrated and a clear case for how this will support and secure the housing and economic growth benefits for the city.
- 3.3 Executive Board has previously noted that for any land not available for construction of the Northern Quadrant section of ELOR, the consortium has stated that it will indemnify the Council for any reasonable costs incurred in acquiring the land.
- 3.4 The potential requirement for compulsory purchase in facilitating the ELOR project has previously been noted by Executive Board, though there is no current resolution to use such powers. As part of any CPO strategy it is important that parties involved should have attempted to come to agreements for the transfer of land for the scheme proposed by way of negotiation.
- 3.5 Given existing approvals, officers have held initial discussions separately with the relevant parties to establish the basis on which a deal to acquire the land interest may be negotiated.
- 3.6 The land can be broadly categorised into four parts:
- a. land that is needed for the construction and adoption of ELOR;
 - b. land that may be needed for a landscaping buffer to support the overall Northern Quadrant housing scheme and ELOR, on the outside edge of ELOR;
 - c. land that is not critical to the delivery of the road but which would ultimately remain within the housing allocation on the inside of ELOR and therefore have development potential;
 - d. land that is not critical to the delivery of the road and which would ultimately sit on the outside of ELOR and retain its existing agricultural use.
- 3.7 For the Council the minimum extent of land to be acquired with cost indemnified by the NQC should be that at a. together with sufficient buffer/landscape area to enable the ELOR to be constructed.
- 3.8 The confidential appendix details the area of the proposed acquisition and the indemnity agreements proposed with the consortium.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The East Leeds Regeneration Board, a sub-group of the Housing & Regeneration City Priority Board has had extensive discussions about the ELOR and ELE issues since its establishment in January 2012.

- 4.1.2 A Member from each East Leeds Ward has a seat on the East Leeds Regeneration Board, alongside a seat for representation from each of the Conservative and Liberal Democrat Groups. The Board is chaired by the Executive Member for Neighbourhoods, Planning & Support Services.
- 4.1.3 Members of the Board have expressed clear views that the ELOR should be provided as quickly as possible and there is a preference for the ELOR to be provided in its entirety in advance of any development in the ELE and Thorpe Park. The acquisition of this area of land will facilitate the ability to deliver the NQ section of the ELOR.
- 4.1.4 The East Leeds Extension and potential route of the ELOR are located predominately in the Crossgates and Whinmoor Ward, with smaller areas in the Harewood Ward. Ward Members in each case have been consulted on the Northern Quadrant outline planning application and briefed on the feasibility work for ELOR. In addition Ward Members have been notified of the proposals in this report.
- 4.1.5 The progress of the ELOR project has also been a regular topic of enquiry at the Council's Housing and Regeneration Scrutiny Board.
- 4.1.6 A Consultative Forum has been set up as to assist consultation on the Northern Quadrant planning application and is currently chaired by Cllr Pauleen Grahame (Crossgates and Whinmoor Ward). The forum comprises representatives from local groups, including the Parish Councils, Ward Members from each of the wards directly affected by the proposals and members of the developer's team and has met seven times. The Council has also organised 'drop-in' events in December 2012 and September 2013 to provide further opportunities for local people to obtain information about and comment on the proposals for the Northern Quadrant.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An equality screening has taken place on the recommendations set out in this report and is attached as an appendix. This has shown that there are no equality and diversity implications in agreeing these recommendations. In assisting with the delivery of ELOR and ELE it should create a raft of positive impacts for local communities due to the potential for future regeneration and development activity. The outcome of the screening exercise was that a full Equality and Diversity/ Cohesion and Integration assessment is not required.

4.3 Council policies and City Priorities

- 4.3.1 The Best Council Plan 2013-2017 sets out the ambition for Leeds to be the best city in the UK, with an economy that is prosperous and sustainable so all our communities are successful. The work to deliver the ELE relates strongly to many of the Best Council Objectives and its progress is set as a priority for 2013/2014.
- 4.3.2 The Best Council objectives are reflected in the approach to design and development of the area:

to promote sustainable and inclusive economic growth, by providing new housing and meeting housing needs as the city grows, boosting the local economy, delivering new social and physical infrastructure and improving travel and access to new employment opportunities;

to create a child friendly city through the integral design and provision of new schools, open spaces, play and leisure facilities, ensuring there are enough school places as the

city grows and meeting the needs of young people to grow up in a safe, welcoming child-friendly neighbourhood;

to assist in delivering the **better lives programme** by meeting the needs of older people through new housing choices and new local health facilities;

to enable **positive public health outcomes** through the provision of new primary health facilities, opportunities for active leisure, planning for pedestrians and cyclists and enabling access to good quality affordable housing;

to ensure that **sustainable development** is achieved in a way that meets the growth needs of the city whilst protecting the character and improving the amenity of existing neighbourhoods.

4.4 Resources and value for money

- 4.4.1 As part of any land acquisition to facilitate the delivery of ELOR and the development of the ELE the Council will be seeking that the cost of any land assembly is indemnified by the future development of the land. However there are situations where the Council can make a strategic acquisition of land to facilitate the delivery of the road and this may require the Council to initially fund the acquisition and seek payment in the future for its land .
- 4.4.2 The acquisition of the land within the Northern Quadrant will provide greater certainty to the delivery of the ELOR and the housing growth in this part of the City and will assist the Council in terms of demonstrating a business case to the WYTF for the delivery of the ELOR.
- 4.4.3 The proposal contained in this report represents an early opportunity to acquire a land interest that will not be able to be acquired through the current consortium approach in the NQ.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 The Council may complete the acquisitions by virtue of Section 120 of the Local Government Act 1972 which covers acquiring land for “the benefit, improvement or development” of the Council’s area, or for the purposes of any of the Council’s functions under any enactment which would now include the new general power of competence in Section 1 of the Localism Act 2011, ie the power for the Council to do anything that individuals generally may do. Section 120 also allows the Council to acquire land for any purposes notwithstanding that the land is not immediately required for that purpose.
- 4.5.2 The information contained in the exempt Appendix 1 and Plan 1 attached to this report relate to the financial or business affairs of a particular person, and of the Council. This information is not publicly available from the statutory registers of information kept in respect of certain companies and charities. It is considered that since this information was obtained through initial one to one discussions for the acquisition of the property/land then it is not in the public interest to disclose this information at this point in time.
- 4.5.3 Also it is considered that the release of such information would or would be likely to prejudice the Council’s commercial interests in relation to other similar transactions in that prospective purchasers of other similar properties would have access to information about the nature and level of consideration which may prove acceptable to the Council. It is considered that whilst there may be a public interest in disclosure, much of this information will be publicly available from the Land Registry following completion of this

transaction and consequently the public interest in maintaining the exemption outweighs the public interest in disclosing this information at this point in time. It is therefore considered that this element of the report should be treated as exempt under Rule 10.4(3) of the Access to Information Procedure Rules.

4.6 Risk Management

- 4.6.1 The commercial and financial assessment of the benefits and risks associated with the proposal are set out in the exempt appendix. Disclosing this could have a negative impact on the financial outcome the Council achieves.

5 Conclusions

- 5.1 The development proposals for the NQ are at a more advanced stage than other parts of the ELE with the submission of a planning application for housing, related community facilities and this section of the ELOR. As all the land to deliver this cannot be acquired through negotiation by the land owner and developer consortium the acquisition of land in the NQ by the Council would unlock this position, providing greater certainty as to the delivery of ELOR and housing growth in the ELE.

6 Recommendations

- 6.1 Executive Board is asked to:
- i. agree that the Director of City Development enters into negotiations to seek to agree terms for the purchase of the land interest as defined in the exempt appendix, owing to it forming a strategic interest within the NQ within the ELE that will facilitate the delivery of ELOR;
 - ii. to request a report back from the Director of City Development to the Executive Board on the terms to be provisionally agreed at which time an injection into the Capital Programme will be requested together with an Authority to Spend the monies for its purchase.
 - iii. note that the Head of Land and Property will be responsible for the implementation of the actions as set out 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.