

Report of Director of City Development

Report to Executive Board

Date: 7 February 2018

Subject: Core Strategy Selective Review (Publication Draft)

Are specific electoral wards affected?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If yes, name(s) of ward(s):	
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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, access to information procedure rule number:	
Appendix number:	

Summary of main issues

1. The Best Council Plan seeks to develop a coherent approach to meeting housing need and growth and the Leeds Core Strategy (CS) forms the key strategic and spatial planning framework for Leeds. Central to this approach is the integration of a range of economic, environmental and social policy objectives. The Adoption of the Leeds Core Strategy (in November 2014) was a major achievement for a District the size and complexity of Leeds and a number of local authorities have still yet to adopt their own Core Strategies. The CS helps to advance key aspects of the Best Council Plan (BCP) 2015-20 and this proposed Core Strategy Selective Review (CSSR), endorsed by Executive Board in February 2017, will help further BCP priorities to provide enough homes of a high standard in all sectors and priorities related to health, resilient communities, better lives for people with care & support needs and a low carbon economy.
2. Overall the focus of the strategic approach and spatial strategy in the Adopted CS remains up-to-date and appropriate. This retains: the priority for the majority of new development within the main urban area and major settlements, where the use of brownfield land and regeneration programmes can be boosted. In addition, policies for place making, for high quality and affordable homes -of the right mix in the right place to meet local needs (including encouraging more homes in the City Centre) and supporting strategic employment hubs (for inclusive growth) are integral to the approach. Linked to this also, is the imperative to match where people live and work, in sustainable locations, whilst maximising existing infrastructure, transport hubs and

respecting local character and distinctiveness. A fundamental component of the strategy also is to support public health via the protection and enhancement of the environment, including the important role of Green Infrastructure. Whilst the overall spatial strategy remains unchanged, as agreed by Executive Board in February 2017, a discreet number of targeted policy areas are subject of review. This is on the basis of significant changes to the evidence base, national planning policy or due to operational issues related to policy implementation.

3. It is clear that the housing requirement figure established in the adopted Core Strategy has been a key issue in both the Council and the wider City in recent years. Accordingly, the review being undertaken has looked carefully at the current evidence base (including a new Strategic Housing Market Assessment), which has changed significantly since the Core Strategy was originally prepared, to establish that the number should be changed. It has also considered current national planning policy and legislation to consider the likelihood that a Government Inspector will accept the need to change the figure, when it is tested through independent examination.
4. Other than the housing requirement, the CSSR policy areas which are being reviewed include, housing standards, affordable housing and environmental policies (including sustainable construction and charging points for electric vehicles). On the basis that the majority of policy areas in the Core Strategy remain up to date and appropriate, this is therefore a selective review of policy areas as necessary. The cumulative benefit of the targeted review, is to strengthen the overall strategic approach (set out in 2 above). These policy areas reflect and promote the Best Council Plan aspirations by promoting a strategy which promotes positive and good growth. As a consequential amendment to the CS and in line with national guidance on strategic plan making the plan period is also subject of change from 2012 - 2028 to 2017 – 2033.
5. Following approval by Executive Board on the selective scope of the Core Strategy Selective Review, public consultation took place between June-July 2017. As a result of that, the initial scope has been extended to cover related areas, namely: housing distribution, City Centre green space and electric vehicle charging points.
6. This report sets out the detailed proposed policies for the CSSR covering the housing requirement for a new plan period of 2017 – 2033, updating affordable housing 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 and introducing a new policy on electric vehicle charging points. These are set out in **Appendix 1**.
7. Responding to new evidence of population, household, migration and economic change, this report proposes a new housing requirement figure of 3,247 dwellings per annum (51,952 over the plan period of 2017 – 2033) to replace the current requirement of 70,000 (2012-28)
8. In line with Government Guidance allowing a flexible approach to Development Plan preparation (which enables a specific focus on documents and or policy areas, the remainder of the Core Strategy will at some future point be subject to review. This report seeks approval of the Publication Draft of the Core Strategy Selective Review for public consultation.

Recommendations

Executive Board is recommend to:

- i) Endorse the proposed revised Publication Draft policies and supporting paragraphs of the Core Strategy Selective Review as set out in **Appendix 1** and the Sustainability Appraisal, as set out in **Appendix 3**;
- ii) Approve 6 weeks consultation of the proposed revised Publication Draft policies and supporting paragraphs of the Core Strategy Selective Review as set out in Appendix 1 and the Sustainability Appraisal as set out in **Appendix 3**;
- iii) Note the additional draft supporting documents listed in paragraph 7.0, including background evidence on the council's website;
- iv) Delegate authority to the Chief Planning Officer in consultation with the Executive Member to make factual and other minor changes to the proposed consultation material;
- v) Refer the Publication Draft Plan to Scrutiny Board (City Development) in line with the Budget and Policy Framework following public consultation;
- vi) Note that the responsible officer for delivering the recommendations will be the Head of Strategic Planning.

1. Purpose of this report

- 1.1 The purpose of this report is to seek approval of Executive Board to publish, for a period of six weeks of consultation, detailed revisions to the policies which are subject of the Core Strategy Selective Review (CSSR).
- 1.2 The proposed draft policies of the CSSR have been considered by Development Plan Panel (DPP) in November, December 2017, and in January 2018, in addition a DPP Member workshop was held in early October 2017.
- 1.3 The policies are supported by a Sustainability Appraisal Report alongside relevant supporting material including:
 - Report of Consultation
 - Duty to Cooperate Table
- 1.4 The Plan is also supported by an evidence base including:
 - Economic Viability Study 2018
 - Strategic Housing Market Assessment 2017
 - Background Papers

2. Background information

- 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, an Adopted Aire Valley Leeds Area Action Plan and Saved Unitary Development Plan policies). The highly advanced Site Allocations Plan (currently at independent examination) also forms 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. It remains a priority for national government that full local plan coverage be in place and for plans to be subject to regular reviews.
- 2.2 Executive Board resolved to undertake a selective review of the Core Strategy in February 2017. It agreed a 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. Given the importance of ensuring that Leeds was planning for the correct level of housing growth a targeted scope is considered necessary to swiftly progress the Review. Public consultation took place on the scope of the CSSR in June-July 2017 and has informed policy formulation.
- 2.3 The CSSR is being progressed concurrently with the Leeds Site Allocations Plan (SAP). The SAP is currently at Examination and is based on the Adopted CS housing requirement. However, in December 2017 Executive Board resolved to make amendments to the SAP so as to reflect Government Guidance “Planning for the Right Homes in the Right Places” and the lower, nationally prescribed target for Leeds therein. These amendments concerned amending some proposed Green Belt housing allocations to broad locations for consideration at a future SAP Review. The amended SAP is, as a result, complementary to the draft policies in the CSSR.

3. Main issues

- 3.1 The purpose of the 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, to ensure that this plan remains fit for purpose. 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 selective review of the Core Strategy is focused on several individual policy areas only. These are set out and summarised in turn below, with a brief introduction explaining the reasons for the revised approach, the consultation responses rationale from scoping stage, the policy options considered and the proposed revised approach. The proposed Policies are set out in Appendix 1.

The Housing Requirement for 2017 – 2033 – Policy SP6

- 3.3 The main driver for reviewing the housing requirement is that official statistics of population and household growth in Leeds have indicated significant reductions in the rate of growth since the requirement was adopted in 2014. In fact the trend first became evident during the late stage of Core Strategy preparation. Responses to the scoping consultation in June/July 2017 were overwhelming of the view that a review of the housing requirement is necessary given changes to the underlying evidence base.
- 3.4 The Adopted Core Strategy 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.
- 3.5 However, expectations for a recovery in the housing market to the extent and pace envisaged have not materialised 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.

- 3.6 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 extant 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.

The Options

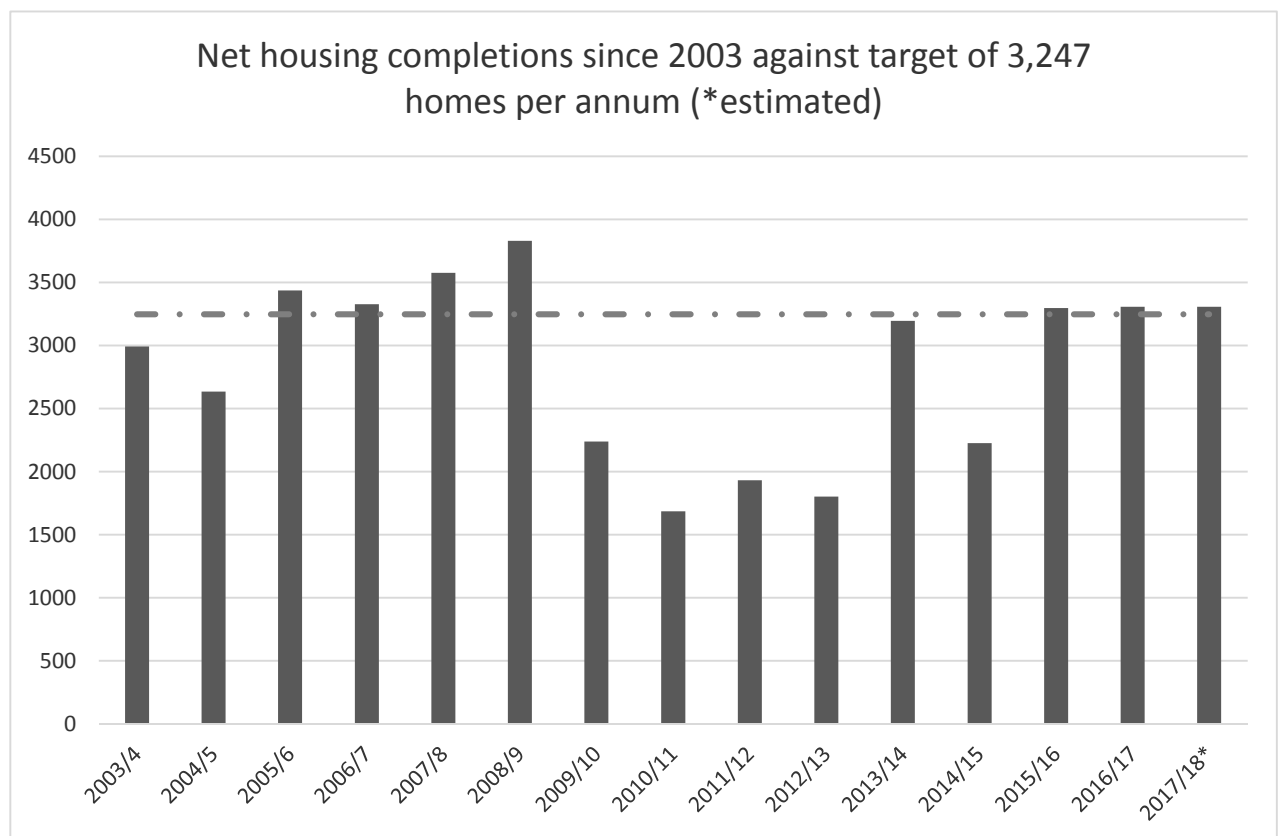
- 3.7 The evidence for setting the housing requirement comes from the SHMA 2017 (See Paragraph 7.0 Background Paper 1) which makes a thorough analysis of Leeds' housing needs, starting with the official ONS projections and making adjustments to reflect local evidence on population and employment growth as well as affordable housing needs, commuting and local household size assumptions. In addition the Government's (September 2017) consultation on housing needs ("Planning for the right homes in the right places") has also been considered by the Council.
- 3.8 Four scenarios were considered to form reasonable alternatives. The first and lowest scenario was supplied from the DCLG Consultation. The other scenarios derive from the SHMA 2017. The 3rd and 4th scenarios (REM 17 and HIGH GROWTH) are fully presented and explained step-by-step in the SHMA 2017. The SHMA ADJUSTMENT scenario is a hybrid generated in response to the DCLG consultation which was created by adjusting the headship rate assumption of the REM 17 scenario to make it accord with recent evidence of Leeds. At the Development Plans Panel meeting on 21st November 2017 Development Panel Members considered these options with considerable discussion and resolved to support the "SHMA adjustment" scenario of 3,247 dwellings per annum (51,952 (net) dwellings as the recommended approach.

Requirement Scenario	Annual Figure	Plan Period Figure
DCLG Consultation	2,649	42,384
SHMA ADJUSTMENT	3,247	51,952
SHMA REM 2017	3,478	55,648
SHMA HIGH GROWTH	3,783	60,528

- 3.9 The DCLG Consultation scenario would have the benefits of having an easily achievable 5 Year Supply figure and the least need for greenfield and Green Belt releases, but is not recommended because of concerns that too low a figure could be damaging to Leeds's economic growth prospects and ability to meet housing needs, especially for affordable housing. Under-provision of dwellings in Leeds against employment growth forecasts of the Regional Econometric Model could dampen economic growth and/or attract commuters from outside of Leeds. This could exacerbate congestion, air quality and public health. The DCLG consultation guidance acknowledges this situation and notes in paragraph 28 that *"local planning authorities are able to plan for a higher number than set out by our proposed method. This means that, where there is a policy in place to substantially increase*

economic growth, local planning authorities may wish to plan for a higher level of growth than our formula proposes”.

- 3.10 The High Growth scenario would be the most ambitious in terms of economic growth and ability to offer a wider choice of housing, including affordable housing but 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. It is also considered that the REM 2017 scenario also would involve release of greenfield and Green Belt land for housing that would be unnecessary.
- 3.11 The SHMA Adjustment scenario is considered to achieve the best balance between economic growth and safeguarding greenfield land. It is robustly based on evidence of the SHMA which takes full account of employment and migration patterns. This scenario works well with the locational criteria of the adopted policy which it is proposed to retain. 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. Taking all this into account, at its meeting on 21st November Development Plan Panel specifically considered the housing requirement options 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).
- 3.12 This proposed requirement is illustrated below in the context of net completions over the previous 15 years. The graph clearly shows the impact of the recession. It can also be seen that the proposed CSSR requirement would be achieved and exceeded in the current year and previous two years. This is a positive signal given that the Site Allocations Plan is yet to be Adopted and is on the strength of the performance within the inner area and the return of long term empty properties to use in recent years. Upon Adoption the SAP, which helps release sites throughout the City, and supported by a strong City Centre market, the continuation of these trends will - working across all markets in Leeds - help ensure that the CSSR figure remains an aspirational but realistic target for the longer term. The Adopted Core Strategy target of 4,700 remains difficult for the house building industry to achieve despite the significant level of unimplemented planning permissions (for 25,978 homes) granted in recent years.



Adjustments for demolition and windfall

- 3.13 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.
- 3.14 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) and unexpected larger sites can be counted towards the requirement for the plan period and thus lower the amount of land required to be allocated.
- 3.15 At the DPP meeting on 21st November 2017, 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). At the meeting of 19th December DPP Members asked for evidence of the windfall allowance to be retained. Such evidence is not strictly necessary for the CSSR because the windfall allowance is not subject to revisions in the CSSR. Nevertheless, officers will examine evidence of windfall trends in case it is raised as an issue in future examination of the plan.

Plan Period

- 3.16 In line with national planning policy and established practice, housing requirements need to be set out for 15 years. The Council's evidence in the Strategic Housing Market Assessment 2017 relates to the 16 year period 2017 – 2033, so it is appropriate for the CSSR to apply the housing requirement to the period 2017 – 2033. When the CSSR is adopted as expected in late 2018 or early 2019, housing delivery against the new requirement will start from 1st April 2017.

Housing Distribution – Policy SP7

- 3.17 Policy SP7 of the Adopted CS divides the adopted 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).
- 3.18 Unlike the housing requirement where new evidence indicates a need for review, there is no particular evidence to suggest that Policy SP7 needs to be reviewed. In fact, the policy has been effective in guiding the preparation of the Site Allocations Plan (SAP) and ensuring that there is balanced distribution of housing sites around the district. The *only* reason for reviewing Policy SP7 is as a consequence of reducing the housing requirement in Policy SP6. If Policy SP7 were left unchanged, its housing numbers would no longer tally with the proposed new housing requirement creating confusion and uncertainty. Therefore keeping Policy SP7 unchanged is not considered a realistic option.
- 3.19 The realistic options are to delete Policy SP7 altogether or to modify it to tally with the proposed new housing requirement. Deleting the policy altogether would have been an appropriate option if the SAP had been completed. The policy would have served its purpose in influencing the distribution of SAP sites around the district. But the SAP Review will need the guidance of Policy SP7; so deletion of the policy is not a sensible option. The Development Plan Panel workshop concluded that Policy SP7 needs to be retained in order to ensure a balanced distribution of housing land around the district.
- 3.20 The option of reviewing Policy SP7 to ensure the housing numbers tally with the proposed new housing requirement can be considered in two steps. The first step involves deleting all the absolute numbers in the policy whilst keeping the percentages. The absolute numbers relate to the housing requirement that is set to be superseded. With a new housing requirement they will no longer add up to the new housing requirement. However, the percentages can be retained. The

percentages will work with the new housing requirement. They will also maintain the intentions of the adopted Core Strategy to achieve a balanced distribution of housing land around the district in line with Policy SP1. 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 broad 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.

- 3.21 The second step involves deciding whether percentage guidance is needed for both the Settlement Hierarchy (Table 2 of Policy SP7) and for the HMCAs (Table 3 of Policy SP7). It was the clear view of Members at the Development Plans Panel workshop that the HMCA apportionment of housing requirements is valuable and necessary for a distribution of housing land that is deliverable and equitable. However, it is not considered necessary to retain the percentage guidance for the different settlement levels: City Centre, Main Urban Area, Major Settlements, Smaller Settlements and Other Rural areas. This is because 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 that is not already served by Policy SP1 of the Core Strategy.
- 3.22 On the basis of the above considerations it is proposed to review Policy SP7 to retain only the percentage targets for the HMCAs and delete Table 2 and the absolute numbers of Table 3. As a consequence, supporting paragraphs 4.6.13 – 4.6.17 are proposed to be replaced with paragraph 4.6.6 and 4.6.7 set out in Appendix 1.

Viability Assessment

- 3.23 The Economic Viability Study (EVS) (See Paragraph 7.0 Background Paper 2, January 2018), provides baseline evidence for the Core Strategy Selective Review, this has been prepared in accordance with industry and planning guidance and provides an independent assessment of whole plan viability. The report has also been prepared in accordance with the RICS Guidance Note – ‘Financial Viability in Planning’ and ‘Viability Testing- Local Plans’ Harman Report. The most important function of the EVS is to bring together and consider the cumulative impact of the proposed changes to the Core Strategy policies in accordance with paragraph 174 of the NPPF. However it should be recognised that this assessment will not provide a precise answer to the viability of every single development likely to take place during the plan period. Instead it will provide high level assurance that the proposed changes to policies within the Core Strategy are set out in a way that will not undermine the viability of the development needed to deliver the plan.

- 3.24 In assessing the cumulative impact on viability of the policies, individual policies were firstly tested and then these were tested in combination to assess appropriate policy levels at a cumulative level i.e. in combination. The policies which are viability tested are those which have an impact on cost and therefore viability, such as affordable housing, greenspace, housing standards and sustainability policies. These are tested within the context of existing policies in the adopted Core Strategy which also have an impact on viability and the Community Infrastructure Levy (CIL). The EVS also factored in any changes in housing market in Leeds since the last EVS was undertaken (Jan 2013), CIL rate increase as a result of indexation which is applied on an annual basis and changes to affordable housing benchmarks.
- 3.25 The EVS concludes that the policies set out in Appendix 1 can all be achieved, this includes the introduction of three new policy areas the minimum space standards, accessible housing standards and the introduction of electric vehicle charging points. The EVS also concludes that if new policies are required there is currently no headroom to increase the level of provision in existing policies.

Affordable housing – Policy H5

- 3.26 Policy H5 sets affordable housing requirements in terms of affordable housing targets, thresholds and tenures, based on evidence on need (SHMA 2017) and viability (EVS Jan 2018). The policy proposes to retain the existing affordable housing policies for zone 1 (35%) and zone 2 (15%), and increase them for zone 3 (5% to 7%) and zone 4 (5% to 7%). Initially, various options were tested in terms of viability, as part of the EVS to include a 5% increase in affordable housing targets for all zones, this assumes that the mix of affordable housing should be to reflect local need with 40% of the affordable housing being for those on intermediate housing and 60% being for households on social housing. The EVS initially concluded that if the new policies were to be introduced then there would be no scope to increase affordable housing targets. However, a reappraisal of the assumptions for costs for remediating previously developed (brownfield) land concluded that up to 7% would be possible for Zone 3 (Inner Leeds) and Zone 4 (City Centre) Policy H5 also reflects changes in national policy in relation to a change in threshold as set out in paragraph 3.30 below.
- 3.27 Members at Development Plans Panel had raised concerns that affordable housing targets in the City Centre and Inner area affordable housing zones (zones 3 and 4), should be increased. The proposed increase of targets from 5 to 7% for these zones addresses these concerns. Other changes were also considered and endorsed by Development Plans Panel including changes to the supporting text of Policy H5 which set the targets as “minima” and changes to highlight the expectation of the Council that the Inner and City Centre housing markets will become stronger over the next 5 years as a result of regeneration and investment programmes with the expectation that a further increase in the affordable housing targets will be justified subject to viability testing at the time. This will signal to the development industry the expected direction of travel with the targets. Another proposed change to the supporting text of Policy H5 concerns residential developments expected to build out over a long period (more than 5 years). This proposed text expects permitted schemes to make provision for a review of the scheme’s viability, to determine whether the level of affordable housing being provided across the scheme as a whole is appropriate at a later point in time.

- 3.28 Need for affordable housing is evidenced in the SHMA (2017). 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.
- 3.29 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 amended planning practice guidance 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.
- 3.30 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.
- 3.31 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.
- 3.32 The Authority Monitoring Report (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

- 3.33 Policy G4 sets out the greenspace requirement for new residential developments. 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 (see Background Paper 3 "Review of Implementation of Green Space

Policy G4”). The findings of the EVS (January 2018), sets out appropriate levels of greenspace, when assessed at a cumulative level with the other policies which have viability implications. This means that high, medium and low density schemes will be able to meet the requirement and remain viable. The proposed green space policy has also been tested by number of bedrooms; such an approach provides a more equitable split whereby schemes with a larger number of bedrooms would provide more green space and those with fewer bedrooms would provide less green space.

- 3.34 A conclusion of the Member workshop was that different parts of Leeds require different green space solutions and that policy needs to be responsive, by providing on-site provision in some cases and commuted sums to improve existing spaces in others.

City Centre Green Space - Policies G5 and G6

- 3.35 A minor amendment is proposed to Policy G5, regarding financial contributions in lieu of on site provision. 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.
- 3.36 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 in the same way as 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.

Housing Standards (i) Nationally Described Space Standards – Policy H9

- 3.37 Policy H9 introduces new policy on minimum space standards for new dwellings and as such is about improving the quality of housing. Government policy allows local authorities to adopt the space standards as nationally defined (Nationally Described Space Standards – NDSS) provided that a local planning authority can demonstrate a need, viability and not undermine housing supply. Leeds has shown through a measuring exercise of dwellings permitted over recent years there is a need for the standards (see Background Paper 4 “Permitted Dwelling Size Measurement Exercise”). 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” also included as Background Paper 6. 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. This is also included as Background Paper 7.
- 3.38 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.

- 3.39 The Member workshop (October 2017) and DPP (Dec 2017), 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, but that a separate policy requirement is established for PBSA to reflect NDSS, as much as possible. It is proposed that Supplementary Planning Guidance will be prepared to advise upon amenity standards for purpose built student accommodation.
- 3.40 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 (SPD) at a later date. The Government is currently exploring setting minimum room sizes for licensed HMO bed rooms. Regard can be given to this as Leeds City Council progresses the SPD.

Housing Standards (ii) Accessible Housing Standards – Policy H10

- 3.41 Policy H10 introduces new policy in relation to accessible housing standards and is again about improving the quality of housing. The 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 Need Assessment Background Paper 5 (see paragraph 7.0).
- 3.42 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.

Climate Change Reduction - Policies EN1, EN2

- 3.43 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 approach for EN1 and EN2 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. Background Paper 8 “Review of Changes to EN1 and EN2 following Written Ministerial Statement 2015” provides further explanation. Following these proposed changes to EN1 and EN2 as endorsed by Development Plan Panel two further minor consequential deletions to Paragraph 5.5.49 and Policy EN4 (District Heating) are considered necessary to avoid confusion.

Electric Vehicle Charging Infrastructure – Policy EN8

- 3.44 A new policy for electric vehicle charging points is proposed. The aim of this is to introduce for new developments the provision of electric vehicle charging points. At Regulation 18 consultation 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. Air Quality Background Paper 9 provides further evidence of the need for Policy EN8

Further Matters

- 3.45 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.
- 3.46 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. Indeed this is in line with recent amendments to the Local Plan regulations, which introduce a requirement for review of Local Development Documents every five years. These come into force on 6 April 2018. A subsequent further review of the Core Strategy could therefore update employment land policy.
- 3.47 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.

- 3.48 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.
- 3.49 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.
- 3.50 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

- 3.51 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.
- 3.52 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.
- 3.53 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, Appendix 3. 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.

Public Consultation Strategy for the Publication Draft

- 3.54 Broadly in line with the timetable agreed for the CSSR by Executive Board in Feb it is proposed that, subject to Executive Board approval the period of consultation commences on February 9th to March 23rd 2018.
- 3.55 The Publication Draft Plans will be referred to Scrutiny Board (City Development) in line with the Budget and Policy Framework following public consultation.
- 3.56 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

- 3.57 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 was a general interest in the proposed change to the housing requirement.
- 3.58 It is proposed to re-circulate the DtC Table of Issues and Impacts updated according to the Publication draft 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 (see paragraph 7.0 Background Paper 11 “Duty to Cooperate. CSSR Publication Draft. Table of Impacts 2018”) will be circulated to the next LCRSPDtC group meeting for comment. Based on feedback from the meeting of 25th July 2017 it is not anticipated that any serious concerns will be raised about impacts from the proposed CSSR policy changes.

Next Steps / Timetable

- 3.59 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 DPP, Executive Board and approval by Council. This would then enable, subject to the availability of the Inspectorate, an Examination before the end of the year and Adoption early 2019.

Relationship with the Site Allocations Plan

- 3.60 The adopted Core Strategy, CSSR and the SAP are complementary to one another. To that end, a lower housing trajectory has been reflected as part of the Council's technical work on the SAP.
- 3.61 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 and other policies are a material consideration to be used in the determination of planning applications.
- 3.61 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.

4. Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Preparation of development plan documents, including the selective review of the Core Strategy are 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. A summary of consultation responses received is provided in Appendix 4 "Report of Consultation Responses 2017". Promotion of the consultation 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 3.55 above.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 Equality has been an integral part of the preparation of the Core Strategy Selective Review. Due regard has been given to the equality characteristics and an equality screening has been prepared at this stage and will be prepared at all appropriate

future stages. Equality diversity, cohesion and integration has been an important 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. It is not the subject of call in. However as part of that framework, Executive Board is recommended to refer the publication draft plan to the relevant Scrutiny Board for consultation.
- 4.5.3 As the CSSR follows the budget and policy framework it is not subject to call in.

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 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 This report sets out the detailed proposed policies for the CSSR covering the housing requirement for a new plan period of 2017 – 2033, updating affordable housing 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 and introducing a new policy on electric vehicle charging points. 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 and which improve the quality of housing. The Economic Viability Study shows that there is sufficient cumulative viability to support the proposed policies to incorporate new housing space and accessibility standards and to increase the affordable housing targets for Zone 3 (Inner) and Zone 4 (City Centre) from 5 to 7%; it further concludes that the current green space requirement needs to be changed as was anticipated. The CSSR also provides the opportunity to clarify the policies to make them more effective and easier to use.

6. Recommendations

- 6.1 Executive Board is recommend to:
 - i. Endorse the proposed revised Publication Draft policies and supporting paragraphs of the Core Strategy Selective Review as set out in Appendix 1 and the Sustainability Appraisal, as set out in Appendix 3;
 - ii. Approve 6 weeks consultation of the proposed revised Publication Draft policies and supporting paragraphs of the Core Strategy Selective Review as set out in Appendix 1 and the Sustainability Appraisal as set out in Appendix 3;
 - iii. Note the additional draft supporting documents listed in paragraph 7.0, including background evidence on the council's website;
 - iv. Delegate authority to the Chief Planning Officer in consultation with the Executive Member to make factual and other minor changes to the proposed consultation material;
 - v. Refer the Publication Draft Plan to Scrutiny Board (City Development) in line with the Budget and Policy Framework following public consultation;
 - vi. Note that the responsible officer for delivering the recommendations will be the Head of Strategic Planning.

7. Appendices and Background Documents¹

Appendices

1. Core Strategy Selective Review, Publication Draft, Proposed policy and paragraph changes.
2. Core Strategy Selective Review Sustainability Appraisal Non-Technical Summary
3. Sustainability Appraisal Draft Report 2018
4. Report of Consultation 2017
5. Equality Impact Assessment

Background Papers

1. Strategic Housing Market Assessment, 2017
2. Economic Viability Study Update, 2018
3. Review of Implementation of Green Space Policy G4, 2017
4. Permitted Dwelling Size Measurement Exercise, 2017
5. Accessible Housing Need Assessment 2018-
6. RIBA Case for Space 2011
7. DCLG Housing Standards Review – Cost Impacts, EC Harris 2014
8. Review of Changes to EN1 and EN2 following Written Ministerial Statement 2015
9. Air Quality Background Paper, 2018
10. Duty to Cooperate. CSSR Publication Draft. Table of Impacts 2018.

¹ 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.