

**Report of: Director of City Development**

**Report to: Executive Board**

**Date: 2 November 2011**

**Subject: Informal consultation on housing growth**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

### Summary of main issues

1. This report provides Executive Board with a summary of the results of the informal housing growth consultation which took place during July, August and September 2011.
2. The consultation was undertaken to assess the potential for consensus on the scale and approach to housing growth and to assist the Council with the preparation of the Core Strategy.
3. As a result of the agreement achieved so far with the business and community representatives, this report proposes a set of housing principles which cover prosperity and jobs, scale, local needs, local distinctiveness, brownfield regeneration, affordability and delivery.
4. The report summarises the consultation and shows how progress towards a consensus has been made, including the agreement of a set of propositions for housing growth many of which can be included in the Core Strategy and for further action.

### Recommendations

1. Note the outcome of the informal consultation on housing growth.
2. Support the inclusion of appropriate principles within the Council's Core Strategy.

3. Agree to a further report in July/Aug 2012 to review progress.

## **1 Purpose of this report**

- 1.1 The purpose of the report is to:-

Seek the agreement of Members on a set of draft housing growth principles for incorporation into the Core Strategy.

## **2 Background**

### **Housing growth issues in Leeds**

- 2.1 The housing market in Leeds is not working nearly as well as it should be. The population of the city is rising and yet the number of housing completions has fallen to its lowest number in years. The scarcity of new housing to meet these needs is a real issue. In addition a third of private sector stock in the city has been classified as non-decent and Leeds is ranked high amongst the least affordable places in the region to buy or even rent accommodation.
- 2.2 Developers have increasingly resorted to planning appeals to resolve housing issues, a situation which distances local communities even further from a process that many say they do not feel part of. In addition to this, there are real concerns about the low number of affordable homes which are delivered and their general quality and sustainability.
- 2.3 Recognising this, the Council has sought to address these issues, prioritising housing growth as a way to not only meet the city's increasing housing needs but also the opportunity for housing growth to help deliver quality places, sustainability and jobs.

### **Executive Board 22 June 2011**

- 2.4 Following a report to Executive Board on 22 June 2011 on the implications of the Secretary of State's decision relating to land at Grimes Dyke, East Leeds, Executive Board Members endorsed the prospectus 'Exploring the scope for housing growth in Leeds' as a basis for the informal consultation undertaken during July, August and September.
- 2.5 The prospectus introduced an overview of the issues, options and recent evidence regarding growth throughout Leeds, from the Coalition Governments agenda for growth to behavioural issues regarding the delivery of new homes.

### **Housing Scrutiny Board**

- 2.6 The Scrutiny Board (Regeneration) Inquiry into Housing Growth has been taking place in parallel to the informal housing growth consultation. The Scrutiny terms of reference were to:

'undertake an inquiry to consider the population and household projection information including the land banking practices of developers that will underpin the Core Strategy on housing growth.'

2.7 The Inquiry concluded in October and also reports to the November Executive Board meeting. The Scrutiny reports recommendations include:

- That the Directors of City Development and Environment & Neighbourhoods continue to inform housing providers of the predicted annual needs under each of the SHMA categories for each part of the city in terms of type and location
- That the Director of City Development consider whether through the SHLA partnership or other mechanism; developers can be encouraged through incentives to deliver on sites where planning approvals have been granted and there are no technical reasons for these not to be progressed
- That the Directors of City Development and Environment & Neighbourhoods undertake some initial work to identify ways in which the engagement and influence of local communities could be achieved under the Localism Bill
- That Executive Board make appropriate representations concerning the Bill that will require developers to consult with local communities including Town and Parish Councils where developments are more than 50 dwellings

### **National Planning Framework consultation**

2.8 The housing growth consultation coincided with consultation on the National Planning Framework (NPF) consultation. A report discussing our consultation response was presented to Executive Board in October 2011. The NPF consultation attracted a good deal of coverage in the media which may have influenced feedback to this consultation. There are a number of important changes related to new housing that are proposed in this draft framework:

- Councils should meet the needs for market and affordable housing in their areas.
- Local plans should identify sites or broad areas to allow 15 years housing growth where possible and identify enough sites for five years, plus 20%.
- If a supply is not found, then the Council should grant permission for developments in line with the 'Presumption in Favour of Sustainable Development'.
- The draft Framework drops the national target on how much brownfield land should be developed, and the brownfield first principle.

2.9 The Council has commented on a number of these proposals and, in particular, the adverse impacts of the approach to housing land supply, the inability to include windfall sites and the lack of priority to brownfield development.

## **3.0 Main issues**

### **Purpose of the consultation**

3.1 The consultation was undertaken to assess the following:

- The potential for consensus on the scale and approach to housing growth in Leeds
- The usefulness of the consultation in assisting the Council with the production of its Core Strategy
- The deliverability of the solutions being put forward
- The level of understanding of the facts surrounding housing growth

### **Consultation programme**

- 3.2 The support for the consultation programme and process has been an important factor in all three workshops taking place in a positive and solution-focussed manner. Separate workshops were held for community and business representatives prior to bringing both groups together for the third and final workshop on 30 September:

#### **Workshop 1 (5 July) - Business - feedback**

- 3.3 49 people attended the business workshop, held in the offices of Addleshaw Goddard, attended by house builders, housing associations, architects and others in the business community. A number of Members were also in attendance. The following represents the headline feedback:

- In terms of the scale of growth, most business representatives seem to favour a target which is close to the Regional Spatial Strategy (RSS) target (4,500 per annum)
- There is a clear need for a more positive relationship between business, the council and local communities
- There is an understanding from developers that they need to undertake earlier and better consultation on sites for housing development, and a desire to ensure that consultation focuses more on promoting the benefits of new housing for local neighbourhoods and the city
- There is an acknowledgement by some that there needs to be a fairer deal for local communities
- Expectations were influenced by a low level of confidence that the Council was committed to the scope and scale of the growth necessary to meet market demand given the Council's recent position in planning appeals.

#### **Workshop 2 (22 July) – Community - feedback**

- 3.4 Over 50 people attended the community workshop, held in the Civic Hall Banqueting Suite. All areas of the city were represented, although not all sections of the community were. Targeted presentations have been made to redress this, to inner city community groups and youth representative groups. A number of Members were also in attendance. The following represents the headline feedback:

- There is a general understanding about housing need and that significant housing growth will need to take place – although there is confusion about some of the facts and figures

- In terms of the scale of growth, the general view was that a lower target is preferable to a higher one, the feedback (from most) was no more specific than that
- A clear message that more needs to be done to minimise the need for housing growth, with suggestions such as refurbishment and living over the shop being the most popular, together with better management of existing stock
- There is frustration about the timing and quality of consultation
- There are general concerns about housing quality, sustainability and the capacity of local infrastructure
- There is clearly a difficulty in understanding the relationship between 'existing' consents and the pursuit of developers for yet more approvals. The figure of 21,000 consents was repeatedly quoted. This seemed to be a key factor affecting levels of trust

### **Workshop 3 (30 Sept) – Community/Business – feedback and outcome**

- 3.5 67 people attended the final workshop, held in the Civic Hall Banqueting Suite. There were six discussion tables made up of business and community representatives, each tasked with considering eight propositions for housing growth. These propositions were based on the feedback from the previous two workshops:

#### **PROPOSITION 1 – Agree a set of principles for housing growth**

- 3.6 Proposition supported. This reflected a commitment to working in partnership. There were requests for any housing growth principles to be clear, deliverable and subject to agreement and review.
- 3.7 This desire to work in partnership is significant progress but it is given by community members on the understanding that growth is genuinely sustainable and by business representatives on the understanding that change takes place without delay.
- 3.8 There was disappointment from some that there was no proposition specifically for sustainable development. However, this will underpin the development proposals in the Core Strategy.

#### **PROPOSITION 2 – Ensure housing growth is linked to the creation of more prosperous neighbourhoods throughout the city**

- 3.9 Proposition agreed. Feedback at this workshop was a refinement of an earlier, more general consensus about economic prosperity. It is now suggested that it would be more realistic to focus on sustainability and job and training growth, rather than prosperity. It was clear from many community representatives that commitment to jobs needs to be more than a 'token' gesture and should include formal agreements to create local employment and training is part of new development proposals.

**PROPOSITION 3 – Set a realistic and phased target for the delivery of new homes**

- 3.10 Proposition agreed. Many do not like targets but most accepted that they are inevitable. There was agreement that they should be realistic and evidence based rather than ambitious, although some business representatives suggested a target of up to 6,000 per annum.
- 3.11 There appears to be some support which shows that the targets contained in the current Regional Spatial Strategy (RSS) are broadly acceptable, which is in line with the feedback from earlier workshops. As before, the main issue for many participants is the location, quality and the community benefit from housing development rather than the absolute target.
- 3.12 There were requests for clarity on what ‘realistic’ or ‘phased’ means.
- 3.13 Some community representatives have said they have been confused about some of the facts and figures regarding housing issues and others have said they feel disengaged from the process of setting a target. Both these points have not been helped by the reported difficulties in accessing information. However, the study has been widely circulated and is available on the Council’s website.

**PROPOSITION 4 – Ensure housing growth targets reflect local housing needs now and in the future, in terms of tenure, type and size**

- 3.14 Proposition agreed. There was agreement that the type and mix of housing delivered was more important than the actual numbers delivered. There was clear support for having the right housing to meet local housing needs, requirements and aspirations. Some suggested that there needs to be a better process for assessing local housing needs and requirements, which will change over the life of the Core Strategy.
- 3.15 There is a general confusion about needs, not helped by a number of participants (community and business) who were unable to access the Strategic Housing Market Assessment (SHMA), whilst others (community) had never heard of it.
- 3.16 The importance of linking housing needs with infrastructure was also stressed.

**PROPOSITION 5 - Enhance the distinctiveness of existing neighbourhoods and quality of life of local communities through the design and standard of new homes**

- 3.17 Proposition agreed. Consensus clearly shows that design guidance generally, as well as up to date neighbourhood plans are seen as critical to enhancing local distinctiveness, as well as where future housing growth is actually located.

### **PROPOSITION 6 – Facilitate the development of brownfield and regeneration sites**

- 3.18 Proposition largely agreed. There was also support (of varying strength) for linkage of greenfield and brownfield sites in order to help kick start development of brownfield sites in regeneration areas. However, some community representatives were concerned that this should not lead to the overdevelopment of urban areas. Concerns were raised about whether this linkage could be achieved under planning law.
- 3.19 A number of participants suggested that the Council should release its brownfield sites to stimulate growth. There was also some suggestion that a clearer policy framework is needed.
- 3.20 Both community and business representatives lobbied for funding from banks to stimulate growth.

### **PROPOSITION 7– Agree a range of mechanisms to deliver additional affordable homes**

- 3.21 Proposition agreed. The desirability of affordable housing is well understood but there is clearly a consensus that special measures are needed in order to make delivery a reality. Measures suggested include, using New Homes Bonus to deliver affordable homes locally and s106 commuted sums to deliver affordable homes city-wide. Community representatives were particularly keen for empty properties to be used to deliver affordable homes.

### **PROPOSITION 8 – Work in partnership to find ways to facilitate housing growth**

- 3.22 Proposition agreed. There is no doubt that there is a genuine appetite for greater partnership working, a significant improvement on the traditional adversarial approach. Although there are still issues about trust there is clearly a strong desire from both community and business representatives to work together and with the Council towards solutions. The message is clear - this needs to take place now.
- 3.23 There was clear agreement from all sides over the need for better and earlier community consultation on developments.
- 3.24 The tendency towards an adversarial approach to housing growth is unpopular with everyone who took part in the consultation and there is either an expectation or a hope that there will now be a new approach which is based more on partnership, agreement and transparency.

### **Housing growth principles**

- 3.25 The general support for the propositions offered on achieving housing growth provides a strong platform for building a set of housing growth principles. The following suggested draft principles are based on the feedback received:

**PRINCIPLE 1 – Principles for housing growth – to be subject to agreement and review**

- 3.26 The draft principles for housing growth will be placed on the Council's website for a period of 2 weeks for comment. This feedback will be reported to the Council's Executive Board in November 2011. Appropriate principles will form part of the Core Strategy. Progress will be evaluated through a review meeting which will be held with community and business representatives in June 2012.

**PRINCIPLE 2 – Ensure housing growth is linked to the creation of more sustainable neighbourhoods throughout the city**

- 3.27 Ensure housing growth is linked to the creation of sustainable communities, with particular focus on jobs and training in meeting housing needs.

**PRINCIPLE 3 – Set a realistic and phased target for the delivery of new homes**

- 3.28 As part of the preparation of the Core Strategy, the Council will set a new housing target (which is realistic and phased) for Leeds. This will be informed by a range of factors including the feedback already agreed during this informal consultation, market conditions and by other studies already undertaken by the Council.

**PRINCIPLE 4 – Ensure housing growth delivery reflects local housing needs , now and in the future, in terms of tenure, type and size**

- 3.29 The Council will work with developers and local communities to ensure that housing growth is linked to local infrastructure and housing needs and aspirations. The Council will also investigate how local housing needs can be better recorded, updated and responsive to change.

**PRINCIPLE 5 - Enhance the distinctiveness of existing neighbourhoods and quality of life of local communities through the design and standard of new homes**

- 3.30 The Council will work with local communities through the local planning process to ensure that there is up to date guidance which will support the creation of sustainable neighbourhoods in appropriate locations. This will need to be linked to the Council's localism agenda.

**PRINCIPLE 6 – Facilitate the development of brownfield and regeneration sites**

- 3.31 The Council will work in partnership with developers to explore a wide range of opportunities to stimulate the development of brownfield sites for new homes. This will include looking at ways to link the development of greenfield and brownfield sites to help 'kick start' development of brownfield sites in regeneration areas and funding from banks for mortgages.



## **PRINCIPLE 7– Agree a range of mechanisms to deliver additional affordable homes**

- 3.32 The Council will aim to accelerate the delivery of new affordable homes through the New Homes Bonus, s106 funding and will work with developers to explore other funding opportunities. The opportunity for refurbishments and other opportunities to deliver affordable homes will be given priority.

## **PRINCIPLE 8 – Work in partnership to find ways to facilitate housing growth**

- 3.33 The Council will undertake pilot studies in some areas of the city to test the principles for housing growth. There will be a feedback meeting to review progress summer 2012.
- 3.34 Further work will be undertaken with community and business representatives to find better consultation methods.

### **Pilot studies**

- 3.35 The constructive nature of the consultation so far points towards the setting up of a series of pilot studies to assess how effective the suggested principles for housing growth are in delivering quality, affordable and sustainable new homes based on engagement, transparency and agreement. This should form part of the approach to the preparation of Neighbourhood Plans.

## **4.0 Corporate Considerations**

### **Consultation and Engagement**

- 4.1 The results of the consultation have been placed on the Councils website at each stage of the process.
- 4.2 The publication of the Core Strategy will provide a formal opportunity for comment, including an opportunity to comment on the housing growth principles.
- 4.2 The results of the consultation assist the final stages of the Core Strategy and the consultation generally represents a pragmatic approach that will assist the Council with the challenges of housing growth and community engagement.

## **5.0 Equality and Diversity / Cohesion and Integration**

- 5.1 The consultation was undertaken with short notice to find a consensus for housing growth following the Grimes Dyke appeal, as reported to Executive Board. A number of targeted events will take place over coming months for those groups that were under-represented during this consultation. The consultation undertaken through the Core Strategy will take into account the need to explore opportunities for representation from these groups.
- 5.2 A full Equality Impact Assessment will be carried out as part of the Core Strategy consultation and adoption process.

## **6.0 Council Policies and City Priorities**

6.1 The draft housing growth principles recommended in this report fit with the Leeds Housing Strategy and shares aims with the Council Business Plan, the Leeds Strategic Plan, the Vision for Leeds and the Regeneration City Priority Plan.

## **7.0 Resources and Value for Money**

7.1 The approach to housing growth outlined throughout this paper is based on consensus building with local communities and with developers. It is expected that this approach will ultimately lead a more cost effective decision making process. The process of drafting neighbourhood plans will need to be funded.

## **8.0 Legal Implications, Access to Information and Call In**

8.1 Incorporation of the housing growth principles in the Core Strategy will be subject to further public comment when it is published early 2012. The Core Strategy will be subject to scrutiny by a Planning Inspector who will consider whether the plan is 'sound', meaning that process, transparency and representation issues will be considered.

8.2 The consultation report listed as a background paper is publicly available on the Leeds City Council website at:  
[http://www.leeds.gov.uk/Business/Planning/Planning\\_policy/Housing\\_growth\\_in\\_Leeds.aspx](http://www.leeds.gov.uk/Business/Planning/Planning_policy/Housing_growth_in_Leeds.aspx)

## **9.0 Risk Management**

9.1 There are three areas of uncertainty regarding the adoption of a set of housing growth principles:

- The adoption of the Core Strategy and the Planning Inspector's test of 'soundness'
- The testing and assessment of the housing growth principles in the selected pilot areas
- The outcome of the review meeting for community and business representatives, June 2012

## **10.0 Conclusions**

10.1 The consultation has been timely, useful and solution-focussed. The consensus reached on the propositions has set the scene for the adoption of a set of housing growth principles to stimulate growth, promote genuine sustainability and focus on earlier and better consultation. They also assist in continuing the process of working in partnership. The adoption of the suggested housing growth principles would be a positive and pragmatic step to help the city meet not only its housing aspirations but also longer term aspirations to be the best city in the UK.

## **11.0 Recommendations**

11.1 Exec Board is asked to:

1. Note the outcome of the informal consultation on housing growth.
2. Support the inclusion of appropriate principles within the Council's Core Strategy.
3. Agree to a further report in July/Aug 2012 to review progress.

## **12.0 Background Papers**

Prospectus – Exploring the Scope for Housing Growth in Leeds  
Consultation Report  
EDCI Screening Form