

Report of the Chief Planning Officer

Report to Development Plan Panel

Date: 19th May 2015

Subject: Housing Phasing

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): ALL	<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 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. The adopted Leeds Core Strategy sets out the overall requirements for the location, scale and distribution of housing growth (SP1: Location of Development, SP6: The Housing Requirement and Allocation of Housing Land, SP7: Distribution of Housing Land and Allocations). Within this strategic context, Policy H1 identifies the approach to the 'Managed Release of Sites'. The focus of this Policy is to ensure that sites:
 - are in sustainable locations
 - are managed and phased in a timely manner, consistent with the spatial priorities of the Plan (with emphasis upon the role of the Settlement Hierarchy)
 - provide an appropriate balance of brownfield and greenfield sites
 - make best use of current and planned infrastructure
 - which are sequentially less preferable are released only when needed

2. The focus of this approach is to ensure that both local priorities (identified as part of the Core Strategy) and national requirements (as set out in the National Planning Policy Framework (NPPF)) are met. The NPPF requirements include the need to:
 - meet objectively assessed needs for market and affordable housing

- identify and maintain a supply of 5 years' worth of deliverable sites
 - identify a supply of specific developable sites over the Plan period
3. As emphasised in previous reports to the Development Plan Panel and Executive Board, whilst the Core Strategy sets out the overall strategic requirements, it is the role of the Site Allocations Plan (SAP) and Aire Valley Leeds Area Action Plan (AVLAAP), to identify specific sites for housing and their phasing.
 4. Executive Board on 11th February agreed the set of site allocations, as a basis to prepare a Publication draft SAP and AVLAAP. It was recognised in this report that further work was needed in a number of areas (including site phasing) and within this context, the purpose of this report is to set out the overall approach and methodology for the 'managed release of sites' (in conformity with Policy H1), for the SAP and AVLAAP.

Recommendation

5. Members of the Development Plan Panel are invited to comment on and to endorse the overall approach to Housing Phasing.

1.0 Purpose of this Report

- 1.1 Executive Board on 11th February agreed the set of site allocations, as a basis to prepare a Publication draft SAP and AVLAAP. It was recognised in this report that further work was needed in a number of areas (including site phasing) and within this context, the purpose of this report is to set out the overall approach and methodology for the ‘managed release of sites’ (in conformity with Policy H1 of the Core Strategy).

2.0 Background Information

- 2.1 The Core Strategy sets out the overall requirements for the location, scale and distribution of housing growth over the Plan period (2012-2028). Integral to this is Policy H1, which identifies the policy approach and criteria for the managed release of sites. The Policy is set out below.

POLICY H1: MANAGED RELEASE OF SITES

LDF Allocation Documents will phase the release of allocations according to the following criteria in order to ensure sufficiency of supply, geographical distribution in accordance with Spatial Policy 7, and achievement of a previously developed land target of 65% for the first 5 years and 55% thereafter. Subject to these considerations, phases with the earliest release should be made up of sites which best address the following criteria:

- i) Location in regeneration areas,
- ii) Locations which have the best public transport accessibility,
- iii) Locations with the best accessibility to local services,
- iv) Locations with least impact on Green Belt objectives,
- v) Sites with least negative and most positive impacts on existing and proposed green infrastructure, green corridors, green space and nature conservation.

Consideration will be given to bringing forward large sites, of more than 750 dwellings, to facilitate, early delivery in the Plan period.

In special circumstances, allocated sites may be permitted to be released in advance of their phasing outlined above, so long as the permitted site delivers infrastructure and housing investment that is needed within Regeneration Priority Programme Areas. In such cases, suitable mechanisms will be agreed to ensure that delivery within the Regeneration Priority Programme Area occurs either before, or in conjunction with the delivery of the permitted site.

The Council will maintain a five year supply (plus appropriate NPPF buffer) of deliverable housing sites through considering release of the subsequent phase or phases of sites to help address the shortfall.

Phase means a series of sequential bands of site preference

2.2 The Issues and Options Site Allocations Plan (Summer 2013) sought people's views on phasing and invited responses on whether particular sites could or should be developed in the short (0-5years), medium (5-10years) or long term (10 years+). In the main responses to this question provided little by way of information on the achievability of sites e.g. specific time limited constraints which may affect their phasing. Most representations reflected concerns around the release of specific sites in principle. In any event the Core Strategy Inspector's modifications to Policy H1 clarified that phasing should be driven by the sufficiency of supply of land on a rolling basis, rather than in fixed time periods.

3.0 Main Issues

Overview

- 3.1 Policy H1 sets out a criteria based approach to the managed release of sites, to be identified through LDF allocation documents. The Policy highlights six criteria to guide the phasing of sites, consistent with the overall spatial objectives and priorities of the Plan. Important components of the Policy include: the need to deliver a distribution of sites via Housing Market Characteristic Areas (HMCA), a sufficient split of brownfield and greenfield sites, the need to bring forward large sites (i.e. more than 750 dwellings) early in the Plan period so as to ensure delivery within the plan period and the necessary delivery of infrastructure and the need to maintain a 5 year housing land supply. It should be noted that the submission version of the policy included criteria on ensuring that previously developed land had been sufficiently exhausted prior to bringing forward more greenfield land. The Core Strategy Inspector made modifications to the policy which removed these criteria as he considered that they were unsound and contrary to the main thrust of national guidance on significantly boosting the supply of housing (see ¶3.14 below).
- 3.2 In translating the CS Policy requirements into a realistic and deliverable approach, it is important to strike an appropriate balance between meeting numerical housing targets, maintaining a 5 year supply, managing and stimulating opportunities for housing development through urban regeneration and growth and the need to plan for infrastructure.
- 3.3 In terms of national guidance, the NPPF is not prescriptive in specifying requirements for phasing but emphasises the desire to 'deliver a wide choice of quality homes' and to ensure that local planning authorities 'identify a supply of specific developable sites for growth' (para. 47). Following on from this the guidance suggests 3 phases. An early phase for years 1–5, a second phase 6-10 and a further phase 11-15 (with Protected Areas of

Search/Safeguarded Land being considered after this, should it be required at a future date).

- 3.4 In reflecting the national planning guidance from a local Leeds perspective, it is imperative that a sufficiency of supply is maintained, whilst delivering the wider priorities of the Plan. Consequently, there is a need to identify an optimum number of phases (to help the District meet housing needs in line with the spatial strategy, support regeneration and plan for infrastructure) but to recognise that the focus is upon delivery and supply (as an important factor guiding release), rather than specific phases of release linked to specific timescales.
- 3.5 Taking the above considerations into account, 3 phases are advocated for the managed release of sites for the SAP and AVLAAP. These phases are linked to the spatial strategy of the Plan, and focus development primarily in regeneration areas and in relation to the settlement hierarchy. The phases are comprised of categories of sites based upon their planning status, location, their designation as brownfield or greenfield and scale. Table 1 below illustrates each phase, together with the broad anticipated quantum for each category and phase in meeting the overall requirement¹.
- 3.6 Importantly, whilst Phase 1 is identified as commencing from the base date of the Core Strategy (April 2012), it is anticipated that Phases 2 and 3, should follow on sequentially to meet supply requirements, as and when necessary, rather than being linked to a specific timescale. In seeking to effectively manage the release of sites, the proposed 3 phases would operate as 'pools of supply', from which the 5 year supply is maintained. This aligns with the NPPF which states, in para. 47, that in order to maintain a 5 year supply, additional land may be 'moved forward from later in the Plan period'.
- 3.6 In adopting this approach, Table 1 below highlights that Phase 1 identifies a substantial pool (over two thirds of the requirement for the Plan-period). This enables a focus to be given to the spatial priorities of the Core Strategy, the provision of a sufficient range and choice of sites (in different market areas), together with a sufficient quantum to meet 5 year supply requirements.

¹ Table 1 offers guidance on broad quantum at this stage and will be updated and presented to Panel as part of the SAP Housing papers at the 24th June meeting. At this stage each site will be identified by its phase and Members will see how phasing affects individual HMCAs following ongoing assessment.

Table 1: SAP/AVLAAP Managed Release of Sites

Phase 1 would start at 2012 (year 0 of the Plan) and include:

	Category	No. of sites	No of Units
A	Extant planning permission	311	20,090
B	UDP allocations	62	10,110
C	Brownfield within MUA	100	6,980
D	Brownfield within major settlement	20	710
E	Brownfield within regeneration area	2	70
F	Greenfield within regeneration area	37	5,730
G	City Centre	60	6,590
H	Sites over 750 units	3	6,090
I	Greenfield within MUA	17	840
J	Greenfield within major settlement	5	190
K	Brownfield within smaller settlement	9	270
L	Greenfield MUA extension	3	135
	TOTAL	629	57,650

Phase 2 would include:

	Category	No. of sites	No of Units
M	Greenfield MUA extension	10	1,200
N	Greenfield major settlement extension	15	2,760
O	Greenfield within regeneration area	2	760
P	Greenfield within smaller settlement	2	370
	TOTAL	29	5,090

Phase 3 would include:

	Category	No. of sites	No of Units
Q	Greenfield within smaller settlements	6	110
R	Small settlement extensions	24	2,910
S	Rural allocations	3	210
	TOTAL	33	3,230

- 3.7 Members will see that most of the greenfield land release in Phase 1 is made up of existing UDP allocations, sites with permission, greenfield sites within regeneration areas (in order to stimulate local housing markets) and sites over 750 units.

Policy Adjustments

- 3.8 In following the above methodology, in preparing the draft SAP and AVLAAP Publication Plans, once site allocations have been categorised (as set out in Table 1), a series of other factors will also need to be considered i.e. 'policy adjustments'. These comprise considerations of:
- i) whether sites are phased on the basis of locations which have the best public transport accessibility; to be sourced from existing Sustainability Appraisal (SA) evidence are released first ,
 - ii) whether sites are phased on the basis of locations with the best accessibility to local services; to be sourced from existing SA evidence
 - iii) whether sites align with infrastructure requirements (SP1) and planned infrastructure improvements e.g. highways and/or education investment plans.

Moving between Phases

- 3.9 Policy H1 states that the Council will maintain a 5 year supply through consideration of the release of the subsequent phase or phases of sites to help address the shortfall. This is to allow a degree of sensitivity and flexibility in the application of the policy. This approach is also consistent with the NPPF which is clear that sites can be moved from later phases to help address a 5 year supply.
- 3.10 In order to support the implementation of the phasing approach throughout the life of the Core Strategy and Site Allocations Plans there will be a need for a Strategic Housing Land Availability Assessment (SHLAA) and 5 Year Supply assessment to be updated annually. These evidence base assessments will:
- maintain the trajectory of delivery including any quantum of shortfall or oversupply
 - assess the contribution that smaller windfall delivery (including self-build) and the return of empty homes to use make to the longevity of a particular phase
 - assess the contribution that larger windfall makes to the supply (e.g. an increase in larger deliverable windfall sites may delay the need for less sequentially preferable phases to be brought forward)
 - assess the deliverability of supply within each phase (phase 1 may contain sites which are undeliverable within a given 5 year period, e.g. because they are currently in another use or impeded by infrastructure delivery)

Green Belt

- 3.11 The phasing in table 1 seeks to ensure that Green Belt sites are released so as to meet the objectives of the Core Strategy, especially releasing urban extensions in regeneration areas so as to help stimulate housing delivery in

these areas by providing a competitive choice to housebuilders in the localities and ensuring that such developments bring with them local benefits via CIL and commuted sums. In accordance with the approach set out above land removed from the Green Belt will be released as follows²:

- Phase 1 - 8,900 homes (15% of the total for that phase)
- Phase 2 - 3,920 homes (77% of the total for that phase)
- Phase 3 - 2,350 homes (73% of the total for that phase)

Maintaining a previously developed land completions target

3.12 The previously developed land (PDL)/greenfield split that results from the proposed approach to land *supply* phasing is set out below:

- Phase 1 - 58% PDL / 42% greenfield
- Phase 2 - 3% PDL / 97% greenfield
- Phase 3 - 9% PDL / 91% greenfield

TOTAL - 52% PDL / 48% greenfield

3.13 The achievement of a PDL *completions* target is set out in Policy H1 of the Core Strategy, which states that 65% of gross completions for the first five years and 55% thereafter should be on PDL. It is important to note that the levels of PDL supply in the allocations plan will be supplemented by smaller windfall sites, (which total on average 500 units per year), and any larger windfall which emerges via the SHLAA process. To that end, the supply split will inevitably underplay a contribution from other sources of PDL. For information, monitoring reveals that between 2012-15 PDL completions have been at an average of 81%.

3.14 The Core Strategy Inspector, in his Report, removed criteria relating to the release of greenfield land. He notes (¶28 of his Report) that *“Policy H1 as submitted placed unduly onerous restrictions on the release of sequentially less preferable sites. This is rectified by MM16 which is necessary to ensure that accommodating the city’s housing needs can be met and a continuous supply maintained. Some will argue that relaxing Policy H1 will allow developers to develop greenfield sites ahead of brownfield. I cannot say that this would not happen but, as modified, Policy H1 should enable the Council to ensure that land in less sequentially preferable locations is only released when necessary to maintain a supply of housing land.”*

3.15 The Adopted Core Strategy Monitoring Framework follows through this logic and notes *“If the PDL targets are not being met the Council will review its land release policy in accordance with H1. The Council will be in a position to resist further greenfield land release if the PDL targets are not being met, so as to encourage brownfield and regeneration development, as part of the*

² Figures are approximate at this stage.

overall approach of the Core Strategy". This management mechanism can provide some flexibility for the Council should the greenfield element of the phasing set out above become under pressure to be the main source of delivery in Leeds.

4.0 Other considerations

Duty to Co-operate

- 4.1 The City Council has engaged with City Region (particular neighbouring authorities) in the preparation of the emerging Publication SAP and AVLAAP Plans.

5.0 Corporate Considerations

5.1 Consultation and Engagement

- 5.1.1 The Core Strategy has now been adopted and has been found by an independent Inspector to be sound (this also includes compliance with the Duty to Co-operate and the regulated requirements for public consultation and engagement). The preparation of the SAP and AVLAAP has been subject to earlier stages of public consultation and engagement. Further engagement will take place at Publication stage, prior to submission for examination (anticipated autumn 2015).

5.2. Equality and Diversity / Cohesion and Integration

- 5.2.1 In the preparation of the Core Strategy, due regard has been given to Equality, Diversity, Cohesion and Integration issues. This has included the completion of EDCI Screening of the Core Strategy and meeting the requirements of the Strategic Environmental Assessment Directive, which has meant that these Plans are subject to the preparation of a Sustainability Appraisal. The purpose of such Appraisals is to assess (and where appropriate strengthen) the document's policies, in relation to a series of social (and health), environmental and economic objectives. As part of this process, issues of Equality, Diversity, Cohesion and Integration, are embedded as part of the Appraisal's objectives. The SAP and AVLAAP material reflects the approach set out in the Core Strategy. Nevertheless an Equality Impact Assessment Screening will be undertaken on the proposed site allocations and will be part of the package to be presented to Executive Board. Equality, diversity, cohesion and integration issues are being considered as part of the preparation of the Plan and through the sustainability appraisal work which is ongoing.

5.3. Council Policies and City Priorities

5.3.1 The adopted Core Strategy, the emerging SAP and AVLAAP, play a key strategic role in taking forward the spatial and land use elements of the Vision for Leeds and the aspiration to the 'the best city in the UK'. Related to this overarching approach and in addressing a range of social, environmental and economic objectives, where these Plans also seeks to support and advance the implementation of a range of other key City Council and wider partnership documents. These include the Best Council Plan (2013-17) and Leeds Joint Health and Wellbeing Strategy (2013-2015).

5.4 Resources and value for money

5.4.1 The preparation of statutory Development Plan Documents (the 'local plan') is an essential but a very resource intensive process. This is due to the time and cost of document preparation (relating to public consultation and engagement), the preparation and monitoring of an extensive evidence base, legal advice and Independent Examination. These challenges are compounded currently by the financial constraints upon the public sector and resourcing levels, concurrent with new technical and planning policy pressures arising from more recent legislation (including the Community Infrastructure Levy and Localism Act). There are considerable demands for officers, members and the community in taking the Development Plan process forward.

5.4.2 For the Local Development Framework to be as up to date as possible, the Council now needs to produce the SAP and AVL AAP as quickly as practicable, to deliver the priorities set within the Core Strategy and the Best Council Plan. Without an up to date plan the presumption in favour of development by the Government means that any development in conformity with national policy will be acceptable, regardless of any previous positions of the authority, which could have implications in terms of resources and value for money.

5.4.3 The phasing of sites needs to be supported by up to date monitoring of delivery and supply via an Authority Monitoring Report, SHLAA and 5 Year Supply assessment. These are in general undertaken 'in-house' although specific analysis on issues such as viability may need to be out-sourced.

5.5 Legal Implications, Access to Information and Call In

5.5.1 The SAP and AVLAAP follow the statutory development plan process (Local Development Framework). The report is not eligible for call in as no decision is being taken.

5.6 Risk Management

- 5.6.1 Without a current allocations plan for this geographical area, aspects of the existing UDP allocations will become out of date and will not reflect or deliver the Core Strategy policies and proposals. Early delivery is therefore essential, alongside the SAP and AVLAAP, to enable the Council to demonstrate that sufficient land will be available when needed to meet the Core Strategy targets. Without an up to date plan the presumption in favour of sustainable development by the Government means that any development or neighbourhood plan in conformity with national policy will be acceptable, regardless of any previous positions of the authority. The more the work progresses, the more material weight can be given to it.

6.0 **Conclusion**

- 6.1 This report has set out the proposed approach to site phasing, as a basis to deliver the requirements of Policy H1 for the 'managed release of sites'. The purpose of this is to identify site phasing through the SAP and AVLAAP, in order to deliver the priorities set out as part of the Core Strategy. Central to this approach is the need to maintain a 5 year housing land supply and to manage release to support policy requirements, rather than linked explicitly to fixed timescales.
- 6.2 The report also sets out how the Council can ensure that land in less sequentially preferable locations is only released when necessary to maintain a supply of housing land and as part of this describes how additional sources of supply outside of the SAP and AVLAAP may be identified throughout the Plan period, as windfall, which may help ensure the longevity of latter phases.

7.0 **Recommendation**

- 7.1 Development Plan Panel is invited to comment on and endorse the overall approach to Housing Phasing.