

Report of : Director of City Development

Report to : Executive Board

Date: 2 November 2011

Subject: LAND AT THORPE PARK, COLTON, LEEDS

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Temple Newsam Crossgates and Whinmoor Garforth and Swillington Harewood
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: 10.4(3) Appendix number: Appendix 1 and Plan 2	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Summary of main issues

1. The report sets out the strategic importance in terms of economic growth for the land at Thorpe Park, Manston Lane and the East Leeds Extension which provides the opportunity to bring forward development on major areas of land to the east side of the City. The land provides potential in both the commercial and housing sectors of the market, together with major infrastructure opportunities and jobs in this area of Leeds over many years. The report details these areas of potential growth and the land land ownerships.
2. This report sets out proposals for a Land Agreement between Scarborough Developments Group (Thorpe Park Developments Ltd – The Developer) and the Council in order to facilitate the possible development of circa 600 acres of land for commercial and residential development together with other ancillary uses.
3. Scarborough Developments Group (the Developer) owns the Thorpe Park Business Park at Colton, a commercial office business park which currently has outline planning consent for 1.8m sq ft of development. As part of the development of the business

park the Council and the Developer are bound by various agreements (Council both in its capacity as landowner and separately as Local Planning Authority in respect of the development of Thorpe Park Business Park). These date originally from 1994. As part of these agreements there is a requirement on the Developer to build the Manston Lane Link Road (MLLR).

4. Currently no more than 1,000,000 sq ft of business park floor space at the business park can be brought into use before the MLLR is opened to traffic.
5. To date the Developer has only brought approximately circa 600,000 sq ft of floor space into use. Under the terms of the existing agreements, the Council is required to enter into such arrangements as are necessary to enable the Developer to construct the MLLR. The Council has the benefit of an agreement with Network Rail for the construction of a bridge over the Leeds to York Railway line at Manston Gate which forms part of the MLLR. This agreement expires in 2015 and will need to be extended if that section of the MLLR is not built by that date.
6. In the current economic climate it is very unlikely that the Developer will trigger, under the requirements of the existing planning approval, the construction of the MLLR by 2015.
7. The Council would like to secure the early construction of the MLLR in order to facilitate the comprehensive development of the area enabling development of land to the north of the railway line, including land on Manston Lane and land known as the East Leeds Extension (ELE), a Phase 3 housing allocation.
8. To facilitate the early construction of the MLLR it is recommended that the Council to enter into a further agreement with the Developer on the terms set out in this report. This will assist in bringing forward over 600 acres of land for both housing and commercial development together with all the benefits that would arise from S106 provision including new greenspace, affordable housing, school provision and highway infrastructure improvements to this area of Leeds.

Recommendations

9. That Executive Board approve the Council entering into a land agreement with the Developer on the terms outlined in the confidential appendix to this report so as to

facilitate the construction of the MLLR and to bring forward development on land to the north of the Leeds to York railway comprised within the ELE and development sites on Manston Lane.

1 Purpose of this report

- 1.1 The purpose of the report is to advise Executive Board about a number of development opportunities in East Leeds that will provide major commercial and housing economic growth to the City; and to seek approval to enter into an agreement with the Developer so as to facilitate part of this future development.
- 1.2 The confidential section of the report sets out the proposed terms of the agreement with the Developer to facilitate the construction of the MLLR.

2 Background information

- 2.1 The east part of Leeds has major areas of land that offer the potential for major economic growth in this part of the city. There are opportunities for both commercial and residential development in these areas of Leeds on land that in total exceeds circa 700 acres. Currently part of the land at Thorpe Park permits a further 1.2m sq ft of office and ancillary development, together with land allocated in the UDP for future housing growth that could amount to circa 5,000 houses. The development of these areas would also require major infrastructure to be created including a new orbital road, school provision and other facilities providing the opportunity for major new jobs and training opportunities.
- 2.2 The Council first entered into a Land Agreement with the Developer in 1994 in respect of Thorpe Park Business Park. The Land Agreement has subsequently been varied several times to reflect changes in the planning agreements for the business park and amongst other things facilitates the construction of the MLLR to establish the comprehensive development of Thorpe Park in line with existing planning objectives.
- 2.3 Amongst other things, the existing Land Agreement provides that the Developer will construct the MLLR once the business park has reached a certain level of development, and that the Council will facilitate the construction of the MLLR by the Developer.

3 Main issues

- 3.1 The Scarborough Developments Group (the Developer) owns Thorpe Park Business Park (as shown marked on the attached Plan 1), and is currently developing it through their development arm Thorpe Park Developments Limited.
- 3.2 Thorpe Park Business Park comprises a mixed use commercial development comprising mainly offices with a hotel/fitness centre and restaurant with an adjacent green park to be developed as part of a S106 agreement. The proposals relating to the green park are unaffected by the current proposals.
- 3.3 Planning Permission has already been granted for 1.8m sq ft of office development including complementary uses. The Council and the Developer are bound by various agreements (the Council in its capacity as landowner and separately as Local Planning Authority) in respect of the development of the business park.

These agreements date back to 1994, but have been revised several times since that date.

- 3.4 As part of these agreements no more than 1m sq ft of floor space at the business park can be brought into use until the Developer has constructed and brought into use the Manston Lane Link Road (MLLR). The MLLR is a road linking Thorpe Park/the A1/M1 to Manston Lane on the northern side of the Leeds to York Railway line and would be the most southerly part of a possible East Leeds Orbital Road. As such, the Council is desirous that the MLLR is constructed as early as possible, though it is accepted that the Developer is only obliged to construct it as a single carriageway. The Council for its part under the existing land agreements is required to acquire all the land and obtain all necessary consents and approvals required for the construction of the MLLR including the consent of Network Rail to build a bridge over the railway line. The cost of meeting the construction and obtaining all the appropriate approvals is to be met by the Developer. There is no backstop date or termination date in respect of the Council's obligation to secure the construction of the MLLR.
- 3.5 In 2005 the Council secured an agreement with Network Rail for the construction of a bridge over the Leeds-York railway line (subject to the design of the bridge being approved by Network Rail). This agreement expires in March 2015 and if construction has not started by then an extension will be required.
- 3.6 To date the Developer has brought approximately 600,000 sq ft of floor space into use and has advised the Council that in the current economic conditions it is unlikely that the construction of the MLLR will be triggered pursuant to the existing agreements for a considerable period of time.
- 3.7 The Council is desirous of securing the early construction of the MLLR to facilitate housing growth to the north of the railway line on land along Manston Lane for which outline planning permission has already been granted and to enable a large area of land, totalling approximately 560 acres and known as the East Leeds Extension (ELE) (a Phase 3 housing site) to be brought forward for development (subject to planning permission being granted). The release of all of this land will enable future major housing and economic growth to the City subject to the appropriate master planning and an assessment of the impact that this scale of development will have on the adjacent communities and highway networks in East Leeds. (Plan 1 showing the respective pieces of land is attached).
- 3.8 Part of planning consent has already been granted for the residential development on the former Vickers Tank Factory site on the north side of the railway line adjacent to Manston Lane. This permits up to 112 houses and 10 flats with a total number of housing units up to 151 units (Phase 1) to be built now, but the remainder of the site comprising mixed use and circa 450 houses can only be constructed once the MLLR is built. Discussions have taken place between the Developer and owner of the Vickers site to see if an agreement could be reached to bring forward the early construction of the MLLR but so far this has not been possible.
- 3.9 The East Leeds Extension (ELE) totals approximately 560 acres of land that stretches around the east side of Leeds from the Wetherby Road section of the Outer Leeds Ring Road round to Thorpe Park in Colton as shown on the attached Plan 1. The majority of the land is currently allocated as Phase 3 greenfield residential development land.

- 3.10 The Leeds UDP states that the ELE can only be brought forward for development if it can be proved that there is a requirement for the East Leeds Orbital Road (ELOR) that would serve both the proposed development and provide clear public benefits to the users of the highway system. The ELOR would be effectively a new section of the outer ring road from the Wetherby Road section of the existing Leeds outer ring road round to Thorpe Park (where it would join the MLLR and link to the A1/M1 link road and take existing highway pressure off the existing ring road). The development of the ELE needs to demonstrate the need for further land to be released to meet the RSS annual housing requirement and that a sustainability appraisal demonstrates there are no other preferable sustainable sites and the development will be sustainable.
- 3.11 Currently it is considered that the ELOR should ideally be constructed as a dual carriageway although no current detailed highway assessments have been undertaken to prove that a dual carriageway road is required as opposed to a single carriageway one. The MLLR would be the most southerly part of the ELOR. The existing land agreements only require the Developer to construct the MLLR as a single carriageway road. If the ELOR had to be constructed as a dual carriageway for its entire length then a further agreement would be required from the Developer to construct the MLLR as a dual carriageway road through Thorpe Park.
- 3.12 In order to facilitate the development of the sites referred to in paragraphs 3.8 and 3.9 above, discussions have taken place with the Developer to look at the possibility of entering into an agreement for the early construction of the MLLR as a dual carriageway road and the proposed terms for this agreement are outlined in the confidential appendix to this report for Executive Board to consider.
- 3.13 There are a number of key objectives the Council is trying to achieve from enabling the development land to be brought forward through entering into a revised land agreement.
- 1) to stimulate development on Thorpe Park through the opening of the MLLR.
 - 2) to provide a link across the railway line to release development land on Manston Lane at the former Vickers Tank factory site and on the Optare site.
 - 3) to open up the opportunity for land to the north of the railway within the ELE Phase 3 housing allocation to assist in meeting the housing delivery targets.
 - 4) to enable the implementation of major infrastructure in the area as part of the ELE and ELOR.
 - 5) to enable development on land allocated for residential development so as to take pressure off other areas of land

4 Corporate Considerations

- 4.1.1 The land referred to in this report provides an opportunity for major housing and economic growth. In terms of housing growth the land on Manston Lane and within the ELE it is estimated from the SHLAA that the area could accommodate circa 5,000 houses and there is currently development potential at Thorpe Park for a further circa 1.2m sq ft of commercial development.
- 4.1.2 The possible developments provide the Council with an opportunity to strategically be involved in the future proposals for this area. It will enable the Council to

consider the impact that such a development will have on adjacent areas, particularly in East Leeds. Due consideration will need to be given to the level of S106 and future community infrastructure levy requirements that will need to be met, the considerable transportation infrastructure that would be required as part of this overall development and how to balance development on both greenfield and brownfield land in East Leeds.

- 4.1.3 In order to bring forward a development of this scale various consultation groups would need to be established to enable the developers to present and discuss their development proposals with local Members and Communities to enable an integrated scheme.

4.2 Consultation and Engagement

- 4.2.1 Outline planning consent already exists for the Thorpe Park Business Park and the former Vickers Tank Factory. The future development of the East Leeds Extension will involve major consultation and engagement.

- 4.2.2 In respect of the current proposal to enter into an agreement with the Developer, consultation has taken place with both the Executive Member for Development and the Executive Member for Neighbourhoods, Housing and Regeneration.

- 4.2.3 The 12 Ward Members within 4 Wards that the land is located have received a briefing and been provided with the opportunity for a further briefing about the discussions taking place with The Developer in respect of the land agreements. As the development proposals will ultimately affect 4 wards, including Garforth & Swillington, Temple Newsam, Crossgates & Whinmoor and Harewood, comments have been requested from all these Wards. Of these 12 Ward Members, 7 Ward Members have received a detailed briefing, and telephone discussions have taken place with 5 of the Members. Comments have been requested from these Members and a summary of the comments is listed below.

- the (MLLR) to be brought forward sooner rather than later to unlock the highway issues in this area,
- to be involved in the early stages of any planning consultations and the preparation of any master plans for the area,
- to see the green park come forward as part of the existing S106 obligations on Thorpe Park,
- to ensure that any Greenfield development is not at any cost and that it is not developed at the expense of brownfield land.
- the importance of ensuring linkages are made to the jobs that would be created together with training and skills development and linkages to school provision, infrastructure, public transport and greenspace.
- Five housing schemes that would be brought forward will need to provide the appropriate housing mix including affordable housing and housing for the elderly.
- That the development should include appropriate landscaping and tree/forest belts.

- 4.2.4 Generally there was a view that there is a need to ensure that there is full consultation with local communities and residents in respect of any future development proposals and that these views are taken into consideration as part of any proposals for the areas.
- 4.2.5 It was accepted that the unlocking of this land would provide the opportunity for major infrastructure in the area and that these development proposals would be implemented over many years.
- 4.2.6 The above is a general reflection of the comments made and Members would want to be fully engaged in the process so that they can make more detailed comments and reservations, as the development proposals particularly those affecting their own wards were brought forward.

4.3 Equality and Diversity / Cohesion and Integration

- 4.3.1 The report is seeking Executive Board approval to enter into an agreement that may ultimately lead to further infrastructure, residential and commercial development. All future planning applications arising out of the release of land for development will give due consideration to equality and diversity, particularly in ensuring that any development is DDA compliant and that any development proposals meet the needs of the local community.

4.4 Council Policies and City Priorities

- 4.4.1 By 2030 Leeds aims to have a prosperous and sustainable economy. The potential development of this major area of Leeds will provide the City with the opportunity to create economic growth not only by providing jobs in the construction industry, but also providing new jobs in the commercial sector as well as providing new sustainable housing for the future.
- 4.4.2 The development of all this land will take place over a long timescale enabling the Council's policies to be embedded in the development proposals for this area of Leeds.
- 4.4.3 The future development of this land can also be considered by both the Sustainable Economy and Cultural Board and the Housing and Regeneration Board.

4.5 Resources and Value for Money

- 4.5.1 The Council will initially be involved in detailed negotiations of the new agreement which will involve officers of the Council drafting and agreeing revised legal documents.
- 4.5.2 As the development proposals are progressed planning officers will be involved in working with developers in respect of master plans for the future development of this land.
- 4.5.3 Entering into the revised land agreement will also enable the Council to consider the future disposal of its own landholdings within the ELE which will raise capital receipts.

4.6 Legal Implications, Access to Information and Call In

- 4.6.1 In considering the options available to the Council, officers have sought Leading Counsel's opinion as how best to proceed as there are a number of complex planning and landownership issues that need to be resolved. The comments of leading Counsel are contained in the confidential section of the report.
- 4.6.2 As a landowner the Council can enter into an agreement on the terms set out in this report and it is considered that by doing this the Council will be able to obtain best consideration in terms of Section 123 of the Local Government Act 1972 in respect of future disposal of its landholdings within the ELE.
- 4.6.3 The information in respect of the revised land agreement is considered to contain confidential information arising from one to one negotiations. The information contained in Appendix 1 and Plan 2 attached to this report relates to the financial or business affairs of a particular person, and of the Council. This information is not publicly available from the statutory registers of information kept in respect of certain companies and charities. It is considered that since this information was obtained through one to one negotiations with the Developer then it is not in the public interest to disclose this information at this point in time. It is therefore considered that this element of the report should be treated as exempt under Rule 10.4.3 of the Access to Information Procedure Rules.

4.7 Risk Management

- 4.7.1 The risks are outlined in the confidential part of the report.

5 Conclusions

- 5.1. Members will need to read the conclusion in conjunction with the confidential appendix that sets out the main terms of the land agreement:
- 5.2. The Developer is not currently in a position to bring forward the construction of the MLLR due to the prevailing economic conditions. Unless the MLLR can be brought forward this will frustrate other development proposals for housing growth and will not resolve the highway issues currently experienced on Manston Lane.
- 5.3. Entering into the proposed agreement will enable the Developer to start design work on the MLLR so that it can also connect into the future ELOR and will facilitate both future developments on Manston Lane and on the ELE. It should be noted that the agreement does not obligate the delivery of the MLLR but creates a framework for its delivery.
- 5.4 There are major landholdings involved at Thorpe Park, Manston Lane and ELE so development will take time to plan, however the proposed agreement will enable the Developer to enter into further negotiations with the adjacent landowners with greater confidence in respect of the delivery of the MLLR.

6 Recommendations

- 6.1 It is recommended that the Executive Board approves the Council entering into a land agreement with the Developer on the terms set out in the confidential appendix to this report and delegates any amendment to these terms to the Director of City Development and City Solicitor for approval.

7 Background documents

- 7.1 Development Agreement 1994 (as amended).
Summary of land agreement – S106 / o/l planning / NRA 2005.
Counsel Opinion
(All above confidential).