

**Report of the Director of City Development**

**Report to Executive Board**

**Date: 17<sup>th</sup> July 2013**

**Subject: Housing Investment Land – a Strategic Approach to Delivery**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): City Wide	<input checked="" type="checkbox"/> Yes	<input 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 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. The Best Council Plan aims to improve the economic well-being of Leeds residents and businesses by focusing on helping people into jobs, boosting the local economy, facilitating housing growth and generating income for the Council. A central theme of the Best Council Plan is the delivery of sustainable and inclusive growth, which recognises that the growth of the city needs to be underpinned by a supply of housing which is affordable and accessible and that the range of housing available in the city meets the needs and choices of current and future Leeds residents.
2. The Council has set an objective to deliver significant housing growth and increase the pace of delivery. To contribute to the City's housing growth ambitions, this report sets out how the Council is supporting housing delivery by using its land supply and by direct investment in new affordable homes. The investment approach would not only support economic growth by delivering new homes, in turn supporting construction employment and wider supply chains, but also the Council's financial management objectives by adding to the Council Tax base and generating New Homes Bonus. The report describes how Council land can be brought forward for development of housing to support a range of policy priorities including:-
  - the development of new council housing (report also on this agenda);

- the development of housing on brownfield land, in particular in the inner urban areas;
  - measures required to bring derelict properties or land back into use as included in the Council's Derelict & Nuisance Properties Programme;
  - the Council's efforts to increase the supply of appropriate housing for older people;
  - Assisting in meeting the Council's housing targets as set out in the draft Core Strategy.
3. The Core Strategy sets a challenging target of 70,000 new homes by 2028 and anticipates that 70% will be provided in the main urban area. This is the most sustainable approach aligning homes with jobs, services and infrastructure and ensuring the least impact on the Green Belt. It also facilitates the development of brownfield and regeneration areas where housing need is greatest.
  4. The recession continues to dampen the housing market and there is a need to stimulate growth across the city in order to deliver more housing and meet needs; particularly where they are most acute i.e. in inner city locations. In areas where the housing market is relatively strong the identification of a deliverable supply of land, including greenfield land, is important and this is being progressed through the Site Allocations Plan and the 5 year housing land supply. The Council is exploring approaches to "pairing" Greenfield land release for market and affordable housing and Council owned brownfield sites so as to deliver multiple housing benefits across the City. In weakened market areas however, additional actions may be needed. In this context, this report sets out how the Council might maximise its contribution to housing growth and meeting housing need, through a series of policy positions with consequent proposals to allocate a range of Council sites for housing purposes.
  5. An exercise has been undertaken to review land in the Council's ownership that has potential for residential development; and to establish the most appropriate routes for the delivery of new housing with a broad phasing plan for the release of sites over the short, medium and longer term. The outcome of this exercise is that almost 100 brownfield or infill sites have been identified, mainly in the inner areas of the city which can be used to support the Council's housing growth priorities, including Council affordable housing investment and land which could be sold on the open market to increase private sector supply.
  6. The report also outlines an approach in relation to the potential use of commuted sums for affordable housing in order to support the development of inner city brownfield sites for housing purposes.
  7. This report aims to consolidate and build upon a raft of existing activity and these are listed in the report (at 2.7). In requesting Executive Board approval for connected and complementary activity – through the Council Housing Growth Programme, which identifies the resources for investment and which will utilise sites identified in this report, and the Derelict and Nuisance Properties Programme, which both addresses problematic sites and yields potential new development sites, a strategic approach can be seen.

8. The Council is exploring approaches to “pairing” Greenfield land release for market and affordable housing and Council owned brownfield sites so as to deliver multiple housing benefits across the City.
9. The detail included in this report has been subject to consideration across both the Development and the Housing portfolios.

## **Recommendations**

It is recommended that Executive Board:-

- (i) agrees that alongside its general support for Sustainable and Inclusive Growth and housing growth in the city, that priority is given to regeneration areas and ensuring brownfield sites are developed for housing purposes.
- (ii) agrees specifically that a disposal programme is developed for those sites listed at Appendix 1 which aims to increase housing supply through redevelopment of brownfield land.
- (iii) agrees that the sites as listed in Appendix 1a are prioritised to support the new Council Housing Growth programme; or for the development of affordable housing by housing associations depending upon the outcome of a demand analysis, site specific aspirations and funding availability.
- (iv) agrees to support and promote self-build in the city and specifically that the sites listed in Appendix 1b are prioritised to be released for sale at market value for self-build purposes.
- (v) agrees that a disposal programme is developed for the sites listed at 1c.
- (vi) agrees that delegation of a decision to vary the development route for delivery of any of the sites listed at appendix 1 is made to the Director of City Development.
- (vii) notes that the sites listed in Appendix 1d already have Executive Board approval for the purpose of increasing the supply of older people’s housing and that these will be brought forward for market disposal at the appropriate time on this basis.
- (viii) notes the policy position on the application of commuted sums for the development of off-site affordable housing and agrees to consider carefully the application of this policy as a means of stimulating brownfield development in areas of greatest housing need.

## **1 Purpose of this report**

- 1.1 The purpose of this report is to seek Executive Board support for proposed new policy measures and actions which seek to maximise investment and increase housing choice and affordability.
- 1.2 The report sets out the amount of new homes needed and over what timescale, the current level of delivery and a range of actions which can support the achievement of the growth in supply required. It recognises the Council’s role as facilitator and enabler as key to the maximisation of investment. The use of

Council land in line with the proposals set out in this report provides practical support for its high level policy position. This report is the product of joint working across the Development & the Economy and Neighbourhoods, Planning & Support Services portfolios.

1.3 The report sets out proposals for the establishment of a disposal programme for a range of Council owned sites that have the potential for residential development. The release of these sites will not only support housing growth and increase housing supply by the development of brownfield land but also have significant impact on the place shaping agenda. The proposed routes for delivery are:

- disposal on the open market for private housing development.
- prioritisation of sites to support the Council Housing Growth programme for the development of new council housing.
- disposal to Housing Associations for the development of new affordable housing.
- release of sites for sale at market value to support self-build projects by either groups or individual self-builders.
- the approach to delivery links directly to the Brownfield and Derelict and Nuisance Sites Programmes wherein the Council is working proactively to bring derelict sites back into use to support housing growth and where appropriate will purchase property for this purpose
- the report provides further details of the proposed process for selection of the Housing Association to deliver the listed sites.

## **2 Background information**

2.1 The Council's Local Development Framework recognises the challenges associated with meeting the needs of a growing population particularly with respect to the quality, type and affordability of homes. The draft Core Strategy (which is due to be examined by the Planning Inspectorate in the autumn) provides for 70,000 new homes by 2028. It sets an initial annual target of 3,660 dwellings between 2012 and 2017 (increasing to 4,700 between 2018 and 2028).

2.2 The current position is that Leeds has achieved a growth in housing units of around 2000 units per annum over recent years (peak performance of 3,828 (net) homes was achieved in 2008/09). Recent performance, reflecting the recession, has seen output drop to 1,623 (net) in 2012/13 – indicative of the recession and the especially poor winter weather in early 2013. The Government and its National Planning Policy Framework (NPPF) are clear that local authorities must not plan for recessionary levels of growth and that housing requirements should be objectively assessed and based on needs not delivery. The draft Core Strategy complies with this and is based on an independent Strategic Housing Market Assessment.

- 2.3 The challenge is to achieve the quantum of growth needed through a range of co-ordinated activities which together form a strategic approach to delivering new homes across a range of tenures in the locations that they are needed.
- 2.4 The Council's current (September 2012) land availability position is healthy. There are sites with detailed planning permission for 11,518 units, a further 10,418 covered by outline planning permissions and scope for 7,665 on allocated sites (in total 29,600 units) albeit that not all of these sites are deliverable within the next five years. The Council has agreed a 5 year land supply position (including a 5% buffer as required by the NPPF) which identifies land for 21,472 homes up to 2017/18. In addition, the Strategic Land Availability Assessment identifies land for over 140,000 potential units throughout the plan period. The theoretical 5 year land supply picture therefore has the potential to be larger than estimated. In order to deliver the draft Core Strategy housing targets wider market conditions will need to improve and access to finance will need to increase. In this event sites that currently fall outside the 5 year supply may come forward sooner than estimated.
- 2.5 In addition, Executive Board has taken positive steps to diversifying the land available for development by enabling the release UDP of greenfield allocations. It also agreed the potential for releasing some safeguarded land (Protected Areas of Search) by means of an interim policy, until such a time as the Site Allocations Plan is completed. These interventions provide significant opportunities for house builders to deliver more homes in areas where for example affordable housing needs are high. However, there remains considerable pressure on the Council to release more greenfield land on the basis that much of the brownfield land supply within the current 5 Year Housing Land Supply is considered unfavourable under current market conditions unless action is taken to support the delivery of such sites.
- 2.6 It is important for the Council to be able to demonstrate a 5 Year Housing Land Supply; not only because it is a requirement of the NPPF but also because the Government's intention is that local authorities which fail to demonstrate a 5 Year Housing Land Supply will have their housing policies substituted by those of the NPPF. Such a position would significantly weaken the Council's ability to resist inappropriate proposals for development across the authority.
- 2.7 Within this context, housing growth is a core priority within the Leeds Growth Strategy, is a key means of unlocking investment, meets housing needs, creates jobs and secures New Homes Bonus.
- 2.8 In seeking to proactively accelerate delivery, the Council has already put in place a range of policy approaches and practical measures to maximise the supply of housing:
- Interim Affordable Housing Policy introduced in 2011 reduced affordable housing requirements in most market areas in the city to aid viability and encourage schemes to move towards delivery

- Brownfield Land Programme approved in January 2013 to stimulate the market and support development of new housing on Council owned unallocated brownfield land in areas of the city that currently have limited or no private sector investment interests.
- Derelict and Nuisance Sites Programme approved by Executive Board February 2012 provides for a rolling budget over the period 2012/13 to 2014/15 to support the derelict and nuisance property programme in tackling the number of unused and derelict properties across the city which are in a poor state of repair and finding development solutions for these, including housing potential.
- Proactive support for major new schemes, working with developers to masterplan large sites and accelerate the grant of planning permission. The Council has also shown its commitment to the Neighbourhood Planning process, 15 areas are currently designated and a further 17 are under consideration.
- Council Housing Growth Programme phase 1 has been approved by Executive Board to support the development of new council homes. The programme will be consolidated by the release of a further tranche of funding which is the subject of a report elsewhere on this agenda and proposes the further expansion of Council Housing stock by a variety of methods.
- The Older People's housing and Care project was approved by Executive Board in February 2013 and established the need to deliver new specialist accommodation for older people as a key priority and approved proposals to establish the principle of disposing of a selection of sites for extra care accommodation and the disposal of a further group of sites on the open market with the potential to ring fence receipts to support the delivery of the programme. Sites agreed for this purpose are listed at Appendix 1d.
- Establishing in the draft Core Strategy and interim PAS release policy the principle of "pairing" appropriate greenfield and brownfield sites as a means of leveraging investment into areas of low demand
- The Authority Monitoring Report 2012 which monitors the Leeds Local Development Framework, established a 5 Year supply of deliverable land to meet the needs set out in the Core Strategy
- The Housing Delivery report which was approved by Executive Board in March 2013, established the interim policy on the release of some safeguarded land in advance of the 5 year Site Allocations Plan.

2.9 Housing growth is a product not only of the availability of land but of the ability and appetite of developers across the housing sector to build and the availability of finance remains a constraint. The Council has therefore also implemented demand support measures such as the Local Authority Mortgage Scheme, established in partnership with the Leeds Building Society to provide a mortgage indemnity scheme to support first time buyers in accessing owner occupation. In recent years the Council has successfully steered new homes towards previously developed land (on average 90% of homes have been

completed on previously developed land (PDL) over the past five years). However, given the actions set out above, this figure will decrease; in 2012-13 PDL housing starts are at 73%. This trend is likely to continue and aligns with the recognition in the draft Core Strategy that there is a need to provide more greenfield and the selective release of some green belt land as part of the site allocations process.

- 2.10 While there are needs for affordable housing in the outer areas where market activity is relatively high, the most acute housing needs remain in the main urban area where market activity is relatively low compared to previous years. It is in these parts of the city where the majority of PDL is located and where the Council's role as facilitator and enabler is key to maximising the development potential of such sites. It also reflects the Council's ability to maximise development of its own PDL as a contribution to meeting overall housing targets and minimising the need for development in green field locations.
- 2.11 The Council is also reflecting the NPPF relating to the use of commuted sums from housing as a lever for investment in the inner area. Paragraph 50 of the NPPF notes that affordable housing should be met on-site "unless off-site provision or a financial contribution of broadly equivalent value can be robustly justified (for example to improve or make more effective use of the existing housing stock) and the agreed approach contributes to the objective of creating mixed and balanced communities." Within this context the Core Strategy makes reference (paragraph 5.2.6) to "providing higher levels of Affordable Housing through off-site contributions or the use of City Council assets (within regeneration areas)...".
- 2.12 In the context of current market conditions and lack of viability of some brownfield sites the council will need to give careful consideration to the potential for off-site affordable and/or commuted sums to act as a stimulus for addressing market failure.
- 2.13 It is also in the inner urban areas of the city that the development of such sites provides an opportunity to influence the quality of place, to achieve regeneration benefits and improve the perception of the neighbourhood, to enhance community cohesion and complement wider local infrastructure improvements.
- 2.14 Underpinning all of the actions taken to support housing growth is the concept of "liveability" which is recognition that development does not take place in isolation but that it should meet the needs and support the aspirations of communities. Development will be carried out in the context of local requirements for infrastructure for example school places and through encouraging good quality design that places are welcoming, child friendly, safe and attractive.

### **3 Main issues**

- 3.1 The Commission on the Future of Local Government set out the challenge facing local councils and their partners in stimulating the delivery of homes,

jobs and growth. It recognises the unique position held by a local council who, by being enterprising in the use of its own resources and by influencing others to invest, can help deliver growth. The Council's role as facilitator and enabler is key to the maximisation of investment for the delivery of new homes for the city. There is a long history of effective collaboration between the Council and partners such as the HCA, Housing Associations and developers, demonstrating a commitment to achieving the best for Leeds and this puts the city in a strong position to ensure that limited resources are fully exploited and that PDL can be effectively brought forward for new residential development. The Council will continue to work closely with the HCA in order to exploit all funding opportunities to accelerate delivery including exploring innovative ways of increasing the impact of the limited resources available and utilising land holdings to unlock investment.

- 3.2 To achieve Leeds' ambitions of growth and prosperity, the city needs a functioning housing market which provides choice and availability. The delivery of housing investment proposed in this report would provide a supply of land which directly supports the Council's ability to generate housing growth and in turn supports the city's financial management objectives by generating Council Tax and New Homes Bonus. It will accelerate the delivery of housing by making sites available which have the capacity to deliver around 1700 new units of accommodation through a range of delivery routes. The sites list at Appendix 1 indicates an approximate timescales for delivery.
- 3.3 This report draws together policies and programmes, existing and proposed, to present an overall review of the residential development potential of the Council's PDL holdings and to ensure that it has a coherent and efficient approach to securing housing development and meeting housing needs, whilst contributing to housing growth.

### **Sites Pipeline**

- 3.4 96 Council owned sites which have been deemed suitable for residential development have been identified across the city. It is estimated that these sites have the capacity to deliver approximately 2100 new homes over future years made up of 613 in the short term (i.e. 1-2years), 871 in the medium term (2-5 years) and 593 in the long term (over 5 years).

### Methodology

- 3.5 An exercise has been undertaken to review all Council owned residential development sites.
- 3.6 A comprehensive site list which includes all available Council owned residential development sites has been compiled by collating the Capital Receipts list, the Brownfield Land Programme, Council owed assets on the Derelict and Nuisance sites list and a number of small clearance sites and garage sites yet to be declared as surplus to operational requirements by Environment and Neighbourhoods.



3.7 The list has been considered on a site by site basis in consultation with the Executive Member to arrive at a recommended 'pipeline' set out by most appropriate route for delivery. Sites have been recommended for one of the following:

- Open Market Disposal
- Development of new council housing
- Disposal to a Housing Association
- Disposal for self-build

#### Open Market Disposal

3.8 Where there is considered to be the potential to secure a capital receipt and contribute to regeneration, sites have been designated as appropriate for open market disposal.

3.9 In the regeneration areas in particular there is an objective to diversify tenure and rebalance communities. Existing Executive Board approvals in relation to the Brownfield Land Programme are in place to support the disposal of a concentration of sites for market sale the majority of which are in the Inner East and Inner South areas of the city which strive to create this diversity of tenure. There is an overarching objective to seek a mixture of tenure which will complement the existing make up of an area by working with commercial partners in conjunction with Housing Associations and potentially with self-builders where opportunities arise.

3.10 The Brownfield Land Programme is based on the ring fencing of capital receipts arising from the sale of the sites within the programme to establish a fund that could be used for any of a range of activities in support of disposal and development of other sites in the programme. This report proposes alternative development routes for a small number of these sites where it has been considered that no market-lead solution would be possible, where delivery would be accelerated through affordable or social provision, or where the site would assist in meeting identified needs. The list includes one site which could be subject to disposal at market value as part of the HCAs Build to Rent Initiative.

#### Development of new council housing

3.11 The Council is now directly investing in a programme of building new Council housing. Executive Board approval for the delivery of the first phase of the Council Housing Growth Programme was secured in January 2013. The emphasis of this first phase will be the development of 1 and 2 bedroomed apartments with the aim of addressing the needs of older people and to provide an alternative for those individuals adversely affected by welfare reform thus ensuring the best use of the Councils housing stock by tackling under-occupation and potentially releasing family homes.

- 3.12 A shortlist of sites has already been identified for delivery of phase 1. Initially emphasis has been on the identification of cleared sites which are easily developable and deliverable at a unit cost which will maximise the impact of the available resources. In terms of the units which will be constructed the emphasis is on an excellent design quality, space standards and flexibility of internal layout and which will have a significant impact upon the surrounding communities by enhancing the local environment and quality of place.
- 3.13 Work is currently underway to develop a second phase of the programme and is the subject of a report elsewhere on this agenda.
- 3.14 A sensitive approach will be required with respect to sites which have been cleared of Council housing stock to ensure that former issues relating to demand for specific housing types and the potential for management issues are not replicated. A comprehensive demand analysis will be used to inform the types and locations of properties required to meet existing need. The proportion of resources to be utilised for new build, purchase off the shelf or bringing back into use empty properties will inform whether the sites listed at Appendix 1a will be in the most appropriate locations or of sufficient capacity especially in view of the fact that some will also be opportune for delivery by Housing Associations.
- 3.15 Recommendation of sites as suitable for the delivery of either new Council housing **or** for disposal to a Housing Association will allow flexibility to react to needs and funding opportunities, whilst a strict designation specifically for one route could result in a delayed development until further resources for that purpose are made available.

#### Disposal to a Housing Association

- 3.16 Housing Associations, by capturing grant funding and private investment, play a key role in supporting the Council's objectives of promoting housing growth, meeting needs and enhancing affordability. By facilitating a pipeline of sites for residential development the Council can ensure that all potentially available investment is secured for the city and that opportunities to meet regeneration objectives are exploited.
- 3.17 The 2011/15 HCA Affordable Homes Programme has seen the introduction of a new funding regime with reduced grant levels and an emphasis on borrowing by Housing Associations. In many instances the grant allocations are made on a Leeds City Region minimum geography basis which enables Housing Associations to move investment from one local authority to another depending upon the availability of viable sites within its boundaries.
- 3.18 In view of this it is essential that a streamlined process is in place to facilitate the disposal of Council owned sites to Housing Associations to ensure that:
- The number of affordable housing units delivered in Leeds from the current 2011/15 Affordable Homes Programme is maximised.
  - Leeds is in a good position take advantage of any further funding opportunities either if there is slippage in the current programme or arising

from the extension of the Affordable Homes Programme which was recently announced by the Treasury (27<sup>th</sup> June, 2013) via the publication of the policy paper “Investing in Britain’s Future” which sets out how an additional £3.3bn of investment will deliver 165,000 new affordable homes by 2017/18.

3.19 It is proposed that a selection of sites from those listed at Appendix 1 are offered on the basis of a restricted sale to Housing Associations who will be invited to submit Expressions of Interest which should include specific detail relating to the following:

- Financial offer for the site. No assumption that this will be less than best consideration, a 3<sup>rd</sup> party residual valuation will be required
- Tenure mix
- Property type and layout plans – to meet local needs and place shaping objectives
- Rent levels
- Funding in Place
- Local Labour proposals
- Nominations - 100% nominations in exchange for subsidised land transfers, 75% in all other cases

3.20 It is proposed that all Expressions of Interest will be considered in line with a pre-agreed scoring mechanism by an assessment panel comprising of representatives from the appropriate Council services. The Council would work with the HCA and in consultation with local ward members to agree a strategic approach to delivery on these sites that meets local aspirations. Once the process has been concluded it is proposed that the authority to approve the disposal in line with the process set out above is delegated to the Director of City Development.

#### Disposal for Self Build

3.21 The potential to develop self-build housing in Leeds has been under consideration for some time. The release of loan finance via the HCA has added some impetus to these discussions. The site review has therefore been used as an opportunity to explore the potential suitability of sites for self-build (Subject to detailed site assessments).

3.22 A Self Build event was held in May 2013. It provided a platform for people to talk to specialists in the field of self-build, to discuss and share ideas, and form groups of potential first time builders.

3.23 Attendees at the event clearly indicated that site location is key and that this is a way in which the Council could facilitate delivery. The identification of a selection of sites suitable for disposal at market value to self-builders will demonstrate the Council’s support for this initiative – these are proposed at Appendix 1b. In the past small Council owned sites have been disposed of on the open market to individuals who have used the site to build their own home. The only difference proposed is that the sites will be promoted as appropriate

for self-builders and potentially be advertised on the Council's self-build web page with outline planning approval.

#### Increasing the Provision of housing for Older People

- 3.24 At its meeting of 15<sup>th</sup> February, 2013 Executive Board approved proposals for the implementation of a holistic, city-wide, approach to increase and improve the accommodation for older people available in Leeds. The approach entails the use of a variety of mechanisms in response to the differing housing markets in the city. This included the identification of a number of Council owned sites which could be used for redevelopment or disposal to support a programme of investment in specialist housing for older people. These sites are identified in appendix 1d.

#### Managing and maintaining the pipeline

- 3.25 As sites are disposed and developed it will be necessary to feed in further sites to replenish and perpetuate the pipeline.
- 3.26 There is the potential for some of the sites identified via the Derelict and Nuisance programme to feed into the pipeline depending upon the suitability of their location, the issues and costs associated with the acquisition of private interests and whether the benefits to the Council outweigh the resources required to secure the site. It is not proposed that this approach will replace the existing enforcement approach to tackling derelict and nuisance sites but may provide a solution in instances where the Council already own the freehold.
- 3.27 The work which is being undertaken to identify suitable sites to meet the basic needs pupil place requirements may well impact upon the ultimate use of any of the sites within the pipeline, particularly those of at least 1 hectare. It should be noted that even with Executive Board support for the approach set out within this report consideration will still need to be given to competing priorities to meet the Council's statutory duty to provide school and pre-school places. In the event that a site approved for the development of housing via this report is subsequently identified as suitable for the delivery of additional pupil places Executive Board approval for the change in proposed use will be sought.
- 3.28 In the event that a site approved by Executive Board for residential development via one delivery route is subsequently proposed for another residential development route it is proposed that responsibility is delegated to the Director of City Development to approve such a change. This will provide a degree of flexibility which will ensure that development is not stymied by approvals for one purpose only.

#### Phasing the release of sites

- 3.29 Appendix 1 sets out the list of sites and details of the proposed phasing plan for their release. In some cases further work will be required to facilitate their release for example site assembly issues, or sites which rely upon the implementation of other initiatives or infrastructure works. There are a number

of sites which can provide relatively “quick wins” and be released in the short term, over the next 1-2 years, to facilitate early delivery. Other sites could be ready for release between 2015 and 2020 with a further selection which are likely to be ready for release from 2020 onwards. It is also important to note that in the case of market disposals the release of too many sites onto the open market all at one time could potentially drive down market values.

3.30 Only by sensitive and balanced phasing of disposals can the value of Council assets be maintained and a practicable delivery pipeline achieved to make sure that delivery is sustained and investment captured. In terms of the release of sites for non-market housing the phasing of release will aim to facilitate the maximisation of investment for the city.

## **4 Corporate Considerations.**

### **4.1 Consultation and Engagement**

4.4.1 The Executive member has been fully briefed on the recommended routes for delivery of new development on a site by site basis. Ward members will be briefed on the recommendations for sites within their ward prior to the submission of a report to Executive Board. Housing Associations will be made aware of the Council’s expectation that further consultation with ward members and with local residents should take place as scheme proposals are developed prior to the submission of planning applications.

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

4.2.1 Due regard has been given to equality through the analysis of the potential impacts of the programme and the completion of a screening form. The main outcomes of the screening were that the delivery of affordable housing through this programme could have positive implications for equality groups who are economically disadvantaged. An Equality Impact Screening document is attached as an appendix.

### **4.3 Council policies and City Priorities**

4.3.1 Proposals set out in this report respond to the challenge facing local councils and their partners in stimulating the delivery of homes, jobs and growth presented by the Commission on the Future of Local Government. The Council’s role in providing local leadership sees this utilisation of the Councils resources in a way which will facilitate direct investment in the provision of new homes.

4.3.2 Proposals will:

- increase the provision of new good quality affordable homes in the City
- contribute to the housing growth agenda
- contribute to the place making agenda and regeneration objectives
- provide a capital receipt
- provide a range of housing which meets the requirements, needs and aspirations of existing or potential residents

4.3.3 The Vision for Leeds established the Council's objective of being the Best Council in the country and a strong working relationship with people, businesses and organisations is at the heart of this objective. It also sets out the ambition of being the Best City in the country with a good quality of life for Leeds residents.

4.3.4 The Best Council plan sets out the adoption of a new leadership style of civic enterprise, where the council becomes more enterprising, businesses and partners become more civic. The efficient use of Council owned sites in the way described in this report supports this approach. By helping people into jobs, boosting the local economy, providing additional housing and generating income for the Council. The measures set out in this report support the Sustainable and Inclusive Growth Strand of the Best Council Plan.

#### **4.4 Resources and value for money**

4.4.1 It is anticipated that the approach described within this report will result in improved cross service/directorate working, improved efficiency and a more effective use of resources as well as the generation of capital receipts and New Homes Bonus.

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

4.5.1 In terms of disposals of land to Housing Associations it is recognised that the disposal of land sits outside of the procurement rules but the fact that the Council will receive a benefit, via nomination rights, in return for disposal of the sites to Housing Associations gives rise to a question as to whether the procurement rules need to be considered when undertaking this collaborative approach. However, Legal advice indicates that it is settled EU Case Law that cooperation between public bodies for the joint execution of their duties will be exempt from the application of the public procurement rules subject to certain conditions which in these circumstances will be met.

#### **4.6 Risk Management**

4.6.1 The risk that a developer could fail to develop the site once transferred could be mitigated by the use of a development agreement which will specify the requirement for prompt delivery and ensure that the site is not simply land banked.

4.6.2 Despite the fact that some of the sites are housing clearances there is a risk that local residents may have become accustomed to using the sites as informal green space and may object to development. Local residents will be consulted and kept informed of proposals and officers will work to ameliorate concerns.

### **5 Conclusions**

5.1 The Council's contribution to housing growth and meeting housing need it is proposed can be maximised by the implementation of a series of policy positions/approaches including proposals to allocate a range of Council sites for

housing purposes. A number of policies/approaches already have existing approvals in place and the proposals contained within this report will consolidate and build upon these to provide a comprehensive approach to housing growth and its associated benefits for the City.

- 5.2 In terms of the use of Council land to support these proposed policies, an exercise has been undertaken to review land in the Council's ownership that has potential for residential development. This exercise has resulted in recommendations relating to the most appropriate routes for the delivery of new housing with a broad phasing plan for their release.

## **6 Recommendations**

6.1 It is recommended that Executive Board:

- (i) agrees that alongside its general support for Sustainable and Inclusive Growth and housing growth in the city, that priority is given to regeneration areas and ensuring brownfield sites are developed for housing purposes.
- (ii) agrees specifically that a disposal programme is developed for those sites listed at Appendix 1 which aims to increase housing supply through redevelopment of brownfield land.
- (iii) agrees that the sites as listed in Appendix 1a are prioritised to support the new Council Housing Growth programme; or for the development of affordable housing by housing associations depending upon the outcome of a demand analysis, site specific aspirations and funding availability.
- (iv) agrees to support and promote self-build in the city and specifically that the sites listed in Appendix 1b are prioritised to be released for sale at market value for self-build purposes.
- (v) agrees that a disposal programme is developed for the sites listed at 1c.
- (vi) agrees that delegation of a decision to vary the development route for delivery of any of the sites listed at appendix 1 is made to the Director of City Development.
- (vii) notes that the sites listed in Appendix 1d already have Executive Board approval for the purpose of increasing the supply of older people's housing and that these will be brought forward for market disposal at the appropriate time on this basis.
- (viii) notes the policy position on the application of commuted sums for the development of off-site affordable housing and agrees to consider carefully the application of this policy as a means of stimulating brownfield development in areas of greatest housing need.

## **7 Appendices**

### **Appendix 1**

List A - sites considered appropriate for non-market housing

List B – sites considered appropriate for self-build development

List C – sites considered appropriate for disposal on the open market

List D – sites approved to support the Older Peoples Housing and Care Project

**Appendix 2** – Map illustrating the spread of Council owned residential development sites across the city.

## **8 Background documents<sup>1</sup>**

8.1 None

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.