

Report of Director of City Development

Report to Development Plans Panel

Date: 22nd November 2016

Subject: Models of Housing Delivery

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): ALL	<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 looks at some of the issues surrounding the implementation and delivery of the sites within the Local Plan (Aire Valley Leeds AAP and the Site Allocations Plan) and considers some of the actions the Council is undertaking, and should consider doing, to provide a proactive approach to delivering housing growth across Leeds, in different localities and with a range of different developers.
2. Housing regeneration and growth is a key priority for Leeds; it is a breakthrough project in the Best Council Plan and annual targets of 3,660 homes per annum between 2012/13 and 2017/18 (stepping up to 4,700 homes per annum thereafter to 2028) have been set in the Adopted Core Strategy. It should be noted that, 3,000 new homes can generate £8 million in Council Tax and New Homes Bonus. The City also requires a functioning housing market to support jobs and investment. The Government has recently renewed its ambition to deliver 250,000 new homes per annum.
3. A deliverable housing land supply is a key component of meeting these requirements, and the Council is seeking to take a plan-led approach to boosting the supply of land with the Adopted Core Strategy and advancing allocation documents: the Aire Valley Leeds Area Action Plan (AVLAAP) was submitted to the Secretary of State on 23rd September and the Site Allocations Plan (SAP) is intended to be submitted in April 2017, pending further consultation in the Outer North East HMCA. The Council is also approving new homes (at a rate of 5,000 on

average in recent years), yet there remains a gap in the speed in which houses are delivered, with recent completions not meeting requirements.

4. There is a need for the Council to ensure that the development industry, who are the chief delivery partners of new housing, deliver sites contained in the Local Plan (Aire Valley Leeds Plan and Site Allocations Plan) in a manner consistent with the Core Strategy and at a speed to meet requirements. This is especially the case where major site releases and/or sites with specific local complexities have been allocated. Swift acceleration of sites in the Local Plan and continued build out (at a sufficient level) will be important to ensuring that Leeds achieves and maintains a healthy five year housing land supply.
5. Complementing existing Council activity, this report sets out what the Council can do to assist in bringing forward housebuilding in the context of creating strong and sustainable communities and in line with the LDF as a whole – providing the right tenure, mix and affordability of new housing which is well served by infrastructure. The Council has a primary role in setting out a vision for the development of the city and by identifying sites through the development plan are actively creating new housing opportunity. However, successful implementation of these sites is not only vital to the delivery of the housing target, but also to support positive local place making. The Council will be working closely with the development industry and other partners to clarify and encourage high quality growth and share ideas and experience – and actively use our own assets and knowledge to unlock housing opportunities and deliver more homes. This is necessary to build strong and sustainable communities and to find practical solutions to delivery issues.
6. Models of housing delivery closely links to the wider established programmes already in place under the Housing Growth Board; including the activities of Asset Management and Regeneration and this paper looks to show how Policy & Plans Group in collaboration with other sections within City Development and Council directorates can add positively to the implementation tools to secure successful and quality housing implementation.

Recommendations

7. Development Plan Panel is recommended to consider and agree the contents of this report and the initial programme of the preparation of development briefs (set out in **Appendix 1**).

1 Purpose of this report

- 1.1 The purpose of this report is to update Development Plan Panel on implementation activities considered necessary to support the delivery of the LDF. The report provides an update on current delivery and implementation activities and context to the forthcoming commencement of a programme of development briefs to help guide the implementation and delivery of the major sites (and other sites of a locally complex and or sensitive nature) identified within the Local Plan (Aire Valley Leeds Area Action Plan and Site Allocations Plan).

2 Background information

- 2.1 In the years leading up to the recession, UK housebuilding failed to deliver the homes needed for the country. Through and beyond the recession, housebuilding contracted further. Government has made the building of new homes a priority and the planning system has been extensively reformed to help achieve this: Government guarantees have been devised to support housebuilding and nationally more than £18 billion of financial support has been given to housebuilding and to housing providers. The roles and responsibilities of local planning authorities have also been transformed.

- 2.2 Members of Development Plan Panel will recall the meetings held over the past few years to progress both the Aire Valley Area Action Plan and Site Allocations Plan, and the positive opportunities and sometimes challenging decisions that have had to be made in identifying new sites to be allocated for housing. Members and local people via the public consultations have raised a number of concerns, particularly around some of the major site releases from the green belt and on former safeguarded land, including:

- a need to ensure that the release of greenfield sites meets local needs e.g. for affordable housing, housing mix and the needs of older people
- the precise developable areas of sites are a concern and there is a need for greater clarity on 'buffers', green infrastructure routes and densities
- some small sites raise specific local sensitivities that need to be addressed

- 2.3 Where possible these issues can be dealt with through site requirements to proposed allocations, however some of these issues can only really be dealt with at a more detailed stage of development. However, early implementation activities are helpful in addressing the main site concerns.

- 2.4 The Core Strategy is the main document setting out the overall vision and strategic level policies to guide the delivery of development and investment decisions and establishes the following objectives:

vi) Implementation and Delivery:

In progressing the proposals of the Core Strategy, the Council will:

22. *Work in partnership with a wide variety of sectors and agencies including the Leeds City Region in the delivery of the Core Strategy and as a focus to explore opportunities for funding and delivery.*

23. Work with local communities in Leeds to ensure that local people are involved in shaping the future growth of the City with appropriate community benefits.

24. Ensure that new development is served by appropriate levels of infrastructure to support the delivery of the Core Strategy.

- 2.5 The Aire Valley Leeds Area Action Plan, Site Allocations Plan and Neighbourhood Planning are all guided by the strategic level policies in the Core Strategy and identify sites¹ to deliver the vision for the District. To ensure the implementation of specific sites, further detailed guidance by way of development briefs can be an assistance to help interpret these strategic policies and by establishing early engagement with key stakeholders, developers, Ward members and the local community, the preparation of development briefs can help to smooth the planning process and achieve better place-making and speed up the planning application process.
- 2.6 As part of a collaborated and partnership approach, this paper considers the role of plan-led models of housing delivery within the context of wider and different models for housing delivery across the city to provide members with the context of what tools are available to assist in the delivery of housing, not just in terms of housing numbers, but high quality place-making and local distinctiveness.
- 2.7 This report is responsive to local concerns around assurances that the Council is doing all it can to progress delivery of housing on brownfield land and that where greenfield land is release development is of a high standard and meets local needs. This report is also responsive to Government ambitions to significantly boost the supply of housing and reduce the amount of 'red tape' involved in planning, by providing early clarity and support for specific technical constraints which help create more certainty for the development industry and local people.

3 Main issues

Current Council activities

- 3.1 The Council is actively engaged with incentivising the bringing back into use of brownfield sites, especially in the city centre, fringe and inner areas. The interventions of the Council in the inner area are place making activities which are designed to act as catalysts to further improve and stimulate housing markets.
- 3.2 In 2013 the Council adopted a Housing Investment Land Strategy (HILS) which sets out a proactive approach to the use of all surplus land and buildings for the delivery of new homes. HILS provides a 'live' view of all the surplus brownfield land in the Council's ownership that has potential for residential development and brings together all proposals for market-led or public sector funded housing on these into a co-ordinated approach to how, when and where housing can be delivered. The Council also operates a Strategic Housing Land Availability Assessment (SHLAA) which identifies suitable and deliverable brownfield land in a range of ownerships

¹ Not all Neighbourhood Plans identify the allocation of land.

and a Brownfield Land Register (BLR) which additionally supports smaller brownfield sites.

- 3.3 In 2013 the Council also established a Housing Growth Board which works across planning, regeneration, asset management and housing to identify and implement interventions to stimulate housing growth primarily on difficult sites or in lower market areas.
- 3.4 Since 2012 the Council has been determining an average of 5,000 units per annum reflecting the picking up of activity following the recession.

Aire Valley Area Action Plan and Site Allocations Plan – diversifying choice

- 3.5 In progressing the Aire Valley Area Action Plan and Site Allocations Plan, the Council has had to take forward challenging decisions and difficult choices on the identification of land and sites to ensure that sufficient land is available in appropriate locations to meet the target of 66,000 as set out in the Core Strategy and achieve the Council's ambitions for housing delivery between 1st April 2012 and 31st March 2028. There is a clear recognition that progress on the production of the AVLAAP and Site Allocation Plan is essential to ensuring choice and certainty on the release of housing and mixed use sites. In the emerging Plans there are a number of 'major sites' that are Greenfield (greenbelt release) and officers are aware of the significant concerns raised by local communities and Ward Members on the need to pursue the development of brownfield sites prior to the release of greenfield sites. Brownfield development has been the focus for development (Core Strategy Policy SP6 and 7) and monitoring reports² illustrate the trend that more brownfield housing units are coming forward than on greenfield land across the city. It is however acknowledged that the Allocation Plans have had to identify land in the greenbelt to assist in the diversity and choice of housing sites to assist delivery over the plan period. In helping to continue to drive forward delivery of brownfield before greenfield and to focus on quality place-making, this section sets out some of the issues for consideration.
- 3.6 The Council now has a large number of designated Neighbourhood Planning areas where communities are developing local evidence bases and bringing forward locally bespoke proposals for small sites. Planning Briefs can form a bridge between their policies / objectives and schemes.

Lack of a five-year housing land supply

- 3.7 There is growing emphasis from central government that Councils across the country must increase the supply of housing in a way that is supported by local communities and that there is recognition that whilst in some areas permissions are increasing this isn't necessarily translating to increased building. The Council has recently been told by the Secretary of State that it does not have a five year housing land supply and is a 20% buffer authority on the basis of persistent under-delivery. A focus on the implementation of sites is a key mechanism for resolving this situation and providing a defensible supply position alongside increased

² The Authority Monitoring Report will be published for DPP in December 2016

completions levels as well as boosting housing land supply via the plan making process.

What do we know about the housing markets in Leeds?

- 3.8 Across Leeds there are different housing market areas, each with their own opportunities and constraints ('obstacles') to delivery and require different implementation tools and solutions to bring forward housing completions. This is reflective of a structural shift in the Leeds housing market since the recession, which has number of characteristics:
- During the recession the volume sector largely stopped building in Leeds and since 2012 has operated on fixed business models driven by minimum profit margins, low risk and volume sales,
 - Since 2012 the Top 20 house builders in the UK have constructed only 25% of completions in Leeds,
 - The Site Allocations Plan and AVLAAP are the key mechanisms to release sites which the volume housebuilders want i.e. a preference towards green field sites or those which carry limited technical risk,
 - Throughout the recession Small and Medium Sized Housebuilders (SMEs) continued to deliver on smaller sites and helped contribute to an average of 1,500 homes per annum,
 - Since the recovery SMEs have been unable to compete on land prices in medium and high value markets as these have been the exclusive focus of the volume sector,
 - SMEs continue to focus on 'niche' markets or lower market areas as well as previously developed land rather than greenfield sites. Their models (with lower profit expectations) are working in Leeds and in turn are having a positive impact on values e.g. average values in the inner area and city centre of Leeds rose at a faster rate than the Leeds average in 2015/16 .
- 3.9 These shifts play out in different ways in different parts of the City and therefore require a flexible Council response.
- 3.10 SME and regional-scale developers are driven by their ability to sell and drive turnover, but in Leeds there is increasing activity in our inner urban and City Centre areas and on challenging brownfield sites, where despite the retreat of volume builders from these areas, it is proving possible to deliver viable and attractive schemes. In many cases these have arisen from a measured but less risk-averse approach to opening up new development areas and realising market potential.
- 3.11 The Council through its regeneration, asset management and Housing Growth Board activities has developed successful partnerships and collaborative working arrangements with SME developers e.g. through:

- packaging and disposal of local authority land in marginal locations to de-risk investment (HILS)
- acquisition of homes off-plan by the local authority to ensure delivery of mixed tenure schemes
- engagement of SME's and landowners in our 'Private Sector Acceleration Programme' whereby the Council has sought to join up and make links between stalled development sites, public sector enabling activity, funding and potential delivery partners

3.12 SME interests are willing to work flexibly and seek ways in which their business can adapt to the challenges of sites and locations. Whilst investment decisions remain commercially driven, SME developers are more willing to be flexible on margins. The Council recognises government's support for the SME sector including the reshaping of the Builders' Finance Fund which enables support for small sites and recognises that the business model for SMEs is different to that of the volume builders. Through the Private Sector Acceleration Programme, the Council is already working with landowners and planning applicants to address stalled sites and welcome new tools and flexibilities, working locally with the Homes and Communities Agency (HCA), to add pace to delivery.

3.13 The Private Rented Sector (PRS) is an emerging sector in the home building industry in Leeds although has yet to be fully proven. This new wave of PRS developments is in its infancy but is now set to deliver schemes in city centre and City Centre fringe locations as market conditions and anticipated rental levels move to allow investments to be committed with potential for 10,000 new homes over the next 12 years.

3.14 The PRS sector operates on fixed models and is also footloose (with Manchester, Birmingham and other Core Cities competing for PRS schemes). City Centre sites are regarded as relatively challenging in terms of the prospects of scheme delivery and viability and deliverability is impacted by small changes in the market. Specific planning approaches / solutions to issues such as housing mix may be necessary.

3.15 In the main urban area and regeneration areas the volume house-builders are less inclined to invest in brownfield sites. In order to meet housing needs the Council requires all providers to be delivering. We therefore need to encourage smaller and medium sized builders and also look at more emphasis on innovative construction processes to speed up delivery. Outside the main urban area where greenfield sites and major sites predominate, the market is dominated by volume house-builders with whom we need to work collaboratively and engage with early on in the process to ensure that local aspirations for achieving high quality and sustainable development can be established.

Release of Major sites and greenfield releases

3.16 Policy H1 of the Core Strategy sets out criteria for phasing the release of housing allocations in order to ensure a 5 year supply of land is maintained and to ensure a balance of brownfield and greenfield sites coming forward. There are three phases identified for the managed release of sites in the Site Allocations Plan and Aire

Valley Area Action Plan. These phases are linked to the spatial strategy of the Plans, and focus development primarily in regeneration areas and in relation to the settlement hierarchy. The phases are currently comprised of categories of sites based upon their planning status, location, their designation as brownfield or greenfield, scale and infrastructure considerations. Phase 1 identifies a substantial pool (over two thirds of the requirement for the plan period). This is to give a sufficient range and choice of sites, together with a sufficient quantum to meet 5 year supply requirements.

- 3.17 Due to the scale of the “major sites” i.e. >750 dwellings, it has been recognised that there is a need to release them early in the plan in order to ensure that the necessary infrastructure for delivery is in place to support development thus resulting in more sustainable patterns of growth. However, such sites have raised a considerable degree of local concern and there is a need to ensure:
- Local concerns are addressed / mitigated
 - High standards of delivery
 - Swift build out and lead in times to ensure that sites contribute to targets.

- 3.18 It is important therefore that we engage at an early stage to shape the approach to planning these sites which can take up to two years or more to deliver, particularly where there are complex land ownerships and/or site requirements to overcome.

What is the bridge between the Site Allocations Plan and high quality development on the ground?

- 3.19 A site-specific development brief can act as a stepping stone between the provisions of the development plan (Site Allocations Plan/ AVL AAP) and the requirements of a planning application. It can perform a number of functions such as promoting a site for development, interpreting development plan policies, or addressing a particular site constraint or opportunity.
- 3.20 The Site Allocations Plan and AVL AAP identify the boundary and use of land and where appropriate set out site requirements. For the larger sites, significant local infrastructure (on and off site) will be required to be provided and the developments themselves sensitively designed and planned not only for new residents but to integrate and provide benefit to existing communities. The Council is proposing therefore that for the larger sites and for some of the smaller ones, further supporting planning guidance is adopted, to provide more clarity on the individual site requirements. Planning briefs can improve the efficiency of the planning system by reducing uncertainty and provide a basis for the preparation of “masterplans”. They can advise developers of the nature of acceptable development, and the extent to which the brief's recommendations will influence the evaluation and determination of planning applications. It is the aspiration of Leeds City Council that the briefs will help provide certainty on deliverability of these large sites at an appropriate level of prescription and provide a material consideration to the determination of applications.

Project Management

- 3.21 Through minor restructuring of the Plans and Policies Group, a new team has been established to focus on the implementation of the Local Plan and work with other key services across the Council. Through the 'Major Projects' team it is proposed that:
- Policy and Plans lead on project management of the development brief programme set out in **Appendix 1**;
 - Draw on expertise and work collaboratively across Council;
 - Use Planning Board and DPP to steer the preparation of briefs.
- 3.22 It is vital for the success of development briefs that these are produced collaboratively through joint working across the council as well as with Statutory Bodies and agencies. Through timely and appropriate communication the production of development briefs can provide an approach that is positive and constructive; which provides a clear message to developers and enables a smoother application process.
- 3.23 Whilst not exhaustive, development briefs can consider and explore a range of issues as set out below. Members are encouraged to consider whether these form the correct range of issues for briefs to cover:
- **Quality**
 - Clarifying Best Council Plan ambitions for high standards
 - Ensuring CS policies are implemented e.g. housing mix, affordability, independent living, older persons, greenspace and infrastructure and delivery
 - Making links with the Cultural Strategy and place-making
 - Using of design codes where appropriate i.e. so as to speed up Reserved Matters applications.
 - **CIL (S106 agreements)**
 - Clarifying funding arrangements and potential for infrastructure provision
 - **Viability**
 - Responding to local market assessments
 - Ensuring that the City remains competitive
 - **Community engagement**
 - Involving the local community at an early stage as a critical partner
 - Fostering an ongoing and cumulative process
 - Working with Neighbourhood Plan, groups and aspirations
 - **Technical work**

- Reducing ‘Red tape’ and the burden on the development at application stage – early dialogue on technical work prior to pre-application discussions
- Time and money saved by landowners and developers can be re-distributed into quality places
- **Commitment to delivery**
 - Ascertaining need for up front infrastructure
 - Clarifying and ensuring speed of build out
 - Deploying “use it or lose it” approaches to permission for housing
 - Discussing the number of concurrent outlets with a range of house builders, including low cost, community build, self-build
 - Consider options for licensed house building (a method in which SMEs / others can acquire plots and develop on larger sites without the substantial initial outlays to purchasing the land)
 - Promoting modern methods of construction which are quicker to build
 - Encouraging developer payment for dedicated (or additional) staff to deal with specific applications
- **Construction**
 - Early investigation and collaboration around opportunities for local labour inc. apprenticeships

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 The planning service has a responsibility to pull together a range of considerations from across the Council so as to ensure that development meets a range of objectives as set out in the Best Council Plan and subsidiary frameworks and strategies. Planning briefs and frameworks provide the opportunity to raise these objectives at an early stage to developers so as to ensure that the links between new development and wider Council objectives are made and delivered.

4.2 Equality and Diversity / Cohesion and Integration

4.2.2 The preparation of planning briefs will help ensure that equality and diversity issues can be raised as necessary at an early stage of development.

4.3 Council policies and Best Council Plan

4.3.3 The implementation activities of the Policy and Plans Service will help support the delivery of the Core Strategy, which is one of Leeds City Council's main policy documents setting out vision, objectives, policy and targets for the future growth of Leeds particularly in terms of spatial planning. The Core Strategy helps articulate the spatial dimension of other council strategies and plans including ‘Vision for Leeds’ and the Best Council Plan.

4.3.4 More specifically the implementation activities set out above will help to make better links with the following specific Best Council Plan priorities: Housing Growth and High Standards in all sectors, Strong communities benefitting from a strong city, Making Leeds the best place to grow old in and Early intervention and reducing health inequalities.

4.4 Resources and value for money

4.4.5 Implementation activities are time consuming and will require staffing and in some cases, technical resources to support the preparation of planning briefs and bespoke technical work. However, it is considered that such activities will help promote better development and speedier progress through the planning application process.

4.5 Legal Implications, Access to Information and Call In

4.5.6 No specific legal implications at this stage but approaches to masterplanning may give rise to specific legal issues (for example consultation and procedural requirements)

4.6 Risk Management

4.6.7 In the wider context of this report, further work is needed to clarify the importance of market sector delivery in the City Centre through PRS development. The delivery of these brownfield sites is key to meeting housing needs.

4.6.8 The risks to delay in the production of planning briefs lie with staff resource limitations and the involvement of other parties. There is a danger of protracted negotiations with the development industry and other interests about what is reasonable in terms of viability on specific sites.

5 Conclusions

5.1 The approach to the preparation of development briefs as a method to assist in the delivery of housing, needs to be fit for purpose and proportionate to individual sites. The process needs to be kept under review to monitor effectiveness.

5.2 Members are asked to consider :

- The need to build on any informal or formal guidance we currently have in place e.g. a framework for revised approach to planning briefs?
- The mechanism for considering and approving development briefs.
- Specific issues around the articulation of policy via briefs so as to help speed up decision taking and improve quality of schemes

6 Recommendations

6.1 Development Plan Panel is recommended to consider and agree the contents of this report and the initial programme of the preparation of development briefs (set out in **Appendix 1**).

Appendix 1: Initial programme - preparation of development briefs

Leeds City Council has identified a number of large sites in the Aire Valley Area Action Plan and the Site Allocations Plan, to deliver by 2028 spread across the district and across phases. The table below are those sites where we believe a level of intervention may be necessary, which can include the production of a Development Brief. The list is not exhaustive and will need to be kept under review and can be added too. It is listed by site size order only:

Table A1: List of Sites identified for development briefs

Site Reference	SAP/AVL AAP Ref	Est. Capacity in Local Plan	Phase	Comment
East Leeds Extension (ELE)	HG1-288	4,446	1	SPD already in preparation
Stourton Grange South (land east of Garforth)	HG2-124	2,314	1	Development Brief: Initial roundtable discussion with developer timetabled.
Parlington	MX2-39	1,850	1	Development Brief: Initial roundtable discussions held with developer. Supportive of process.
Land to the east of Wetherby	HG2-226	1,080	1	Development Brief
Land south of Rawdon Road, Horsforth	HG2-41	777	2	Development Brief: Initial introductory meeting held with developer – supportive of process.
Thorpe Lane, Tingley	HG2-167	619	3	Development Brief
Haighside, Rothwell	HG2-173	578	2	Development Brief
Kirkstall Road	MX2-9	553	1	Development Brief
Land east of Otley	MX1-26	550	1	Development Brief
Fleet Lane, Methley Lane	HG2-180	322	2	Development Brief
Redhall	HG1-284	300	1	Planning Brief already drafted
Bradford Road/Wakefield Road, Gildersome	HG2-145	393	3	Development Brief