

SCRUTINY BOARD (HOUSING AND REGENERATION)

TUESDAY, 25TH SEPTEMBER, 2012

PRESENT: Councillor J Procter in the Chair

Councillors B Atha, J Cummins,
P Grahame, S Lay, V Morgan, D Nagle,
C Towler and G Wilkinson

Mr G Hall – Co-opted Member

29 Chair's Opening Remarks

The Chair welcomed everyone to the September meeting of the Scrutiny Board (Housing and Regeneration).

30 Late Item

The Chair agreed to accept the following late item of business:-

- Leeds' Strategic Housing Land Availability Assessment (SHLAA) – Report of the Head of Scrutiny and Member Development (Minute 36 refers)

The report was not available at the time of the agenda despatch, but subsequently made available to the public on the Council's website.

The Principal Scrutiny Adviser informed the meeting that the report was late due to the fact that information had only become available following a meeting of the Leeds SHLAA Partnership held on 18th September 2012 which had identified a number of concerns and after this agenda was published on 17th September 2012.

31 Declaration of Disclosable Pecuniary and Other Interests

There were no disclosable pecuniary and other interests declared at the meeting.

32 Apologies for Absence

There were no apologies reported at the meeting.

33 Minutes of the Previous Meeting

RESOLVED – That the minutes of the meeting held on 20th July 2012 be approved as a correct record.

34 Community Infrastructure Levy (CIL) - Progress on the Leeds Economic Viability Study

Referring to Minute 23 of the meeting held on 20th July 2012, the Head of Scrutiny and Member Development submitted a report and the Board received a short presentation from GVA Consultants on the methodology that

was being applied to their feasibility study on determining viability of sites for development in the city.

Appended to the report was a copy of a document entitled 'Leeds Community Infrastructure Levy – Update on progress and the commissioning of the Leeds Economic Viability Study – Report of the Director of City Development' for the attention of the Scrutiny Board.

The following representatives were in attendance and responded to Members' queries and comments:

- Mr Dale Robinson, GVA Consultants
- Mr Steve Speak, Deputy Planning Officer, City Development
- Ms Lora Hughes, Principal Planning Officer, City Development

At the request of the Chair, Mr S Speak introduced the report of the Director of City Development. He explained the background of CIL and referred to the procurement process which had led to the appointment of GVA consultants who were carrying out a feasibility study to determine the viability of sites for development in the city. This study was required as part of the process for the introduction of the Community Infrastructure Levy in 2014. He confirmed the consultant's fee for this work in response to a question from a Member of the Board.

A copy of GVA's presentation slides were circulated at the meeting.

In his presentation, Mr D Robinson covered the following three specific issues:-

- Providing a brief overview of the Community Infrastructure Levy (CIL)
- Outlining the purpose of the Economic Viability Study (EVS)
- Outlining Emerging Results

In summary, specific reference was made to a number of issues including:

- Clarification of the membership of the LCC Steering Group and their remit
(The Deputy Chief Planning Officer responded that this was an officer group and would provide information to various groups on the Council including this Scrutiny Board)
- Concern that affordable housing was currently outside CIL and the Government was still deliberating on this issue
- The definition of "meaningful" in the proportion of CIL that must be passed back to the neighbourhood in which the development took place
- The overall approach in testing representative samples of development typologies across a range of use classes
(The consultant advised the Board that this approach was based on guidance issued by the Royal Institute of Chartered Surveyors)

- The consultant's range of assumptions based on their development scenarios that would determine a site value would in some circumstances be less than a developer had paid for that site
(The consultant responded that clearly in these circumstances the developer had paid too much for the land and this was not their concern in terms of testing current market value)
- It was recognised that future planning obligations would have an impact in reducing land values, but the RICS guidance was that these costs should not be set at a level which stops land coming forward for development
- The fact that landowners still have in their mind land values at 2007 prices and that it would take time for perceptions to change in the light of the current economic climate
- Clarification as to whether developers would be able to challenge the Community Infrastructure Levy charging schedule once it had been established
(The consultant responded that it would be a fixed cost per metre and could not be changed once adopted, although the Council could choose to undertake the whole process again if monitoring showed it was necessary, e.g. an improvement or decline in the economy. The Deputy Planning Officer stated that clearly the report that would come forward to the Council for consideration of a proposed CIL charging schedule would offer a range of options and it would be for Members to determine the rates to be set which balances the income to be achieved against ensuring that land continued to come forward for development. He also commented that before the final rates were adopted there were a further two rounds of consultation with developers and the public and an independent examination)
- The need for sensitivity testing to be undertaken in relation to anything which reduced site values by more than 25% which could render sites not being released for development, especially for green belt sites and where sites were already owned by developers
(The Deputy Planning Officer responded and informed the meeting that sensitivity testing would be undertaken on this 25% figure)
- The need for Board Members to be provided with an A3 coloured copy of the map showing boundaries of housing characteristic areas
(The Board's Principal Scrutiny Adviser agreed to circulate this to Members of the Board)
- Clarification as to whether the CIL zones boundaries for residential have to be the same as those of the housing characteristic areas
(The Deputy Planning Officer responded that broadly they would be the same but there would be the opportunity to modify boundary anomalies and in particular to base them on physical attributes)
- Reference to the fact that the Council could opt for differential rates based on uses and geographical location rather than single rates but all differential rates would have to be based on viability evidence not policy objectives
- Clarification of the impact of Section 278 in relation to highway issues
(The Deputy Planning Officer responded and informed the meeting that under the new arrangements the Community Infrastructure Levy would

work alongside the current mechanisms of S278s and S106s for necessary mitigation measures directly relating to a specific site)

- The Board noted that it was important to keep spending local to benefit local communities
- Setting the CIL rates had to consider the impact on affordable housing as the CIL would be fixed which would leave S106 amounts of affordable housing open to negotiation
- Clarification regarding the residual valuation approach and how land values differ across Leeds based on differing sales prices
- It was noted that the Council would have to publish a list (known as the Regulation 123 list) outlining the infrastructure projects or types that it intends to fund through CIL. It was made clear that Section 106 funds cannot then be charged for the same infrastructure projects. It was reported that the LCC Steering Group was working on this issue and was a separate workstream to the current process of setting the CIL rates
- Clarification regarding the provision of schools and it was explained that if school provision in general terms was included on the Regulation 123 list you cannot then seek Section 106 funding. Schools may be required to be provided on site as part of the essential infrastructure of larger sites

RESOLVED –

- a) To note the report of the Director of City Development on the Leeds Infrastructure Levy and the commissioning of the Leeds Economic Viability Study.
- b) To note the presentation from GVA Consultants who were carrying out the Leeds Economic Viability Study which would determine the viability of sites for development in the city.
- c) That further progress reports be submitted to this Board in order to monitor the development of the Community Infrastructure Levy.

35 Section 106 consultation with Ward Members

Referring to Minute 24 of the meeting held on 20th July 2012, the Chief Planning Officer submitted a report which confirmed the arrangements for engaging and reporting the views of ward Councillors on the proposed heads of terms for Section 106 agreements.

Mr Martin Sellens, Head of Planning Services, City Development was in attendance and responded to Members' queries and comments.

Members sought clarification of the meaning of 'major' applications regarding consultation with communities and Ward Members

The Head of Planning Services responded and informed the meeting that major developments were defined as 10 or more properties for residential schemes and 1.000 sq m or more floorspace for commercial developments.

RESOLVED –

- a) That the contents of the report be noted and welcomed.

- b) That the proposed approach to formalise the process of informing ward members about S106 agreements be endorsed in accordance with the report now submitted.

36 Leeds' Strategic Housing Land Availability Assessment (SHLAA)

The Head of Scrutiny and Member Development submitted a report with regards to the Leeds' Strategic Housing Land Availability Assessment (SHLAA).

The following representatives were in attendance and responded to Members' queries and comments:

- Mr David Feeney, Head of Forward Planning and Implementation, City Development
- Mr Robin Coghlan, Team Leader, City Development

At the request of the Chair, the Team Leader briefly outlined the outcome of the SHLAA Partnership meeting held on 18th September 2012. It was reported that the 2012 update was still to be finalised and that the maps/lists of sites and the charges to be made would be available at the end of October 2012.

Detailed discussions ensued on the contents of the report.

A number of issues were identified as areas of concern following the meeting of the Leeds SHLAA Partnership meeting held on 18th September 2012 including:

- The fact that sites where planning approval had been granted were in the main not being developed
- That developers were now starting a lower annual build out rate of houses on approved sites than previously expected. The East Leeds extension which would provide 3375 SHLAA dwellings would have a current build out rate of only 200 houses per annum which would take 16 years to complete. Reference was also made to a new settlement proposal near Bramham which was also of concern
- The view that some developers have an unfair advantage in being a member of the SHLAA and that membership of the SHLAA should be reviewed as a matter of urgency. The Chair referred to Royal Tunbridge Wells which did not include developers in its land availability assessment meetings. It was pointed out that the planning inspector had been critical of their process in this regard
- The concern that the Council was being too lenient with developers in meeting their development obligations

RESOLVED –

- a) That the contents of the report be noted.
- b) That a further report be prepared on the SHLAA process and membership for consideration at the next Scrutiny Board meeting in October 2012 which responded to the concerns expressed at today's meeting.

- c) That Councillor N Taggart, Chair of the SHLAA Partnership be invited to attend the next meeting and that a copy of the SHLAA Partnership agenda, reports and minutes of the meeting held on 18th September 2012 be appended to the above report.

37 Bringing Forward Brownfield Sites - Information Requested

Referring to Minute 26 of the meeting held on 20th July 2012, the Head of Scrutiny and Member and Development submitted a report on information requested with regards to bringing forward brownfield sites which included the general approach to the disposal of property.

Appended to the report Were copies of the following document for the information/comment of the meeting:

- Bringing Forward Brownfield Development Sites - Report of the Director of City Development (Appendix 1 refers)
- Development of Council-Owned Brownfield Development Sites – Report of the Director of City Development (Appendix 2 refers)

The following representatives were in attendance and responded to Members' queries and comments:

- Ms Christine Addison, Acting Chief Asset Management Officer, City Development
- Mr Adam Brannen, Programme Manager, City Development
- Mr Chris Gomersall, Head of Property Services, City Development
- Mr Ben Middleton, Senior Surveyor, City Development

At the request of the Chair, the Acting Chief Asset Management Officer updated the meeting on the number of Council owned brownfield sites and progress in marketing these sites for development..

In summary, specific reference was made to a number of issues including:

- Clarification if the information relating to the bringing forward of brownfield sites which included the general approach to the disposal of property was shared with Ward Members or Area Committees
(The Head of Property Services, City Development responded and stated that the disposal process could be widened as required)
- Clarification if there was another 'exempt' list of Council owned sites for disposal e.g. West Park Centre
(The Head of Property Services, City Development stated that the current list was up to date and included all properties currently allocated for disposal)
- Clarification of the range of potential options in Section 3.23 of the report that had been considered in bringing these sites forward for redevelopment
- Clarification of the current progress in relation to EASEL sites where 2 of the 8 sites had been built out. Members asked whether consideration had been given to offering these remaining sites at nil

value or minimum consideration in order to progress these sites and whether this option had been discussed with Bellway Homes
(The Programme Manager, City Development stated that the Council and Bellway have an ongoing dialogue about the EASEL sites, two of which were completed and two currently under construction - the consideration for those remaining would be subject to an agreed approach that would demonstrate viability of development and the land value resulting. A report would be presented to a future Executive Board meeting on how other sites could be packaged for disposal and where appropriate at nil or minimum consideration)

- Clarification if the West Yorkshire Fire and Rescue Service had consulted the Council regarding three identified sites which may be surplus to requirements
(The Senior Surveyor, City Development informed the meeting that there was an ongoing dialogue with the West Yorkshire Fire and Rescue Service)
- Clarification of how closely Asset Management were working with Children's Services regarding Primary School accommodation on Council owned sites
(The Senior Surveyor, City Development informed the meeting that they were conscious of the pressures and as a result they were working very closely with Children's Services in this regard)
- Clarification of how many houses could be built on the brownfield sites listed and the view was expressed by the Board that all 76 brownfield sites should be included in the SHLAA process and count against the 5 year land supply and not be classified as windfall sites

RESOLVED –

- a) That the contents of the report and appendices be noted and welcomed.
- b) That this Board recommends to the Director of City Development that all brownfield sites should be included in the SHLAA process and count in the 5 year land supply and housing target set for the Council and not be classified as windfall sites.
- c) That the list of Council owned brownfield sites submitted to this Board be circulated to all Members of Council for their information and attention.
- d) That regular updates to this list be provided by the Director of City Development and circulated to all Members of Council.
- e) That a further progress report on the disposal of Council owned Brownfield sites listed at today's meeting be submitted to this Board in 6 months time.
- f) That the Board will consider a report on non Council owned brownfield sites at its meeting in October 2012.

38 Former residential properties utilised for non residential/community/office purposes

The Chief Officer, Statutory Housing submitted a report on the work undertaken to date by the Asset and Development Team, in assessing the 49

residential properties (which form part of the ALMO Management agreement) being used for non residential, community or office or office purposes.

Appended to the report were copies of the following documents for the information/comment of the meeting:

- List of properties being used for non residential, community or office purposes (Appendix 1 refers)
- Action Plan for properties being used for non residential, community or office purposes (Appendix 2 refers)

Ms Laura Kripp, Investment and Asset Manager, Environment and Neighbourhoods was in attendance and responded to Members' queries and comments.

In summary, specific reference was made to the following issues:

- Clarification of the sheltered flat arrangements in relation to Queensview and the local circumstances involved
- Clarification of the Queenswood Court arrangements and the ALMO assessment criteria
- Clarification why Glendales, Leeds 9 was not on the list for non residential, community or office purposes
(The Investment and Asset Manager responded and informed the meeting that it was work in progress. She agreed to check on what the building was being used for locally)
- Clarification if Queensview had their own furniture
(The Investment and Asset Manager responded that she would check the facilities at the complex)
- Whilst Members wanted as many former residential properties as possible to be placed back in to residential use it recognised that this process needed to be done sensitively and in circumstances where there was community use consultation and a rationalisation of resources where possible

RESOLVED –

- a) That the contents of the report and appendices be noted.
- b) That this Board notes and welcomes the action plan (Appendix 2 refers) which sets out the approach to deal with former residential properties utilised for non residential, community and office purposes.
- c) That a progress report on implementing the Action Plan be submitted to a future meeting of this Board.

(Councillor D Nagle left the meeting at 12.45pm during discussions of the above item)

39 Initial Findings following Completion of the Consultation on Proposed Major Changes to Housing Policy

The Head of Scrutiny and Member Development submitted a report on initial findings following completion of the consultation on proposed major changes to Housing Policy.

Appended to the report was a copy of the following document for the information/comment of the meeting:

- Scrutiny Board (Housing and Regeneration) Working Group's submission to the Consultation on Proposed Major Changes in Housing Policy – Minutes of a meeting held on 3rd September 2012

The Board noted that Councillor P Grahame was in attendance at the Working Group meeting held on 3rd September 2012. The Board's Principal Scrutiny Adviser apologised for this omission and agreed to amend his records accordingly.

In addition to the above documents, a summary of the results received to date was circulated at the meeting.

The following representatives were in attendance and responded to Members' queries and comments:

- Mr Robert McCartney, Head of Housing Support, Environment and Neighbourhoods
- Ms Kathryn Bramall, Leeds Homes Policy Manager, Environment and Neighbourhoods
- Ms Megan Godsell, Housing Policy Manager, Environment and Neighbourhoods

In summary, specific reference was made to the following issues:

- Clarification of how the survey was undertaken
(The Leeds Homes Policy Manager responded and outlined who had been consulted and the method by which this had been done)
- Clarification of the other representatives and organisations who had been consulted and on the number of tenants who had been interviewed face to face
(The Leeds Homes Policy Manager responded and outlined the consultation arrangements. It was reported that no face to face consultation had been undertaken with tenants)
- The Board expressed concern that a response rate of 200 replies to the consultation survey when there were approximately 57,000 Council tenants was too low to be of any value. Members were surprised that there was no alternative to the online survey referred to when it had been previously acknowledged by the Council that online surveys did not work, especially for elderly tenants
(The Head of Housing Support responded and stated that the three ALMOs had been asked to undertake consultation of its tenants and

were due to report back this week, but Members wondered if this should have been left to the ALMOs)

- The Board confirmed that its comments on the proposed changes to housing policy and set out in the minutes of the Working Group held on 3rd September 2012 were its formal response to the consultation. It was noted that these had been forwarded to the Director of Environment and Neighbourhoods. The Board asked that the Head of Housing Support highlight the Scrutiny Board's submission in its report to the Executive Board on the outcome of its consultation
(*The Head of Housing Support confirmed that he would highlight the Scrutiny Board's submission to the consultation in his report to the Executive Board and point out the concerns the Board had on the validity of the consultation undertaken*)

RESOLVED –

- a) That the contents of the report and appendices be noted.
- b) To approve the minutes of the Working Group held on 3rd September 2012 as the Board's formal submission to the consultation on major changes to the Council's housing policy which had been submitted to the Director of Environment and Neighbourhoods prior to this meeting.

40 2012/13 Q1 Performance Report

The Assistant Chief Executive (Customer Access and Performance)/ Directors of Environment and Neighbourhoods and City Development submitted a report summarising the performance against the strategic priorities for the council and city related to Housing and Regeneration Scrutiny Board.

Appended to the report were copies of the following documents for the information/comment of the meeting:-

- Appendix 1– Performance Reports for 2012/13 Quarter 1 City Priority Plan
- Appendix 2 – Directorate Priorities and Indicators

RESOLVED –That the contents of the report and appendices be noted.

41 Work Schedule

A report was submitted by the Head of Scrutiny and Member Development which detailed the Scrutiny Board's work programme for the current municipal year.

Appended to the report was a copy of the following documents for the information/comment of the meeting:

- Revised Scrutiny Board (Housing and Regeneration) Work Schedule for 2012/2013 Municipal Year (Appendix 1 refers)
- Executive Board – Minutes of a Meeting held on 5th September 2012 June 2012 (Appendix 2 refers)
- Forward Plan of Key Decisions – 1st October 2012-31st January 2013 (Appendix 3 refers)

The Principal Scrutiny Adviser, Scrutiny Support presented the report and responded to Members' queries and comments.

RESOLVED -

- a) That the contents of the report and appendices be noted.
- b) That the Executive Board minutes and Forward Plan be noted.
- c) That the work schedule be approved as now outlined.

42 Date and Time of Next Meeting

Tuesday 30th October 2012 at 10.00am in the Civic Hall, Leeds
(Pre-meeting for Board Members at 9.30am)

(The meeting concluded at 1.35pm)