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Report of Director of City Development

Report to Development Plan Panel

Date: 19th December 2017

Subject: Core Strategy Selective Review (Publication Draft)

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 checked="" type="checkbox"/> Yes	<input 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 sets out the proposed policies for the Core Strategy Selective Review (CSSR) covering the housing requirement for a new plan period of 2017 – 2033, updating affordable and green space policies, introducing new policies on housing standards (size and accessibility) and updating the sustainable construction Policies EN1 and EN2 to reflect national advice.
2. Public consultation took place June-July 2017 on the scope of the CSSR. As a result of that, the scope has been extended to cover related areas, namely housing distribution, City Centre green space and electric vehicle charging points.
3. Issues raised at the workshop for Members of Development Plan Panel held on 4th October have been helpful in framing the policies and the supporting text.

Recommendations

4. Development Plan Panel is invited to:
 - i) consider the Policies and supporting paragraphs of the CSSR as set out in **Appendix 1**,
 - ii) recommend to Executive Board that it approves for public consultation the Publication Draft of new and revised Policies and supporting paragraphs of the

CSSR as set out in **Appendix 1**, subject to any further changes agreed at the panel meeting.

- iii) recommend to Executive Board that it approves the supporting documents, including Sustainability Appraisal and other background evidence.

1 Purpose of this report

- 1.1 Following initial public consultation and further technical work, the focus of this report is for the Development Plan Panel to consider the Publication draft policies for the Core Strategy Selective Review (CSSR) and request that Development Plan Panel recommends that Executive Board approve the formal Publication of these policies for six weeks of public consultation.
- 1.2 The policies are supported by a Sustainability Appraisal Report alongside relevant supporting material including:
- Statement of Regulation 18 Consultation
 - Consultation Strategy
 - Duty to Cooperate Table
- 1.3 The Plan is also supported by an evidence base which includes:
- Economic Viability Study 2017 (Executive Summary)
 - Strategic Housing Market Assessment 2017
 - Monitoring information
 - Background Papers

2 Background

- 2.1 The Leeds Core Strategy was Adopted in 2014 and sets the strategic planning framework for the Leeds Metropolitan District and is the overarching document within the Leeds Local Plan (which also comprises an Adopted Natural Resources and Waste Plan and an Adopted Aire Valley Leeds Area Action Plan). The highly advanced Site Allocations Plan will on Adoption also form part of the Local Plan. The planning system in England and Wales is “plan-led” which means that an up to date and Adopted Plan is necessary to promote good growth and investment whilst ensuring that speculative and inappropriate development can be resisted.

Development Plan Panel Resolutions

- 2.2 In November 2016 Panel resolved to recommend to Executive Board to commence a Selective Review of the Core Strategy and agreed the targeted scope of the Review focussing on: updating the housing requirement for a revised plan period of 2017 – 2033, updating affordable and green space policies, introducing new policies on housing standards (size and accessibility) and updating the sustainable construction Policies EN1 and EN2 to reflect national advice. Executive Board resolved to undertake a selective review of the Core Strategy in February 2017.
- 2.3 In September 2016 Panel resolved to note the consultation responses on the initial consultation, the findings of the SHMA (2017), the need for viability testing of alternative policies and to hold a workshop with Panel Members on policy development.
- 2.4 A workshop with Development Plan Panel Members was held on 4th October which considered issues and options relating to the new and revised CSSR Policies. Members resolved to note the outcomes of the workshop at the Panel meeting on 3rd

November 2016.

- 2.5 At its meeting on 21st November 2016 Panel Members resolved to support a housing requirement target figure of 3,247 (annual) / 51,952 (Plan period figure) as the recommended approach.
- 2.6 As a result of feedback from public consultation on the scope of the CSSR, Government priorities and in response to policy implementation issues, the review is proposed to be broadened to include consideration of Policy SP7 (distribution of housing allocations), and a new policy to require provision of Electric Vehicle Charging Points in new development. In addition a minor amendment is proposed to policy G5 on City Centre open space and policy G6
- 2.7 The indicative timetable set out in the Local Development Scheme and agreed by Executive Board in February 2017 envisaged that formal consultation on a Publication Draft would take place between December 2017 and January 2018. This has now been deferred to February to March 2018 and has the benefit of avoiding the Christmas and New Year holiday period.

Site Allocations Plan

- 2.8 Members will be well aware that the Site Allocations Plan (SAP) is currently being examined by Government appointed Inspectors, with Stage 1 Hearing sessions held in October. The SAP has been in preparation since 2013 and subject of four periods of public consultation. The SAP Inspectors have clarified that they are assessing the Plan against the Adopted Core Strategy (CS). However, previous reports to Development Plan Panel have set out that the SAP remains at Examination whilst undergoing specific amendments to Green Belt land release, which will be subject to public consultation between January and March 2018. This is because the context around lower housing needs, than those set out in the Adopted CS, has changed to such an extent (brought into focus by the recent Government consultation “Planning for the Right Homes in the Right Places”, September 2017) that further technical work was considered necessary. As a result of the amendments the SAP will be complementary to the CSSR.

3 Main issues

- 3.1 The purpose of the Leeds Core Strategy Selective Review (CSSR) is to introduce revised policies, considered to be necessary, to respond to changes in the evidence base, shifts in National Policy and guidance and/or which raise implementation issues. As was made clear through consultation on the scope of the CSSR, it is not the purpose of the review to re-open discussion about other parts of the Leeds Adopted Core Strategy (CS), which remain in place as part of the statutory plan for Leeds.
- 3.2 The individual policy areas are set out in turn below, with a brief introduction explaining the reasons for the revised approach, the consultation responses received from scoping stage, options for policy development and the proposed revised approach. The proposed Policies are set out in **Appendix 1**.

The Housing Requirement for 2017 - 2033

- 3.3 The Adopted CS was prepared between 2008 and 2013 with Examination by a Government Inspector in 2013 and Adoption in 2014. The CS housing requirement of 70,000 (net) homes between 2012 and 2028 was established through a Strategic Housing Market Assessment (2011), which was based on the Office of National Statistics (ONS) 2008-based sub-national population and household projections. At the time of submission the housing requirement was at the lower end of scenarios, reflecting a balance between homes and jobs that, as a result of this balance, was lower than the baseline household projections of 90,428 homes. The national statistics changed at a late stage of CS preparation. The CS Inspector invited further consideration of the housing requirement in light of new partial Government household projections released post-submission. Having considered the up to date evidence from all sides on this, he concluded that the Adopted Core Strategy housing requirement of 70,000 (net) homes was sound and in line with the government ambitions to significantly boost the delivery of housing in paragraph 47 of the NPPF. The Inspector considered that the requirement was likely to be achieved once the economy picked up, but accepted that, in light of new demographics, it was now set at the upper end of likely scenarios.
- 3.4 The CS Inspector's hopes that the national and local economy would swiftly recover from recession and support delivery of 70,000 (net) new homes and a return to the demographic drivers, which supported the projections at the time, have not happened and the CS annual targets have not been met since 2012 with average delivery of 2,765 homes per annum. Global and national macro-economic factors have been key drivers of the delivery rates in Leeds: the slow recovery from recession (shared with other Core Cities outside of the south east), the impacts of the uncertainties around the mortgage market review in 2015, uncertainties of Greece's position in the Eurozone and the Brexit referendum in 2016, have all had an impact on housebuilding activity.
- 3.5 It is noted that throughout this period the supply of land, which is in the control of the local authority, has not been constrained. The Council's monitoring reveals that outstanding planning permissions have remained at a ratio of 7 permissions for every house built. In 2016/17 6,792 new homes were approved which is more than any year since 2007/08. Moreover, the Council took steps to improve the greenfield mix in the land supply in Leeds through proactive releases of greenfield land to maintain choice and competition in the market for land and seek to boost the supply of housing.
- 3.6 Since the CS was adopted Office of National Statistics (ONS) projections in every release since have shown lower and slower growth when compared to the 2008-based projections upon which the CS was based. This has been reflected in an up to date Strategic Housing Market Assessment (SHMA) as required by the National Planning Policy Framework (paragraph 158 & 159). The SHMA shows that the supply side messages of lower and slower growth are matched by demand side evidence. The Government's 2017 consultation on housing needs ("*Planning for the right homes in the right places*") has also been considered by the Council. The SHMA may be updated to reflect this.
- 3.7 Policy SP6 and supporting paragraphs 4.6.1 – 4.6.12 are proposed to be replaced with the text set out in **Appendix 1**. The main changes to the policy arise from new

evidence. The section of the policy which addresses criteria for land release is considered to remain in line with the Adopted CS and national guidance and is therefore unchanged. The evidence for setting the housing requirement comes from the SHMA 2017 which makes a thorough analysis of Leeds' housing needs, starting with the official ONS projections and making adjustments to reflect local evidence on population and employment growth as well as affordable housing needs, commuting and local household size assumptions.

3.8 Four scenarios are considered to form reasonable alternatives within a range of between 2,648 to 3,783 dwellings per annum / 42,384 to 60,528 dwellings over the plan period:

- A balance between jobs and homes which reflects the economic ambitions of the authority (as supported by evidence in the Regional Econometric Model (REM)¹¹ 2017) and the specific needs for affordable housing. Known as the “REM 2017” alternative in the SHMA, it has an annual dwelling need of 3,478 dwellings per annum (55,648 (net) dwellings over the plan period)
- A balance between jobs and homes which reflects the economic ambitions of the authority (as supported by evidence in the Regional Econometric Model 2017) and the specific needs for affordable housing but does not account for pre-recession rates of household formation. Known as the “SHMA adjustment” scenario, it has an annual dwelling need of 3,247 dwellings per annum (51,952 (net) dwellings over the plan period)
- A balance between jobs and homes which reflects optimistic high performing economic ambitions (as suggested by evidence in the Regional Econometric Model 2017 and higher level scenarios in the Leeds Growth Strategy) and the specific needs for affordable housing and as well as an uplift to account for pre-recession rates of household formation. Known as the “REM High Growth” alternative in the SHMA, it has an annual dwelling need of 3,783 dwellings per annum (60,528 (net) dwellings over the plan period).
- A reflection of the latest population and household projections plus an uplift for affordable housing, but not accounting for a balance between homes and jobs. Known as the “DCLG consultation” scenario it has an annual dwelling figure of 2,649 dwellings per annum (42,384 (net) dwellings over the plan period).

3.9 At its meeting on 21st November 2016 Panel Members resolved to support the “SHMA adjustment” scenario as the recommended approach.

3.10 Responses to the scoping consultation were overwhelming of the view that a review of the housing requirement is necessary given changes to the underlying evidence base. The development industry pointed out that the housing requirement should match economic ambition and that the SHMA should consider household formation

¹¹ A key intelligence resource which monitors and estimates future performance in 30 economic sectors in Leeds on the basis of local and national indicators. The REM is maintained by the Regional Economic Intelligence Unit and ensures a co-ordinated approach to the use of economic information across the West Yorkshire Combined Authority. It estimates the level of job growth that will be required to support the local economy in the long term, which in turn helps determine the homes needed to accommodate economic in-migrants.

rates, market sensitivities and affordable housing. The SHMA does this and the SHMA scenarios above are clearly linked to job growth and evidence on household formation. Consultants have also carried out their own analyses pointing to higher numbers on the basis of factors such as longer term migration patterns. These are not considered to be a reasonable alternatives because they are not in line with the on-line PPG nor the consultation draft DCLG consultation. Nonetheless a higher economic growth scenario ("REM High Growth") has been considered as an alternative (see the Sustainability Appraisal in **Appendix 2**). There are concerns that too optimistic a view of economic growth or similarly, of migration patterns, which then fail to materialise could lead to more land release for housing than is necessary. This in turn would lead to more pressure on greenfield sites and Green Belt release in the outer areas of Leeds, which would harm the spatial strategy of the CS and the NPPF.

- 3.11 At the Member workshop some Members felt the housing requirement should be as low as possible, i.e. 2,649 (42,384). It was suggested that this would be an easily achievable minimum with potential to exceed provision. Other Members felt 42,384 would be too low and could be damaging to Leeds's economic growth prospects and ability to meet housing needs, especially for affordable housing. There was also concern expressed that a long term housing requirement needs to take into account the quality of the existing stock of housing and the need for local people to have options to move to new housing. Members were concerned that too high a housing requirement would see a repeat of the past 5 years whereby there has been a loss of control over the release of land in the right places, chiefly as a result of the operation of the five year housing land supply.
- 3.12 Members views are that the five year housing land supply punishes the authority despite the efforts made on planning permissions, greenfield release and promotion and stimulation of brownfield land. This issue is compounded by the attitudes of some agents in the local development industry who argue for strong and optimistic growth drivers to be considered at the plan making stage and then subsequently argue that sites are undeliverable at the implementation stage; thus creating a target that is impossible to reach and a "planning by appeal" culture which uses the five year land supply as a tool for inappropriate development. This is not the manner in which the City Council wishes to responsibly plan for its housing needs.
- 3.13 The Best Council Plan sets an objective for good growth in the right place and the right type. There is a need to move forward in the CSSR with a managed approach to housing delivery which is rightly ambitious (given the position of Leeds within the sub-regional economy) but is deliverable and meets the needs of all local people and local communities. The recommended policies are considered to provide this.
- 3.14 Taking all this into account, at its meeting on 21st November Development Plan Panel specifically considered the housing requirement figure and endorsed the "SHMA adjustment" scenario. **Appendix 1** therefore sets out a revised CSSR policy for an annual dwelling need of 3,247 dwellings per annum (51,952 (net) dwellings over the plan period).
- 3.15 It should be noted that a further adjustment to take account of future demolitions is required to convert the figure to a gross housing requirement. Officers suggest this should be 150 dwellings p.a. which is lower than the 250 dwellings p.a. in the adopted Core Strategy. A reduction is justified given the reduced rate of public money for

significant demolition programmes and is in line with monitoring since 2012.

- 3.16 To identify and allocate sites for the supply of housing national guidance suggests that an evidenced windfall allowance can be deducted from the housing requirement. A windfall allowance of 500 dwellings p.a. was agreed in the adopted Core Strategy and on the basis of continued monitoring this figure remains supported and is not subject to revisions in this CSSR. Therefore, 8,000 dwellings which will be delivered on smaller sites (below 0.4ha or 5 dwellings) can be counted towards the requirement for the plan period and thus lower the amount of land required to be allocated.
- 3.17 At the meeting on 21st November the issue was raised as to whether the windfall allowance should be increased to account for land over 0.4ha, which arises throughout the plan-period. Inevitably given the nature of Leeds as a Metropolitan Authority such land will come forward, especially from former employment sites and via permitted development rights allowing changes of use to residential uses from a range of employment and commercial uses. However the Strategic Housing Land Availability Assessment (SHLAA) carried out on an annual basis is a comprehensive stock of all sites with potential for housing; therefore the potential for sites to come forward outside this assessment is minimal. Moreover, sites which are unidentified at the current time and come forward through permitted development do not provide a conclusive forward projection over a plan period (particularly due to the limited timeframes for permitted developments).
- 3.18 The Housing Background Paper provides further explanation of how the housing requirement has been proposed.

Housing Distribution

- 3.19 Policy SP7 of the Adopted CS divides the previous total dwelling supply for allocation (66,000 dwellings) into different geographical areas. It sets out the strategic distribution of the overall housing requirement based on the attributes of places, local character, housing needs, land supply and investment in infrastructure. To that end, the policy sets out the number and percentages of dwellings that should be allocated in different parts of the Settlement Hierarchy (City Centre, Main Urban Area, Major Settlements and Smaller Settlements) and in the different Housing Market Characteristic Areas (HMCAs).
- 3.20 Paragraphs 4.6.13 – 4.6.17 of the Core Strategy 2014 are proposed to be replaced with paragraph 4.6.6 and 4.6.7 set out in **Appendix 1**. Parts of Policy SP7 are proposed for deletion, leaving only the percentage targets for the HMCAs.
- 3.21 If Policy SP7 were not amended as part of the CSSR, the numbers of dwellings for the different geographical areas would not reflect the new housing requirement. Keeping the percentages alone would work with the new housing requirement. However, the percentages for the Settlement Hierarchy including percentages for infill and urban extensions will no longer be achievable with the lower housing requirement and may not serve any beneficial planning purpose. In contrast, the percentages for the HMCAs will largely be achievable with the lower housing requirement. Keeping the HMCA percentage targets of SP7 would concur with the wider spatial strategy of the Core Strategy as expressed in the Vision and Policy SP1. This can be summarised as a balanced provision of brownfield and greenfield (Vision paragraph

3.2), sustainable growth related to the Settlement Hierarchy with the scale of growth reflecting the size, function and sustainability of the settlement (Spatial Policy 1) and selective use of Green Belt land where this provides the most sustainable option. A balanced mix of sites including green field and brownfield is part of that strategy. A good geographic spread of sites associated with settlements of the Settlement Hierarchy will help secure delivery of housing to meet the varied needs of Leeds residents. Keeping the HMCA percentage targets would also concur with the conclusion of the Member workshop that it would be appropriate to keep the HMCAs as a means for securing a balanced distribution of the housing supply.

- 3.22 At the 4th October workshop a request was made for HMCA boundaries to be ironed out. It was highlighted that there are instances where a detailed boundary bears no relationship to actual residential areas and the natural understanding of community areas. Officer advice is that whilst there may be anomalies on the ground these HMCAs were set independently by the SHMA 2011 taking into account views on housing markets not local community areas or feelings of local identity. They are strategic and their boundaries based on super output areas² so as to help data collection. It is therefore perhaps inevitable that local people may consider that they are better placed within a neighbouring HMCA. It is proposed that a review of the boundaries does not form a part of the CSSR. The benefits of boundary changes to reflect local perceptions will need to be balanced against the benefit of the current HMCAs conforming entirely to the boundaries of census output areas which enables more robust statistical evaluation and evidence gathering. It is also a concern of officers that it will not be possible to constrain a review of HMCA boundaries to focus on minor “anomalies”. There would be calls for more fundamental changes to the HMCA boundaries which would slow the process down for little strategic gain. It should also be noted that the HMCA boundaries have been used to set the context for allocations in the SAP, however any re-drawing of boundaries would not remove a need to identify specific parcels of land for housing, which have been assessed through the SAP process as being developable or deliverable – it would simply add to neighbouring HMCA requirements.

Viability Assessment

- 3.23 As discussed at the Member workshop there are choices which need to be made in terms of the policies. The viability of individual policies must be considered at a single policy level and also at a cumulative level. There are choices in terms of the policy ask, for example an increase in affordable housing targets would have a knock on impact of a reduction in other policies, for example for the Housing Standards which are proposed as part of this Core Strategy Selective Review. The EVS has provided an evidence base in informing these policy choices. The results show that the cumulative effect of all of the policies set out in the CSSR are viable at a strategic level. To seek an increase in any policy targets or requirements would have an impact in terms of viability which would in turn likely impact on the delivery of that or another policy requirement. The results of the Economic Viability Study (EVS) were not available for the Member workshop although it was reported that there has been a slight uplift in the overall strength of the housing market in Leeds this overlays some

² Super output areas are small scale geographies for the purposes of census gathering that seek to have a consistent population in each; therefore rural output areas can often be anomalous to real world features and geographies.

local disparities. However there have also been increases in CIL rates as a result of indexation which is applied on an annual basis and changes to affordable housing benchmarks which have absorbed some of this uplift.

Affordable Housing

- 3.24 Policy H5 and supporting paragraphs 5.2.12 to 5.2.17, is proposed to be updated with paragraphs 5.2.12 – 5.2.21 set out in **Appendix 1**. A map of affordable housing zones is included in **Appendix 3**. The evidence base for affordable housing is the Strategic Housing Market Assessment (SHMA) 2017, and the Economic Viability Study (EVS) update (November 2017). The reason for the update to the policy is to reflect changes in national policy since the adoption of the Core Strategy and to also update the policy in terms of evidence presented in the SHMA 2017, and the EVS update (November 2017).
- 3.25 Results of the SHMA show that there is a need for 1,230 affordable dwellings per annum in Leeds. These are needed in all four Affordable Housing Zones (See **Appendix 3**). The annual need for affordable dwellings is as follows: Outer North Zone 1: 120, Outer South Zone 2: 794, Inner Zone 3: 168, City Centre Zone 4: 148. Based on the anticipated housing supply annualised in these zones, percentages targets for affordable housing in excess of 35% can be justified on the grounds of need, but viability testing including other planning requirements means that lower targets are set. It indicates that approximately two thirds of the affordable dwellings required need to be of Social Rented tenure and one third Intermediate Tenure. The SHMA 2017 has evidence of sizes and types of affordable housing needed including in different zones. Therefore the established practice of seeking a pro-rata mix of affordable dwellings to match the overall mix of dwellings is recommended to continue.
- 3.26 The EVS Update (2017) has also tested affordable housing targets in combination with the other Core Strategy policies and their cumulative impact. As such it is proposed to retain affordable housing targets as they are.
- 3.27 Established practice is not to apply affordable housing policy to development of student accommodation and it is proposed to continue this approach. Since the adoption of the Core Strategy national guidance has introduced changes in relation to the threshold for affordable housing and the vacant building credit. The Core Strategy was adopted on 12th November 2014. Since that time on 28th November 2014, DCLG published the outcome of its consultation paper 'Planning Performance and Planning Obligations' this introduced a national threshold for affordable housing and developer contributions. This set out that contributions should not be sought from developments of 10-units or less, and which have a maximum combined gross floor space of 1,000 square metres.. In effect this means the existing thresholds set out in the policy cannot be applied and it is proposed to delete the requirement for contributions in such circumstances, from the policy as it cannot be applied.
- 3.28 At the workshop some Members requested simple definitions be included which can be understood by a layperson; hence the policy is proposed to be reworded to make it more legible. It is proposed to elevate the use of the following simple terms:

- Social Rented to represent the type of affordable housing typically rented by registered providers which is affordable to low income households
- Intermediate to represent types of affordable housing that sits between the price of market housing and the price of social rented affordable housing. Typically intermediate affordable housing will include shared ownership and other discounted sale products.

- 3.29 These two headline types of affordable housing will still relate to the income standards established in the Core Strategy adopted 2014. These are standards of dwellings being affordable to actual household earnings cohorts in Leeds: Social Rented represents dwellings affordable for households on lower decile earnings; Intermediate represents dwellings affordable for households on lower quartile earnings.
- 3.30 The Housing White Paper (Feb 2017) anticipates national planning policy insisting upon at least 10% of housing development dwellings to be for home ownership, including “Starter Homes, but no mandatory requirement for starter homes (paragraphs 4.17 & A124). Starter Homes are defined as dwellings sold at 80% of market value with a salary cap of £80,000 for eligible households. However, current indications from Government consultation on planning policy suggest there will not be a requirement for local authorities to accept provision of Starter Homes as a type of affordable housing, only a requirement for home ownership types of affordable housing. Home ownership types of affordable housing would fall within the “Intermediate” category of affordable housing that forms part of the proposed H5 policy.
- 3.31 The SHMA 2017 gives strong evidence for two thirds of affordable dwellings to be for Social Rented or equivalent affordable tenures. This provides the basis for requiring 60% of affordable dwellings to be this tenure, which is more genuinely affordable for households in need in Leeds.
- 3.32 Regarding build-to-rent developments the Government consulted on ideas to support build-to-rent developments between February and May 2017. It suggested “Affordable Private Rent” as a new category of affordable housing which would be appropriate provision in build-for-rent schemes; rents should be 20% lower than market rents in the local area and eligibility criteria should apply to include nomination rights. Affordable private rent arrangements should continue in perpetuity. Therefore, build to rent developments in Leeds will be treated differently from build for sale.
- 3.33 The AMR monitors affordable housing provision on an annual basis to include provision secured via S106 planning obligations and will continue to monitor affordable housing provision.

Green Space – Policy G4

- 3.34 An analysis of planning permissions given since adoption of the Core Strategy in November 2014 found that green space is not being delivered on-site as expected by Policy G4. The findings of the EVS suggest that no more than 40sqm of green space per dwelling should be sought across the District. This means that high, medium and

low density schemes will be able to meet the requirement and remain viable. Whilst it might be expected that large low density schemes might be able to provide more green space particularly in the higher value areas, the EVS concludes this is unachievable at the current time given the other policy requirements including a 35% requirement for affordable housing. The proposed green space policy has also been tested by number of bedrooms; such an approach would be more equitable whereby schemes with a larger number of bedrooms would provide more green space and those with fewer bedrooms would provide less green space.

- 3.35 A conclusion of the Member workshop was that different parts of Leeds require different green space solutions and that policy needs to be responsive: on-site provision in some cases; money to improve existing spaces in others.
- 3.36 As part of the update of the Council's Community Infrastructure Levy Regulation 123 List, it is proposed that Green Space be removed from the list (although the possibility to retain "Strategic Green Space" will be investigated), in order to make S106 contributions for green space a completely legitimate option free from potential challenges of "double dipping". It is on this basis that the new Policy G4 is reworded, which will allow the Council to be more responsive to local circumstances in determining the green space requirements of individual developments.
- 3.37 The Member workshop emphasised the importance of securing the future maintenance of any green space that is provided by third parties. The new supporting text of the new Policy draws attention to the need for the Council to be satisfied with the robustness and enforceability of private arrangements and avoid situations where maintenance mechanisms / funding is not secured such that the City Council is forced undertake the maintenance and associated costs of it.

City Centre Green Space - Policy G5

- 3.38 A minor amendment is proposed to Policy G5, regarding on-site contributions in lieu. This amendment supports flexibility in the delivery of open space in the city centre by not limiting contributions solely to the delivery of the City Park or pedestrian enhancements, but rather recognises that open space may be delivered in other areas and in other ways subject to priorities.

Green space Policy G6

- 3.39 It has become apparent that some of the City Centre pedestrian corridors protected under Policy N1 of the UDP as shown on UDP Inset Map II have not been carried over into the civic and open space identified in the Site Allocations Plan. Many of these omitted pedestrian corridor designations have important roles in connecting civic and open spaces and providing local amenity. Therefore, it is considered that they need to be protected just like the civic and open spaces themselves and it is proposed to insert the wording "pedestrian corridors" into the opening sentence of Policy G6: "Green space (including open space *and pedestrian corridors* in the City Centre) will be protected from development unless...." They can then be shown on the Policies Map alongside the civic and open spaces identified in the Site Allocations Plan.

Space Standards

- 3.40 Government policy allows local authorities to adopt the space standards as nationally defined (Nationally Described Space Standards – NDSS) provided it can be shown there is a need for them, provided they would not make residential development unviable and provided they would not undermine housing supply. Leeds has shown through a measuring exercise of dwellings permitted over recent years there is a need for the standards. The Royal Institute of British Architects provide a useful study of the need for better sized dwellings in England as a whole “The Case for Space, RIBA 2011”. In terms of impact on housing supply as a result of adopting the NDSS, research by DCLG ‘The Housing Standards Review’ by EC Harris concludes that on average 4 to 8 sqm floorspace per dwelling will be required to apply the NDSS.
- 3.41 The effect of the NDSS has been included in the Economic Viability Study with the conclusion that most residential development in Leeds will remain viable subject to the proposals for policy on affordable housing, green space and accessible housing standards set out in this report being applied.
- 3.42 The Member workshop discussed whether any types of development should be exempt from NDSS. It is proposed that Purpose Built Student Accommodation (PBSA) should be exempt from NDSS because the NDSS are not designed to cover student accommodation. It is proposed that Supplementary Planning Guidance will be prepared to advise upon amenity standards for purpose built student accommodation.
- 3.43 Work on developing the policy on space standards has revealed a vacuum with regard to standards for HMOs. Whilst it is not appropriate to apply the NDSS to HMOs, it is proposed that Policy H9 includes a requirement for the development of HMOs to provide sufficient amenity for occupiers in terms of space, natural light and ventilation. Further guidance on what this means can be included in a Supplementary Planning Document at a later date. All other residential development should meet the standards.

Access Standards

- 3.44 The new policy requires new residential development to provide two types of accessible accommodation defined in Building Regulations: M4(2) a general level of accessibility roughly equivalent to the old “lifetime homes” standard and M4(3) wheelchair accessible dwellings (that can be “accessible” or “adaptable”). Different percentages of accessible accommodation were viability tested with the conclusion that developments should make 30% of all dwellings accessible to M4(2) standards and 2% of dwellings accessible to M4(3) adaptable standards. A need for at least this level of accessible accommodation has been demonstrated by evidence of the SHMA 2017, including the household survey and by the CSSR Accessible Housing background paper.
- 3.45 All types of new build development providing dwellings should provide the accessible dwellings with the exception of Purpose Built Student Accommodation which has standards set under a different part of the Building Regulations.

Policies EN1, EN2 and new policy on Electric Vehicle Charging Points

- 3.46 When originally included in the adopted Core Strategy in 2014, Policies EN1 and EN2 expected development to be designed to exceed sustainable construction and CO2 reduction standards set in Building Regulations. However, a written ministerial statement (WMS) released by the Government in 2015 reduced the role of town planning in setting these standards and placed reliance upon Building Regulations. At the same time the Code for Sustainable Development (which applied to residential development) was replaced by a new set of Building Regulation standards. However, the WMS made special provision for local authorities who already had policies such as EN1 and EN2 prior to the changes. This allowed planning policy concerning residential development to continue to seek higher standards for renewable energy and water consumption. After publication of the WMS, Leeds set out revised policy for EN1 and EN2 as a separate downloadable document on the LCC webpage for the Core Strategy. The aim of this was to reflect the up to date position as a result of national changes. The CSSR provides opportunity to incorporate these changes into the Core Strategy itself. The requirements for non-residential development of Policies EN1 and EN2 remain unchanged.
- 3.47 Some consultation responses suggested that the scope of the CSSR should be extended to address air quality. The issue of air quality has also become one of national importance over the last year, with a number of cities, including Leeds, experiencing air quality below European standards. Planning policy on air quality is already provided in the Natural Resources and Waste Local Plan and it is not therefore necessary to include it in the CSSR. The Parking SPD adopted January 2016, encourages developers to provide electric vehicle charging points in new developments. However, including a new policy in the CSSR will enable clear policy requirements for provision of points to be set out. The cost of electric vehicle charging points for residential development as proposed in new Policy EN8 has been assessed in the EVS and found viable.

Public Consultation Suggestions for Policy Review not included

- 3.48 As reported to Development Plan Panel of 5th September 2017, the main representations relating to additional matters for review, but which are not being included in the Publication Draft include the following:
- Review the need for employment land up to 2033.
 - Review strategic Green Belt
 - Review green, social and community infrastructure to support communities where housing growth is proposed
 - Review transport infrastructure and transport priorities
 - Review of housing site release policy H1 and housing mix policy H4.
- 3.49 This is a selective review of the Core Strategy and focuses on specific policy areas which are in need of review at this time. However it is also recognised that a more comprehensive review will be required in the future which addresses all wider policy areas given the Core Strategy was adopted in November 2014. A subsequent further review of the Core Strategy could update employment land policy.
- 3.50 A strategic review of the Green Belt is considered unnecessary because Policy SP10

of the Core Strategy limited the focus of a Green Belt review to that only being necessary to accommodate housing and employment growth to land associated with the Settlement Hierarchy.

- 3.51 A review of infrastructure necessary to support housing and employment allocations is already taking place as part of the Site Allocations Plan. The CSSR is not proposing any policy that would increase the demands on infrastructure; the proposed reduction in the housing requirement will reduce the demand on infrastructure.
- 3.52 Policy H1 concerns the phased release of housing allocations and gives priority to certain locations and types of land in preference to others. Whilst the CSSR is proposing a lower housing requirement, it is considered that there is still a need to phase the release of housing land in order to promote regeneration and use of previously developed land.
- 3.53 Policy H4 advises on the mix of dwelling sizes (by numbers of bedrooms) and dwelling types (by houses and apartments) in new development. The policy requires that developments should provide an appropriate mix of dwellings to address needs measured over the long term and taking account of local circumstances. The SHMA 2017 provides helpful new detailed evidence which can be used to apply the existing policy. Hence it is not considered necessary to review Policy H4, although further guidance, such as a Supplementary Planning Document, could be explored in the future.

Sustainability Appraisal

- 3.54 The aim of the Sustainability Appraisal (SA) is to assess the potential environmental, economic and social impact of the revised policies of the CSSR. The appraisal should ensure that the CSSR, contributes towards achieving sustainable development and highlight any mitigation which is necessary to ensure that policies are sustainable. The Council uses an SA framework for its Local Plan documents, which is updated at the individual plan-making stage to take account of shifts in baseline information, relevant plans, programmes and policies and monitoring information.
- 3.55 At the initial stage of plan preparation which involved public consultation in June-July 2017, a SA Scoping Report for the CSSR was prepared and sent to the three statutory consultees – Environment Agency, Natural England and Historic England for comment. They have been supportive of proposals to revise the SA framework, which includes recasting the sustainability objectives and drafting a clearer set of decision making criteria. In turn this has enabled use of a systematic scoring process within a database framework. The suggestions of the consultees have been incorporated into the SA process and report.
- 3.56 The SA framework has been updated and all the policy proposals in **Appendix 1** have been appraised, along with reasonable policy alternatives (which includes a “do nothing” option or responds to suggestions by consultees e.g. for higher or lower options). The results of the sustainability appraisal are set out in the SA Report, which is available as an on-line background document. A non-technical summary of this report is available at **Appendix 2** to this report and includes a summary of the framework alongside details of the appraisals undertaken and associated

commentary. Given the scale and complexity of the SA Report it is not available at agenda dispatch but will be made available prior to the Panel meeting.

Public Consultation Strategy for the Publication Draft

- 3.57 Broadly in line with the timetable agreed for the CSSR by Executive Board in February 2017 it is proposed that, subject to Executive Board approval in February 2018, the period of consultation be from February 9th to March 23rd 2018.
- 3.58 The proposed consultation activities in line with the adopted Statement of Community Involvement, will comprise of the following:
- Website with all documents available to download
 - E-mail notifications to the same list of people and organisations used for the Regulation 18 consultation plus any additional respondents.
 - Press release
 - Statutory Notice in the local newspaper
 - Social media campaign
 - One drop-in-session aimed at community groups to be advertised to be held in the City Centre
 - One drop-in-session aimed at the development industry

Duty to Cooperate

- 3.59 The preparation of development plan documents is subject to the statutory duty to cooperate in order to assess impacts of proposed plan policies on neighbouring local authorities and other prescribed bodies such as Highways England. The Council services a regular meeting of the Leeds City Region Strategic Planning Duty to Cooperate (LCRSPDtC) Group which forms part of the framework of groups under the Combined Authority Portfolio Holders board. At the LCRSPDtC meeting of 25th July 2017, Leeds City Council reported the proposals for the Core Strategy Selective Review, including presentation of the DtC Table of Issues and Impacts, the formal Regulation 18 consultation period for comments, the results of the Strategic Housing Market Assessment in framing an new housing requirement for Leeds and evidence of need for Gypsy and Traveller site provision. No particular concerns about impacts on other local authorities were raised, although there is a general interest in the proposed change to the housing requirement.
- 3.60 It is proposed to re-circulate the DtC Table of Issues and Impacts updated according to the Publication Plan proposals in order to thoroughly appraise any issues raised by the proposed policy changes to the CSSR. This accords with the standard process for raising Duty to Co-operate issues. The Dtc Table will be circulated to the next LCRSPDtC group meeting for comment. Based on feedback from the meeting of 25th July it is not anticipated that any serious concerns will be raised about impacts from the proposed CSSR policy changes.

Next Steps / Timetable

- 3.61 Following consideration of consultation representations arising from the Publication Draft consultation it remains the intention to submit the Plan to the Secretary of State in Summer 2018 subject to further consideration by Panel, Executive Board and

Council. This would then enable, subject to the availability of the Inspectorate, an Examination before the end of the year and Adoption late 2018 / early 2019.

Relationship with the Site Allocations Plan

- 3.62 The NPPF states in paragraph 216 that *“From the day of publication, decision-takers may also give weight to relevant policies in emerging plans according to: the stage of preparation of the emerging plan (the more advanced the preparation, the greater the weight that may be given); the extent to which there are unresolved objections to relevant policies (the less significant the unresolved objections, the greater the weight that may be given); and the degree of consistency of the relevant policies in the emerging plan to the policies in this Framework (the closer the policies in the emerging plan to the policies in the Framework, the greater the weight that may be given).”* This means that from February 2018 the housing requirement will be a material consideration to be used in the determination of planning applications.
- 3.63 This will chiefly have the effect of enabling the Council to more robustly defend speculative development proposals outside of the adopted or emerging Plan by virtue of an improved five year housing land supply picture. The adopted Core Strategy, CSSR and the SAP are complementary. To that end, a lower housing trajectory has been reflected as part of the Council’s technical work on the SAP.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Preparation of development plan documents, including the selective review of the Core Strategy is subject to the provisions of the Town and Country Planning (Local Planning) Regulations 2012 which require a minimum level of public consultation as well as compliance with the Council’s Statement of Community Involvement. The consultation on the scope of the review was carried out for 6 weeks from 19th June until 31st July 2017. It involved notifying statutory consultees, neighbouring local authorities and people / organisations who had commented on the original Core Strategy. A consultation statement set out the proposed scope of the selective review and invited representations on the topics proposed and on whether other parts of the Core Strategy should be reviewed and why. Details were provided on the Council website and in Libraries and One Stop Shops were notified.
- 4.1.2 An explanation of the proposed consultation for the Publication Draft is set out at section 3.56 above.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 Equality diversity, cohesion and integration has been an integral part of the formulation of policies of the Core Strategy Selective Review. Equality Impact Assessment screenings will be undertaken at key stages of the process to ensure that policies are embedded in equality considerations.

4.3 Council policies and Best Council Plan

- 4.3.1 The Best Council Plan 2017-18 is relevant in terms of its priorities for Good Growth, Health & Wellbeing, Resilient Communities, Better Lives for People with Care &

Support Needs and Low Carbon. The quantity of homes that Leeds plans for will have ramifications for economic growth, but also meeting needs of a growing population. The CSSR will also provide the ability to improve the range and quality of dwellings delivered to ensure the needs of particular groups such as the elderly are met, and that health and wellbeing of residents is improved. Proposed Policy H10 (Accessible Housing Standards) should be of particular benefit to households with mobility issues including the elderly. In terms of public health and wellbeing, there are important linkages between the proposed revised and new Policies set out in the CSSR and the Council's priorities. Improved Space and Access Standards, the provision of Affordable Housing (in meeting housing needs), together with the protection and provision of green space make an important contribution to local amenity and quality of life across the District. It should be noted also, in terms of facilitation the delivery of the Local Plan, infrastructure Delivery Plans (IDPs) are in place to provide a framework to capture planned and proposed infrastructure to support the District's ambitions and a framework to engage with a wide range of infrastructure and service providers (Health, Public Transport and Education).

4.4 Resources and value for money

- 4.4.1 The cost of preparation of the CSSR will be met from existing budgets.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 The preparation of the CSSR as a development plan document is in compliance with the provisions of the Planning and Compulsory Purchase Act 2004 and the Town and Country Planning (Local Planning) Regulations 2012 (as amended).
- 4.5.2 As a development plan document the CSSR falls within the Council's budget and policy framework and as such, will be referred by Executive Board to the relevant Scrutiny Board for consultation. .

4.6 Risk Management

- 4.6.1 The Government is currently in the process of reviewing national planning policy concerning housing matters. A Housing White Paper was published in February 2017 followed by a consultation paper in September 2017('planning for the right homes in the right places') which included proposals on how local housing requirements should be calculated. Consequent, national planning policy in respect of housing issues is in the process of a dynamic period of change. There is a risk that changes to national policy expected to be confirmed in April 2018 could make the CSSR Publication Draft proposals out of line with national policy. To reduce this risk officers have tried to anticipate the direction of travel as closely as possible, as a basis to 'future proof the document'. If this does happen, , the Council will have a further opportunity to bring the CSSR back to accord with national policy in the Submission Draft of the Plan which is anticipated to be prepared in Summer 2018.

5 Conclusions

- 5.1 The proposed new housing requirement is considerably lower than the requirement adopted in the Core Strategy 2014 but is nevertheless appropriately pitched in

response to up to date evidence to address the population and economic growth forecast in the SHMA 2017.

- 5.2 It is considered that the proposed policies and supporting text set out in **Appendix 1** would optimise the policy requirements which have a cumulative impact on viability of residential development. The Economic Viability Study shows that there is sufficient cumulative viability to support the proposed policies to incorporate new housing space and accessibility standards, but no capacity to increase affordable housing targets, it further concludes that the current green space requirement needs to be reduced as was anticipated. The CSSR also provides the opportunity to clarify the policies to make them more effective and easier to use.

6 Recommendations

- i) consider the Policies and supporting paragraphs of the CSSR as set out in **Appendix 1**,
- ii) recommend to Executive Board that it approves for public consultation the Publication Draft of new and revised Policies and supporting paragraphs of the CSSR as set out in **Appendix 1**, subject to any further changes agreed at the panel meeting
- iii) recommend to Executive Board that it approves the supporting documents, including Sustainability Appraisal and other background evidence.

7 Appendices

Appendix 1 – Proposed Publication Draft Policies

Appendix 2 – Draft Sustainability Appraisal Non-Technical Summary (**to follow**)

Appendix 3 – Map of Affordable Housing Zones

8 Background Papers³

(2017) Draft Economic Viability Study, GVA

(2017) Draft Strategic Housing Market Assessment (SHMA), Edge Analytics and ARC4

(2017) Draft Sustainability Appraisal of the Core Strategy, Leeds City Council (**to follow**)

³ All documents available from <http://www.leeds.gov.uk/council/Pages/Core-Strategy-Review.aspx>