

Report of Director of City Development

Report to City Development Scrutiny Board

Date: 22nd July 2015

Subject: East Leeds Extension and East Leeds Orbital Road

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s): Crossgates & Whinmoor Harewood		
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?	<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 East Leeds Extension (ELE) is an area of 225ha allocated for development of new housing in the Local Development Framework through the 2006 Unitary Development Plan. It has potential to deliver around 5,000 new homes and make a significant contribution to the delivery of the city's housing growth target of 66,000 (net) new homes by 2028.
2. Development in the ELE requires major new transport infrastructure to be brought forward, particularly the construction of a new East Leeds Orbital Road (ELOR) that will connect the existing Outer Ring Road at Red Hall to the J46 of the M1 at Thorpe Park.
3. The Council is taking a leading role on the co-ordination of the programme to deliver ELOR and to enable the scale of development it is anticipated to support.
4. The former Housing & Regeneration Scrutiny Board has received reports on ELE and ELOR at a series of meetings since January 2014. This report seeks to provide the new City Development Scrutiny Board with a briefing on the activities within the overall programme and an update on its current position. It is not exhaustive, but intended to bring new Board members 'up to speed' with a large programme of work that will drive forward a very significant part of the city's growth ambition in the coming years.

Recommendations

Scrutiny Board is asked to note the report and advise on any matters it wishes to receive further details and the frequency of any further updates.

1 Purpose of this report

- 1.1 This report provides Scrutiny Board with a briefing on the East Leeds Extension and East Leeds Orbital Road.

2 Background information

- 2.2 The Local Development Framework Core Strategy, adopted in November 2014, sets out the broad spatial and land use planning framework for the district up to 2028. Central to its preparation is the desire to plan for the people and places of Leeds in a sustainable way and to meet the needs of anticipated population growth through the allocation of land for 66,000 net new dwellings over the plan period.
- 2.3 The Core Strategy sets out a range of principles to support this, which include the need to link this growth to the creation of sustainable neighbourhoods and to work in partnership to facilitate delivery. It also sets out the need to develop brownfield and regeneration sites as part of the overall approach to housing growth.
- 2.4 The East Leeds Extension (ELE) was identified in the Unitary Development Plan (UDP) Review in 2006, as a major area to the east of Leeds (225 hectares/560 acres) to meet demand for housing in the later phases of the plan's life. It was envisaged that the development would incorporate housing, employment, ancillary and green space uses and would only come forward if it could be demonstrated as sustainable.
- 2.5 The UDP also allocates 63.8 hectares (157 acres) of land for employment uses, as a key business park, at Austhorpe (Thorpe Park).
- 2.6 In June 2011 Executive Board agreed the principle of releasing Phase 2 and 3 UDP housing allocations in order to make up the shortfall of housing land in Leeds, following a series of planning appeals on greenfield sites. As a result it is now envisaged that 5-7,000 new homes could be built in this part of Leeds (including other adjacent housing allocations and permissions) over the coming years. This would make a significant contribution to the growth targets set out in the Core Strategy, alongside efforts to bring forward brownfield sites for development.

- 2.7 The ELE is the single largest opportunity in the city to deliver new high quality residential neighbourhoods on allocated green field housing land. It offers a spatial focus for the delivery of the Best City ambition, building in from the very earliest planning stages the aspirations to create a Child Friendly city, meet the needs of older people, enable positive public health outcomes, to deliver attractive and sustainable travel choices and ensure that development is achieved in a way that meets the growth needs of the city whilst complementing and improving the amenity of existing neighbourhoods.
- 2.8 The process of 'place-making' for the ELE will embrace the planning and delivery of new homes, schools, retail and community facilities, green spaces, sports and leisure facilities, transport and movement infrastructure. It requires co-ordination with a range of development interests across a number of land ownerships and over a period likely to span several years.
- 2.9 A new East Leeds Orbital Road (ELOR) is required as part of the policy associated with the original ELE UDP allocation, to stretch from the Outer Ring Road at Red Hall round the east side of Leeds to Thorpe Park joining a new Manston Lane Link Road (MLLR) where it would connect into the existing highway infrastructure and link to the M1 motorway. It would effectively become a new 4.3 mile (7km) route to provide the critical highway capacity to support all allocated and approved development in the East Leeds Extension and to relieve congestion on the existing network. It would also enable new public transport connections on the route itself, release capacity on existing networks and support the wider provision of Park and Ride and bus services across East Leeds
- 2.10 The delivery of ELOR is critical to unlocking the development capacity of the East Leeds Extension and as such has become a focus of strategic planning for the area, with the Council taking a leading role in its delivery including details relating to its cost, funding, scope, phasing in relationship to house building and responsibility for construction.

3 Main issues

Land Ownership & Development Proposals

- 3.1 The land ownership and interests across the ELE are complex - there are 37 individual parcels of land across 26 different ownerships, with a number of separate options for acquisition registered by developers. The area is best understood as five sections divided by the existing main routes through the area:

Section 1 – A6120 to A58 (Red Hall)

Section 2 – A58 to A64 (Northern Quadrant)

Section 3 – A64 to Barwick Road (Middle Quadrant)

Section 4 – Barwick Road to Leeds-York rail line (Southern Quadrant)

Section 5 – Leeds-York rail line to M1 (Thorpe Park)

- 3.2 An overview of the ELE and indicative route of the ELOR/MLLR is provided at Appendix 1. The report sets out below the land and development issues in each section.

Section 1 – Red Hall

- 3.3 At Section 1 of the ELE the Council owns 29 ha of land at Red Hall between the existing Outer Ring Road and the A58 Wetherby Road. Executive Board approved the relocation of Parks and Countryside services from Red Hall in May 2012. Office functions have been relocated to Farnley Hall and work is now underway to plan a replacement nursery at Whinmoor Grange, in accordance with a planning statement approved by Executive Board in October 2012.
- 3.4 An outline development framework was approved for the Red Hall site by Executive Board in October 2013 as a first stage in considering disposal and development and construction of the ELOR through the site. The land is partly allocated as Business Park in the UDP but has been proposed as wholly residential in the LDF Site Allocations work to date, reflecting national changes in planning policy for business park locations.

Section 2 – Northern Quadrant

- 3.5 The Northern Quadrant consortium of landowners, submitted an outline planning application in June 2012 for the first phase of residential development on 101 ha, where they propose to build 2,000 houses and associated open spaces with land allocated for a primary school and a local centre. The application also includes details of the route of ELOR through this part of the allocation and related junctions on the A58 and A64.
- 3.6 The planning application was considered by City Plans Panel in March 2015 and delegated for approval to the Chief Planning Officer, subject to the developers' commitment to deliver a policy-compliant package of planning obligations, including funding of this section of the ELOR. Further discussion is now taking place on the ability of the developer to deliver this package whilst retaining the ability to deliver a viable development.
- 3.7 The consortium proposes to construct the A58 and A64 ELOR junctions up front to provide access to the site and enable development of the first phases of new homes, but the contribution to the remainder of this section of ELOR would be through a 'roof tax' – staged payments related to the completion of homes on the site.
- 3.8 It should be noted that there is a single parcel of land that does not currently sit within the consortium's interest, but which will be required to provide for the route of ELOR through the site. This is an owner-occupied property with a business and the Council is currently engaged in negotiations to acquire this land on terms that would be acceptable to the owners, with the costs to be indemnified by the consortium.

Sections 3 & 4 – Middle & Southern Quadrants

- 3.9 There are currently no proposals or planning applications for development in these quadrants and land ownership is more fragmented. The Council owns 25 ha of land here, the majority in a single parcel on the northern side of the main Leeds-York railway line. Major house builders Persimmon, Taylor Wimpey and Redrow also have significant land holdings or options on land in this section. There are several owner occupied parcels of land and property with whom the Council has engaged about the potential for development, but have not yet committed land to any developer interests.
- 3.10 The Council intends to bring forward a Development Framework for this part of the ELE, which will set out the overall expectation of quality and scale of housing development and related community infrastructure such as schools and open spaces, along with the mechanisms through which developers will be expected to contribute to the delivery of ELOR. This will provide greater certainty for those smaller landowners who may be seeking to ensure they get a fair return for any land sold.

Section 5 – Thorpe Park

- 3.11 Outside the ELE, but immediately adjoining at Thorpe Park, Scarborough Developments has a part-implemented planning consent from 1995 for up to 1.8m sq ft of office development with complementary uses, together with a requirement to provide a new park. Approximately 600,000 sq ft has been constructed and occupied.
- 3.12 In March 2014 Scarborough Developments secured outline planning approval for a revised master plan for Thorpe Park to develop the remainder of the site for a further 1.7m sq ft of mixed retail, leisure and office uses, which could support up to 10,000 new jobs. A further amendment to this master plan was secured in early 2015, to provide for a residential element of 300 new homes. Build out of the Thorpe Park scheme will be subject to conditions that will trigger the provision of a new public park ('Green Park') on land to the west, upon certain uses or amount of floorspace being constructed.
- 3.13 The developer has obtained detailed planning permission to construct the Manston Lane Link Road (MLLR) and a bridge over the Leeds-York rail line as a dual carriageway. Together with land reserved for future widening, this will provide the route of ELOR through the business park to connect to the M1.
- 3.14 Scarborough Developments has an agreement with the Council under which the developer can request the construction of a bridge over the railway at its own cost, landing on the Council land to the north. This is facilitated by a further tri-partite Bridge agreement that has been entered into with Network Rail. Relevant Highways Agreements are now also in place and Scarborough anticipates a programme of works that will see completion of the MLLR works in 2017, enabling it to commence implementation of its revised master plan. It is understood that the developer is currently engaging with the retail market to identify and secure core tenants for the scheme.

Other Development Sites

- 3.15 There is a separate scheme currently on-site at Grimes Dyke, off the A64 adjoining the Northern Quadrant, for 364 new homes delivered by Taylor Wimpey & Persimmon. Though very closely related, development here is not within the ELE and has been permitted without any need for ELOR to be in place or for a financial contribution to its delivery.
- 3.16 Adjoining the Southern Quadrant at the former Vickers tank factory on Manston Lane in Barnbow, a first phase of development of 151 units is currently underway by Bellway Homes. A hybrid application was submitted by Bellway in May 2014 for 485 further dwellings on the site, 100 of which were in detail, though this has yet to be determined. There is also planning approval for Ben Bailey Homes to develop 256 new homes on the adjoining former Optare factory site. The full development potential of these sites is currently limited to 256 dwellings until the MLLR works are complete and open.

East Leeds Orbital Road

- 3.17 Given the complexity of land ownerships and development interests, and the different pace at which development proposals were coming forward in separate sections of the ELE, in January 2013 Executive Board approved the principle of the Council taking a leading role in the delivery of the East Leeds Orbital Road and other infrastructure requirements and to formally engage with the landowners about the delivery process for this.
- 3.18 In March 2013 a feasibility study was commissioned by the Council, at a cost of £150,000, to establish an outline scope for ELOR, a preferred route alignment, indicative cost and potential programme for delivery. This was an objective and up to date highways engineering assessment of the scope of the road, informed by current traffic modelling and development forecasts.
- 3.19 This work was reported to Executive Board in October 2013 and establishes the need for ELOR to be a dual carriageway at any section along the route of ELOR, to have a design speed of 50mph and to limit junctions to its intersections with existing main routes. The study also provided a suitable highway alignment between the A6120 outer ring road and Manston Lane, based on national and local highways standards and guidance, to tie in with the road infrastructure proposed within the Thorpe Park master plan.
- 3.20 The feasibility work gave an estimated cost of £74.5m for construction of the preferred route from the outer ring road at Red Hall to the M1, based on 2013 prices and inflation of 3% per annum up to construction date. It includes an 'optimism bias' of 45% on top of unit costs – equating to £23m of the estimate – to reflect risks associated with matters that may be unknown at this stage such as site conditions, detailed design, agreed procurement route, phasing or programme.

- 3.21 The East Leeds Orbital Road (ELOR) is a major investment in infrastructure for the city region. It is ranked as a regional priority for strategic transport investment by the newly formed Combined Authority, which has established a £1bn funding pot to support strategic schemes across the city region. Consequently the West Yorkshire Transport Fund (WYTF) has made a share of monies available to the Council to progress the submission and development of a strategic business case for the continued development of a business case for ELOR.
- 3.22 The ELOR programme comprises of three separate but related projects – ELOR itself, junction improvement works on the western Outer Ring Road approaches at Park Road, the A61 and King Lane/Stonegate Road and a series of environmental improvements to the Outer Ring Road sections through Cross Gates and Seacroft/Whinmoor that will effectively become bypassed by the new strategic highway.
- 3.23 The West Yorkshire Combined Authority in managing the Transport Fund appropriately require districts to adhere to a formal ‘gateway’ process to progress stepped financing of individual projects. Setting up of the assurance framework was a fundamental requirement of the Department for Transport when the fund was established and financial support sought from them.
- 3.24 A successful application was made to WYCA in January 2014 for a total of £1.3m for project development to progress ELOR to Gateway One submission. This included the back funding of the Council’s initial feasibility costs. The Gateway One Business Case was developed and subsequently submitted to WYCA in January 2015 and approved for progression in April.
- 3.25 WYCA has provisionally allocated £76m towards a total estimated cost of £116.2m for all three elements of the ELOR programme, these costs including inflation and ‘optimism bias’. The ELOR element of the project itself accounts for £86m of this, requiring £40m to be secured through third party contributions to the overall cost.
- 3.26 Third party contributions are currently assumed to be provided by the developers of the ELE, through a ‘roof tax’ secured through s106 agreements, as has been established in principle at the Northern Quadrant. However other funding routes such as institutional investment may prove to be attractive as a means of managing the costs of cash flow over the life time of the ELE development. Executive Board has requested that once the Northern Quadrant scheme achieves planning approval, it receives a report on the financial implications for the Council of the roof tax.
- 3.27 The WYCA approval has released a further £3.9m of project development funds to enable detailed stage 2 tasks on the project to be progressed. Work is now been undertaken on detailed environmental surveys and assessments, and preliminary engineering designs. A significant amount of work will now be brought forward to enable planning approval to be sought. A Gateway 2 Business Case will be submitted to WYCA once planning approval is obtained and detailed engineering and procurement documentation drawn up. Approval at that stage will enable procurement to commence. A further gateway approval will enable appointment of contractors and start on site to works.

3.28 The present programme for the ELOR is summarised below. The ongoing programme assumes that the Council, together with the Combined Authority, will continue to lead development of the road scheme. There is no change to the programme previously reported to Members of the Housing & Regeneration Scrutiny Board:

- Sept 2014 – Stage 2 scheme validation
- March 2016 – Stage 3 scheme assessment
- May 2016 – Planning application
- Dec 2016 – Statutory Orders published
- March 2018 – Works start on site
- Early 2020 – Scheme opening

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The East Leeds Regeneration Board continues to hold discussions relating to the matters addressed in this report. The Board has Member representatives from each of the East Leeds wards, each of the Council's political groups, the MPs for Leeds East and Elmet & Rothwell, as well as representatives from the HCA and the Combined Authority.
- 4.1.2 The progression of the WYCA business case for ELOR to the current stage now requires wide engagement with stakeholders on the emerging project design, provision of information to local residents on the scale and impact of the works and a more concerted exercise to ensure the scheme incorporates local views as far as possible.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 There are no specific EDCI implications arising from this report, as it provides a briefing and update to the Board.

4.3 Council Policies and City Priorities

- 4.3.1 The ELE and ELOR are included within the allocations and policies of the Unitary Development Plan. The ELE and related policies are carried forward into the Core Strategy as part of the Local Development Framework.
- 4.3.2 This programme of housing and infrastructure development relates very strongly to the Best Council Plan objective of delivering sustainable and inclusive economic growth and the 'breakthrough project' to deliver housing growth.

4.4 Resources and Value for Money

- 4.4.1 There are no specific resource implications related to this report, which presents information for discussion by the Scrutiny Board.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 There are no specific legal implications related to this report, which presents information for discussion by the Scrutiny Board.

4.6 Risk Management

- 4.6.1 There are no specific risks related to this report.

5 Conclusions

- 5.1 The report presents an overview and summary of the Council's activities to bring forward development of around 5,000 new homes in the East Leeds Extension and the work underway to enable funding and construction of the East Leeds Orbital Road in support of this.
- 5.2 The report is not exhaustive but seeks to bring new Scrutiny Board members 'up to speed' with a large programme of work, the success of which will be important to the city achieving its ambitions for sustainable growth.

6 Recommendations

- 6.1 Scrutiny Board is asked to note the report and advise on any matters it wishes to receive further details and the frequency of any further updates.

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.