

Report of Director City Development

Report to Scrutiny Board (City Development)

Date: 22 July 2015

Subject: 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 (HILS) 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 Housing & Regeneration Scrutiny Board in March 2015 four brownfield sites have been sold for development. In addition, one building has been sold for conversion into residential dwellings or for redevelopment as new housing. In addition there are currently 32 sites that are under offer to developers and expected to deliver a further 581 units subject to planning approvals and sale completion.
3. This paper provides City Development Scrutiny Board with the background of the HILS and the various programmes which facilitate the delivery of new homes on the Council's brownfield assets and seeks view from the board about the future frequency and format of reporting.

Recommendations

4. Members are asked to note the contents of this report, comment on the approach outlined and agree the nature and frequency of future reporting.

1 Purpose of this report

- 1.1 This report follows on from those previously considered by Housing and Regeneration Scrutiny Board since July 2012. It provides a further quarterly update on the activity being undertaken to secure new housing development on Council owned brownfield land, in addition to a brief overview of the various programmes through which such development is being progressed.

2 Background information

- 2.1 A number of reports have been presented to the Housing and Regeneration Scrutiny Board with the most recent being on 24th March 2015. Whilst the early reports dating back to 2012 focused on the approaches that the Council was progressing to secure the development of new homes on brownfield land, since December 2014, short quarterly papers have been presented which have provided an overview of the progress made to secure disposal and development of the Council's brownfield assets.
- 2.2 The Housing Investment Land Strategy (HILS) is the mechanism through which activity through the Brownfield Land Programme, Affordable Homes Programme, Council House Growth Programme and Capital Receipts Programme is coordinated. This also supports work to deliver older peoples housing and self-build initiatives across the city.
- 2.3 The HILS was originally presented to Executive Board in July 2013 and brought together into a single list of the Council's assets with potential for residential development, whilst also identifying an appropriate delivery route for each site. Since this time, working with the Housing and Regeneration Scrutiny Board, the HILS process and schedule has been developed.
- 2.4 A robust process now exists to ensure that all new sites which emerge through the preparation of Neighbourhood Frameworks, discussions with ward members and the rationalisation of operational Council properties, are considered and the most appropriate delivery approach determined. In addition, the progress made to bring sites forward for development is proactively monitored and reviewed to maximise delivery. This aims to improve the pace at which development solutions are identified or sites are brought to the market once they are vacant and deliver a continuous programme of future activity.

3 Main issues

- 3.1 The current HILS position which covers the last two financial quarters is summarised below:
- Since the last report 4 brownfield sites and 1 existing build have been sold;
 - 32 sites are currently under offer with solicitors appointed with the potential to deliver 581 new homes;

- Offers have been received by the Council for 8 sites which are currently being considered;
- 7 sites with residential potential are currently on the market; and
- 30 sites are being prepared for marketing; and
- 9 sites form part of the Council Housing Growth Programme.

3.2 The following sections of this paper provide an overview of each delivery programme.

Brownfield Land Programme

- 3.3 The Brownfield Land Programme was established in January 2013 with the remit of bringing a number of Council owned brownfield sites forward for development in a coordinated way. 33 sites were included within the programme located in Halton Moor, Middleton, Seacroft, Osmonthorpe, Inner West Leeds and the Beckhill area of Meanwood. In addition it was agreed by Executive Board that any sites that might in future be removed from the EASEL Development Agreement with Bellway should also be included within the programme.
- 3.4 A principle was also established allowing the receipts received through the sale of sites within the programme to be used to assist further sites to be brought forward for development. This could be through on site works to improve the viability and attractiveness of sites such as ground remediation, access and other site preparation works.
- 3.5 Good progress is now being made with developers. Bellway has submitted a planning application that will deliver up to 100 new homes on a site at Thorn Walk in Gipton, following on from completion of two previous sites nearby that have delivered 224 dwellings.
- 3.6 Strata has been selected as the preferred developer for 2 sites in Seacroft and has submitted a planning application, while a further four sites in Middleton were marketed and offers received in 2014. The sale of these sites has not yet progressed pending further discussions relating to the potential of part of this land package to meet other Council service needs.
- 3.7 15 sites are being marketed through the Homes and Communities Agency's Development Partner Panel. The intention is to procure development partners to progress development at pace, focusing on sites in Halton Moor, Seacroft, Osmonthorpe. The remaining sites as part of the programme will be brought to the market in a coordinated way using a range of marketing approaches.
- 3.8 The Council has secured £1.1m of 0% loan funding through the Local Enterprise Partnership's Local Growth Fund to undertake site preparation works on 9 of the sites in Seacroft, Halton Moor and Osmonthorpe. The works to be undertaken and programme of delivery has not yet been finalised but it is anticipated that this funding will support the delivery of viable housing schemes on some of the least attractive sites included within the programme.

Affordable Homes Programme and Council House Growth Programme

- 3.9 The Council has successfully secured £8.6m of grant funding from the Homes and Communities Agency's (HCA) Affordable Homes Programme (AHP) 2015-2018. This combined with funding from the Housing Revenue Account gives a delivery programme of c£70m for the delivery of new Council homes across the city. The programme is expected to deliver in excess of 400 new Council homes by 2018, with at least 300 being new build properties and c100 being delivered through returning empty properties to use as Council homes.
- 3.10 9 sites are currently being progressed by the Council as part of the programme as set out in the table below, with the feasibility of additional sites being explored. A number of sites within the Brownfield Land Programme which are identified for future disposal are also earmarked for investment in new Council house building, to support the viability of their development.

Scheme Name	No. of Units
East Park Road, Burmantofts	32
Howarth Court, Yeadon	45
Squinting Cat, Swarcliffe	18
Broadlees, Bramley	24
Garnets, Hunslet	25
Whinmoor Public House, Whinmoor	22
The Beeches, Gipton	27
Town Street, Yeadon	2-5
Mistress Lane, Armley	77

- 3.11 In order to support Registered Providers of Affordable Housing (RP's) - such as Housing Associations - to bid for funding from the HCA, the Council initially made 19 of its sites available. Offers were received on 11 of the sites and the RP's are now in the process of securing planning consents and bringing these sites forward for development.
- 3.12 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. Through the HILS process the Council continues to consider the suitability and availability of Council owned sites which could support delivery by partners.

Self-Build

- 3.13 In June 2014 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 were received on five of the sites. Through the HILS process further sites are being considered for disposal for self-build development and will be made available on a rolling basis.

- 3.14 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

- 3.15 Two sites (former Ash Tree Primary School, Kippax and former Kirkland House, Yeadon), have been marketed for specialist older people's housing. Whilst offers were received for Ash Tree Primary School, none were suitable and the site will be remarketed to attract additional interest. Meanwhile, a closing date for offers has been set for Kirkland House for which interest has been received.

Market Disposals

- 3.16 Whilst the sale of sites across all programmes generates receipts, a range of residential sites across the city are sold either at auction or through conventional marketing to support the Council's Capital Receipt Programme. Therefore, through the HILS process a range of sites and properties are also identified for disposal through these approaches.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.2 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 the Best City and Best Council Plans.

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. Along with funding secured through the Housing Revenue Account, this will support the delivery of at least 400 new Council homes with the total cost of the programme being c£70m.
- 4.4.2 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 set out above, the scope of these works are now being considered in detail with the use of ring-fenced resources through the Brownfield Land Programme also being considered to further enhance the attractiveness of future 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.

5.2 The Council has established a number of dedicated programmes through which new homes are now being built, including the Brownfield Land Programme and Council Housing Growth Programme. 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. Offers have also been received for four sites in Middleton. Nine sites are also being progressed as part of the Council Housing Growth Programme with further sites being considered to secure the delivery of at least 300 new build Council homes.

5.3 In addition through the HILS process, sites are identified for affordable housing development via Registered Affordable Housing Providers, for self-build development and to support the delivery of specialist older people's accommodation.

5.4 The Housing and Regeneration Scrutiny Board received quarterly updates of the HILS programme. The City Development Scrutiny Board is asked to consider the format and frequency of future reporting.

6 Recommendations

6.1 Members are asked to note the contents of this report, comment on the approach outlined and agree the nature and frequency of future reporting.

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.