

**Report of: Director of City Development**

**Report to: Executive Board**

**Date: 2 November 2011**

**Subject: Director's Response to Report by Scrutiny Board Regeneration on Housing Growth**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input 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. This report provides the response of the Director of City Development to the report of the Scrutiny Inquiry into Housing Growth. It has been prepared in consultation with the Director of Environment and Neighbourhoods and the Executive Member for Development.
2. The report is welcomed as a timely intervention in the housing growth debate, that is a key part in the development of the Core Strategy.
3. In the main the recommendations can be accepted. The exceptions are recommendations 4 and 10 and this report explains why those recommendations are inappropriate as currently drafted and suggests alternative approaches.
4. The Scrutiny recommendations are complementary to the outcome of the recent housing growth consultation exercise. A number of key messages are identified.

### Recommendations

Executive Board is requested to:

- i) Welcome the Scrutiny report as a valuable contribution to the housing growth debate;

- ii) Agree the recommendations with the exception of recommendations 4 and 10, for the reasons given in paragraph 3.2. of this report and endorse the suggested alternative approach to these issues. That is, for recommendation 4 to promote an appropriate policy in the Core Strategy and to offer further detail through neighbourhood plans and as applications are considered and for recommendation 10 to review the position following the publication of further government guidance as part of the development of a CIL scheme for Leeds ; and
- iii) Endorse the conclusions arising from the Scrutiny inquiry and the Housing Growth Consultation at paragraph 4.1 of this report.

## **1 Purpose of this report**

- 1.1 This report sets out the response of the Directors of the relevant directorates to the recommendation arising from the recent Scrutiny Board Regeneration inquiry into issues associated with housing growth. As required by the constitution this report has been prepared in consultation with the Executive Member for Development.

## **2 Background information**

- 2.1 Housing growth has been a significant issue for the Council for some time but has had particular prominence in recent months given the outcome of a series of planning appeals, uncertainties regarding the RSS and the need to progress the Core Strategy.
- 2.2 In response the Executive Board of 22 June 2011 requested Scrutiny Board Regeneration to undertake an inquiry into housing growth and in particular population and household projection information and land banking. At the same meeting, Executive Board also agreed to an informal consultation exercise on housing growth issues, bringing together a range of developer and community representatives. A report on the outcome of that exercise appears as a separate report on this agenda.
- 2.3 Both the Scrutiny Inquiry and the consultation were requested to progress to tight timetables to maintain momentum in the development of the Core Strategy.

## **3 Response to the Scrutiny recommendations**

- 3.1 Both the Scrutiny inquiry and the Housing Growth consultation are to be welcomed as timely initiatives in helping to inform the development of this fundamental component of the Core Strategy. The full Scrutiny report, incorporating twelve separate recommendations is attached to this report.
- 3.2 Most of the recommendations are supported and require no further comment. However, a number do require comment and in some cases are not acceptable to the directorate in their current form.

### **Recommendation 4**

The recommendation in its present form is unclear. The preceding text refers to the need to ensure that future development meets the needs for all types and tenures of housing. This is accepted and reflects emerging guidance in the National Planning Policy Framework. However, it is impractical to provide statistics to demonstrate that this is being delivered, particularly on an annual basis. At any given time, applications coming forward will be randomly distributed across the district and even once planning permission is granted timing of delivery remains uncertain. It is not practical to provide a detailed breakdown at the local level and it is unclear whether the recommendation is intended to be forward looking to influence future decisions or is about monitoring performance. Matching delivery to disaggregated targets is attempting to give mathematical precision to something inherently uncertain.

It is suggested that a more practical way forward is to ensure that in the first instance there is an appropriate policy in the Core Strategy recognising the need to meet the wide range of housing needs across the district. It will be important that this establishes that as sites come forward decisions on the mix of housing will be informed by consideration of what is needed locally, at the time. This is one area that Neighbourhood Plans could usefully provide more detail on. In addition, this will need to be part of the local engagement to be undertaken pre-application by developers reflecting recommendation 9 of the Scrutiny report.

### **Recommendation 6**

The proposal for a review of the SHLAA process is accepted. However, as noted by officers at the inquiry it is considered that the Leeds SHLAA follows national best practice guidance and has a similar approach to that followed by many other authorities. It should also be recognised that the SHLAA is a technical exercise to project the amount of deliverable housing land, it is not a mechanism for ensuring that housing is actually delivered.

### **Recommendation 10**

The proposal that 80% of CIL income be ring fenced for the benefit of the local communities in which funding is generated cannot be supported. It runs counter to the purpose behind CIL. The government's proposals for CIL specifically seek to loosen the present link between a development and the infrastructure it funds. The stated purpose (Community Infrastructure Levy, An Overview-CLG May 2011) is "to provide infrastructure to support the development of an area rather than to make individual planning applications acceptable". This purpose would be compromised if 80% were to be allocated to locality projects. The government has however indicated that a 'meaningful' proportion should go to local communities. The government has recently published (10 October 2011) a consultation paper inviting views amongst other things on a minimum level for "meaningful" but also suggesting a cap. It is clear therefore that this matter will be subject to formal regulation in due course. It is suggested that the Council will need to review its position in the light of future government regulations and that this will be most appropriately addressed as part of the development of a Leeds CIL scheme.

- 3.3 It should be noted that Recommendations 3, 8 and to some extent 12 have largely been addressed by the Council's response to the NPPF, agreed at Executive Board on 12 October. The covering letter highlights the key issues, which are essentially the matters of concern to Scrutiny.

## **4 The Scrutiny Report and the Housing Growth consultation**

- 4.1 Although the remits of the Scrutiny inquiry and the consultation were different the outcomes are in many respects complementary. In taking forward the Core Strategy there are a number of key messages that can be established from the Scrutiny recommendations (R) and the Housing Consultation Principles (P)
- A realistic and phased target is needed (P3). This suggests that the target should be more than just a mechanical exercise based on population and household projections and should take account of a range of influences.

This also reflects Scrutiny concern with the reliability/accuracy of projections (R1 and R2).

- Concern to secure the development of brownfield and regeneration sites (P6) is consistent with the Scrutiny recommendations on the NPPF (R3, R5 and R8) and on the availability of sites with planning permission (R12).
- The need to provide for all types, tenures and sizes of accommodation to meet the full range of housing needs (P4) is similarly reflected in the supporting text to R4.
- A concern for the distinctiveness and character of existing neighbourhoods (P5) and the creation of sustainable communities (P2) is echoed in the Scrutiny concerns that windfall development should be recognised (R8) and that undue pressure should not be placed on greenfield and greenbelt sites (R12)
- Both exercises want to see improved community engagement on planning schemes (P8 and R9).

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

- 5.1 The Scrutiny inquiry was requested to contribute to the development of the Council's Core Strategy. The policies and proposals of the Core Strategy will be subject to Sustainability Appraisal and equality consideration in due course.

## **6 Council Policies and City Priorities**

- 6.1 The housing growth issues considered through the Scrutiny inquiry are important components of the Vision for Leeds, the Leeds Strategic Plan and the Council's regeneration priorities.

## **7 Resources and Value for Money**

- 7.1 The Scrutiny inquiry is part of the on-going process of developing the Council's Core Strategy for which resource provision has already been made.

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

- 8.1 The Core Strategy is subject to a formal process defined by legislation. The Core Strategy will be subject to examination by an independent inspector to assess its "soundness". One test of 'soundness' is whether due process has been followed.

## **9 Risk Management**

- 9.1 Policies in the Core Strategy need to be supported by the evidence base if they are to pass the examination process. There is therefore a risk to the process if the direction given through the Scrutiny recommendations is not adequately evidenced.

## **10 Conclusions**

10.1 The Scrutiny inquiry is to be welcomed in providing a timely input into the housing growth debate and progression of the Core Strategy. Most of the recommendations can be supported in their entirety and are generally complementary to the findings emerging from the housing growth consultation.

## **11 Recommendations**

11.1 Executive Board is requested to:

- i) Welcome the Scrutiny report as a valuable contribution to the housing growth debate;
- ii) Agree the recommendations with the exception of recommendations 4 and 10, for the reasons given in paragraph 3.2. of this report and endorse the suggested alternative approach to these issues. That is, for recommendation 4 to promote an appropriate policy in the Core Strategy and to offer further detail through neighbourhood plans and as applications are considered and for recommendation 10 to review the position following the publication of further government guidance as part of the development of a CIL scheme for Leeds ; and
- iii) Endorse the conclusions arising from the Scrutiny inquiry and the Housing Growth Consultation at paragraph 4.1 of this report.

## **12 Background Documents**

None.