



## Report of Director of City Development

### Report to Executive Board

Date: 21<sup>st</sup> October 2015

Subject: East Leeds Extension Update & Next Steps

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s):  Crossgates & Whinmoor, 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: 2	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

### Summary of main issues

1. The East Leeds Extension is strategic growth point and the largest single area of allocated housing land in the Leeds City Region. This area will play a major role in delivering the housing required to meet the Core Strategy requirements for 70,000 new homes by 2028 and assist in the delivery of the Best Council Plan, particularly the objective of promoting sustainable and inclusive economic growth.
2. The programme for the ELE is ambitious and complex. It involves a range of landowners and developers, major infrastructure proposals, the use of Council land and resources, public and private funding and a series of linked project activities which require the Council to fulfil a strong co-ordination and enabling role.
3. Executive Board was last updated on the programme in January 2014 and approved initial positions in relation to discussions with the Northern Quadrant Consortium and the delivery of the East Leeds Orbital Road.
4. This report sets out progress in the planning and delivery of key projects and sites – the East Leeds Orbital Road, proposals for Council-owned land at Red Hall, proposed development in the Northern Quadrant, Thorpe Park and guidance to establish consistent planning and delivery principles across the area.

5. Specifically the report sets out:

- Background to the growth potential of the East Leeds Extension and how this complements regeneration activities within the existing urban area of East Leeds;
- Progress on the East Leeds Orbital Road project (ELOR) and forthcoming consultation on this;
- Progress at Thorpe Park and the Manston Lane Link Road;
- Land assembly and facilitation of ELOR by the Council at the Northern Quadrant;
- Next steps in taking forward consultation, planning and disposal of land at Red Hall;
- Next steps in establishing certainty through a planning framework that will cover the Southern & Middle Quadrants of the East Leeds Extension.

## **Recommendations**

Executive Board is asked to:

- i. Note the report and the positive progress made by the Council in its enabling activities to bring forward the major strategic growth area of the East Leeds Extension and the major infrastructure project for the East Leeds Orbital Road;
- ii. Approve in principle that the Council continues to develop a funding case for the costs of the East Leeds Orbital Road through the West Yorkshire Plus Transport Fund, prudential borrowing and developer contributions and continues to explore alternative means of financing;
- iii. Reaffirm its commitment to the ELOR Roof Tax as the principle mechanism through which developer contributions will be secured from the East Leeds Extension towards the delivery costs of the East Leeds Orbital Road, as set out in paras 3.1.6 – 3.1.8;
- iv. Note the programme for the planning, procurement and construction of the East Leeds Orbital Road as set out in para 3.1.10 – 3.1.13 and approve that the Chief Officer for Highways and Transportation submits a detailed planning application for the project, in consultation with the Executive Member for Regeneration, Transport and Planning;
- v. Note the progress made in assembling land to facilitate the route of ELOR at the Northern Quadrant and consider the recommendations in Exempt Appendix 2.
- vi. Note that the Council will make land available on the Red Hall site for the initial A58 junction infrastructure that will enable access to the Northern Quadrant site, as set out in paras 3.3.12 – 3.3.14, subject to the discharge of relevant statutory processes by the Head of Land and Property and the delegated approval of the Director of City Development;

- vii. Approve that the Chief Planning Officer prepares and publishes a Draft Planning Brief for Red Hall, with the detailed timetable to be agreed with the Executive Member for Regeneration, Transport and Planning
- viii. Approve the approach to marketing and disposal of the Red Hall site set out in paras 3.4.18 – 3.4.22, with the details to be confirmed by the Director of City Development in consultation with the Executive Member for Regeneration, Transport and Planning;
- ix. Approve that the Chief Planning Officer prepares and publishes a Draft Development Framework for the Southern and Middle Quadrants, with the detailed timetable to be agreed with the Executive Member for Regeneration, Transport and Planning
- x. Approve a co-ordinated programme of public and stakeholder engagement for the East Leeds Extension from November 2015, to include public consultation on the East Leeds Orbital Road, Red Hall and the Southern & Middle Quadrants, with the details to be confirmed by the Head of Regeneration in consultation with the Executive Member for Regeneration, Transport and Planning and Ward Members.

## **1 Purpose of this report**

- 1.1 This report provides Executive Board with an update on progress in planning for the delivery of major housing growth and infrastructure investment in the East Leeds Extension and requests approval on a number of matters to enable this to be moved forward.
- 1.2 Specifically the report sets out:
- Background to the growth potential of the East Leeds Extension and how this complements regeneration activities within the existing urban area of East Leeds;
  - Progress on the East Leeds Orbital Road project (ELOR) and forthcoming consultation on this;
  - Progress at Thorpe Park and the Manston Lane Link Road;
  - Land assembly and facilitation of ELOR by the Council at the Northern Quadrant;
  - Next steps in taking forward consultation, planning and disposal of land at Red Hall;
  - Next steps in establishing certainty through a planning framework that will cover the Southern & Middle Quadrants of the East Leeds Extension.

## **2 Background information**

- 2.1 Executive Board has previously noted the potential for significant housing development in this area of green field housing land which has been allocated through the Local Development Framework (LDF). This area is known as the East Leeds Extension (ELE) and the Board has previously considered issues relating to the planning and funding of essential infrastructure to support this.
- 2.2 The ELE covers some 215ha at the edge of the city and together with adjacent sites with residential planning permissions or with applications coming forward at Grimes Dyke and at Manston Lane the area has the potential to accommodate up to 7,000 new homes and make a significant contribution to the Core Strategy housing growth target of 70,000 new homes by 2028. The plan at Appendix 1 shows an overview of the area.
- 2.3 This is the single largest opportunity in the city to deliver new high quality residential neighbourhoods on allocated green field housing land. By embedding the Best City ambition in the ‘place-making’ approach to the co-ordination of development interests and the design and development of the area, the Council is in a position to:

- **support communities** and tackle poverty by ensuring all stakeholders are engaged in the planning, design and delivery process and ensure that new development meets the needs of existing and new residents and businesses;
- **promote sustainable and inclusive economic growth**, by providing new housing and meeting housing needs as the city grows, boosting the local economy, delivering new social and physical infrastructure and improving travel and access to new employment opportunities;
- **build a child friendly city** through the integral design and provision of new schools, open spaces, play and leisure facilities, ensuring there are enough school places as the city grows and meeting the needs of young people to grow up in a safe, welcoming child-friendly neighbourhood;
- assist in **delivering the better lives** programme by meeting the needs of older people through new housing choices and new local health facilities;
- enable **positive public health** outcomes through the provision of new primary health facilities, opportunities for active leisure, planning for pedestrians and cyclists and enabling access to good quality affordable housing;
- ensure that **sustainable development** is achieved in a way that meets the growth needs of the city whilst protecting the character and improving the amenity of existing neighbourhoods;
- become **more efficient and enterprising** by working with investment and development interests to ensure the use of public funds is optimised, to gain maximum benefit for the city from private funds and to take an approach to the Council's land and assets that delivers the best value for the city.

- 2.4 The programme for the ELE is ambitious and complex. It involves a range of landowners and developers, major infrastructure proposals, the use of Council land and resources, public and private funding and a series of linked project activities which require the Council to fulfil a strong co-ordination and enabling role.
- 2.5 There is the potential for significant employment growth at the adjoining Thorpe Park to complement the ELE as a desirable residential neighbourhood with high quality transport links, new community facilities and access to local jobs and training, which would also benefit existing neighbourhoods in the area and contribute to the regeneration of East Leeds as a whole.
- 2.6 Progress is also being made in bringing forward regeneration in the existing urban areas of East Leeds, particularly through the disposal and development for housing of Council-owned land in Seacroft, Gipton and Halton Moor. It is anticipated that a report will be brought to the next meeting of the Board setting out this work in inner parts of the city in more detail.

- 2.7 In delivering the city's housing growth needs and meeting its full economic potential, there is a need to ensure all residents and neighbourhoods get the benefit of investment and that there is a continued approach to developing on brownfield land as well as green field sites.
- 2.8 The regeneration of East Leeds and activities to deliver the East Leeds Extension strategic growth point are therefore very strongly related. The delivery of new strategic highway infrastructure, improvements to public transport and movement networks, the green space network, connecting residents to employment and training opportunities arising through investment and the overall strengthening of choice and quality in the local housing market are all being approached on an area-wide basis that considers the integration of existing neighbourhoods and the new areas of development that will come forward.
- 2.9 The main part of this report sets out the current position and proposed next steps in respect of the following elements of the ELE programme, to move this Strategic Growth area towards delivery:
- The East Leeds Orbital Road
  - Progress of development and infrastructure at Thorpe Park
  - Progress of housing proposals at the 'Northern Quadrant'
  - Council owned land at Red Hall
  - Planning for new homes in the 'Southern & Middle Quadrants'

### **3 Main issues**

#### **3.1 The East Leeds Orbital Road (ELOR)**

- 3.1.1 Central to the ELE programme is the co-ordination of planning and investment activities to ensure the delivery of major new transport infrastructure, particularly the provision of a new East Leeds Orbital Road (ELOR), a new 7.5km dual carriageway, which will connect the existing Outer Ring Road at Red Hall to the M1 at junction 46.
- 3.1.2 The ELOR is a requirement established through policy in the LDF and will provide access to the development areas enabling their construction and occupation; it will offer strategic network benefits for traffic movements between the motorway and North Leeds; and it will relieve the additional demands arising from development on the existing local highways network.
- 3.1.3 At its meeting in January 2014, Executive Board received an update on the ELOR project and noted the Council's continued leading role in this work, with progress in the feasibility design of the route, cost estimates and possible funding sources, with the intention to take a business case through the West Yorkshire Combined Authority's (WYCA) West Yorkshire Plus Transport Fund (WYPTF) and to establish a 'roof tax' on development in the area as a means of securing developer contributions.

## **Funding**

- 3.1.4 Project funds through the WYPTF programme are released on the same basis as a Department for Transport gateway assessment. The Council submitted a ‘Gateway 1 Business Case’ to WYCA in January 2015 for an East Leeds transport infrastructure package. This was approved in April 2015, establishing a grant allocation of £76.233m and releasing £3.9m of this to enable further project development up to the point at which a planning application for the road can be submitted.
- 3.1.5 The East Leeds transport package is comprised of three related projects, which in combination are considered essential to the overall improvement of travel and movement across East Leeds and the promotion of growth. These elements are set out below with their outline cost estimates (currently including provision for risk and optimism bias at 2014 prices):

East Leeds Orbital Road, Red Hall to M1 J46 (incorporating expansion of the MLLR through Thorpe Park)	£96.35m
Outer Ring Road (A6120) (environmental improvements between Red Hall and Cross Gates to discourage through journeys and encourage use of the new ELOR route)	£8.7m
Outer Ring Road (A6120) (junction Improvements at Roundhay Park Lane, A61 Harrogate Road, King Lane and Stonegate Road, to ensure the ORR with ELOR functions with maximum efficiency)	£11.2m
<b>Total Package Cost Estimate</b>	<b>£116.23m</b>

- 3.1.6 The overall provisional grant allocated through the WYPTF Gateway 1 approval is on the basis that third party contributions of £40m are also obtained towards the

total cost. It is currently anticipated that these will be secured through the ‘roof tax’ applied to all residential development in the East Leeds Extension, with developers expected to contribute, pro rata, to the full cost of ELOR in each section of the area where they have land and bring forward proposals. The related works to the Outer Ring Road would not be expected to secure any third party contributions.

- 3.1.7 The scale of costs and funding required is anticipated to reduce over time as more certainty is achieved in regard to scheme design and the risks that have been identified (with costs against them) can be mitigated or removed from the project. As the cost estimate for the package of works reduces, it is expected that the WYPTF grant contribution will also reduce, so that the WYCA contribution to the scheme remains at the same proportion, once a final Business Case for the funds is submitted and subject to its final approval.
- 3.1.8 At this point in time no roof tax contributions have been secured, though the principle of this approach is now firmly established in discussions with developers at different stages of their proposals (see further sections of this report). The gap in the initial capital costs of the ELOR scheme will need to be met by the Council, using prudential borrowing, the full costs of which would ultimately be recovered via the roof tax. In effect the Council will provide a cash flow facility to enable the scheme to move forward and for the housing potential to be fully realised.
- 3.1.9 Officers are currently exploring other funding options that could offset, in whole or in part, the need for the Council to borrow to fund this infrastructure. It is intended that a further report on these issues will be submitted to Executive Board in due course.

### ***ELOR Programme***

- 3.1.10 The outline programme for the ELOR scheme is set out in the table below:

Milestone	Forecast Start Date	Forecast Finish Date
Planning Application Preparation & Submission	April 2015	March 2016
Planning Application Determination	March 2016	July 2016
Statutory Procedures	March 2016	Oct 2016
Public Inquiry & SoS Decision	Nov 2016	Aug 2017
Detailed Design & Tender Document Preparation	Jun 2016	March 2017
WYPTF Gateway 2 – Procurement Approval (Submitted to WYCA)	June 2017	Sept 2017
Scheme evaluation – pre-scheme survey planning and data collection	July 2017	Oct 2017
Procurement	March 2017	Dec 2017
WYPTF Gateway 3 – Implementation Approval (Submitted to WYCA)	Dec 2017	Dec 2017
Construction	Jan 2018	Dec 2021
Post Construction Evaluation – 1 Year Post Construction (Submitted to WYCA)	July 2021	May 2022

- 3.1.11 The Council is taking all possible proactive and positive steps towards the delivery of the project - this is an optimised programme and although the anticipated opening date of December 2021 is six years away, it is in reality as quick a delivery timescale as can be committed to for such a major infrastructure scheme, with a start to the works in only a little over two years from now.
- 3.1.12 The programme provides for land assembly that will be undertaken to facilitate the route in a timely manner, either by negotiation or if appropriate (and subject to Executive Board resolution) through recourse to compulsory purchase, that would if necessary be resolved at the Public Inquiry.
- 3.1.13 Currently work is underway on the site surveys that are required to inform the detailed designs that will support a planning application for the full route in March 2016, to be submitted by the Council. These surveys will become more visible locally as intrusive ground investigations proceed over the autumn.

### ***Other Transport Improvements***

- 3.1.14 Inclusion of the Outer Ring Road in the East Leeds Transport Package will allow measures to be implemented to reduce severance between Seacroft, Crossgates, Whinmoor and Swarcliffe and change the character of the route towards better provision for active modes of travel and to better serve local travel and movement needs.
- 3.1.15 An East Leeds Transport Strategy has also been drafted to guide the way the Council's and Combined Authority's transport investments can be effectively co-ordinated with new development and major new infrastructure provision to the benefit of the wider area as a whole. This will assist in scoping new bus services to meet increasing demand, defining transport hubs for service and modal interchange and pedestrian/cycle facilities – for example development and expansion of Leeds Core Cycle Network including the Cross-City Cycle

Superhighway.

### ***Consultation***

- 3.1.16 Critical to the submission and determination of the planning application for ELOR to the project timetable will be the progression of formal public consultation and information provision from November. This will need to take place with a range of interests and stakeholders, including:
- Local residents and businesses – there is generally a good level of knowledge locally that the ELE has been allocated for housing development and that ELOR will need to come forward to support this, following dialogue with residents on Red Hall and the Northern Quadrant. There has however been limited specific engagement on ELOR itself and there is a need to generate more detailed and wider spread understanding of the project, as well as highlight matters where there may be genuine scope for change through consultation.
  - Local bodies – including Parish Councils, Community Committees/Ward Members, neighbourhood organisations.
  - Statutory bodies – including utilities, departments and agencies of government.
  - Landowners – those whose land may be required for the route of the road, and those whose land may be indirectly affected by the works to be undertake. This will include freehold owners, leaseholders and tenant farmers where applicable.
  - Special interest groups – including access, cycling, countryside, environment, transport.
- 3.1.17 A series of engagement events within all adjoining neighbourhoods are planned to be held from late November. These will support the pre-application consultation for ELOR and also cover, where geographically relevant to the respective neighbourhoods, other aspects of the East Leeds Extension programme as set out in this report. It will be the critical first step in formally engaging with the public and a range of stakeholders on plans for the orbital road and will provide an opportunity to comment on the impact of proposals, mitigation measures and identify what other opportunities might exist for meeting the schemes objectives.
- 3.1.18 The events will be supported by a range of engagement materials including leaflets, a dedicated webpage and social media presence, in order to ensure key messages and information about engagement events are widely disseminated.
- 3.1.19 Executive Board is asked to agree to this outline programme and delegate details of its delivery to the Chief Officer for Highways & Transportation in consultation

with the Executive Member for Regeneration, Transport and Planning, ensuring where appropriate alignment with the requirements for consultation on other aspects of the ELE as set out in this report.

### **3.2 Progress at Thorpe Park**

- 3.2.1 Whilst not forming part of the East Leeds Extension, Thorpe Park is a fundamental part of the overall growth potential of this area. The site already accommodates 56,000 sq m of office space providing c.4,500 jobs. A masterplan for the site received outline planning approvals in March 2014, with variations in April 2015, to enable the delivery of the next phase of growth comprising a further 84,000 sq m of office development, 20,000 sq m of leisure uses, 18,000 sq m of retail and 300 new homes. Scarborough Development Group envisages the site will deliver a further 13,000 jobs as a result of this mixed use development.
- 3.2.2 Planning approvals in place for this development require the delivery of the Manston Lane Link Road (MLLR), a dual carriageway to join up junction 46 of the M1 with an upgraded Manston Lane north of the Leeds-York main rail line. This road infrastructure received detailed planning approval in July 2014.
- 3.2.3 The Council, as landowner to the north of the line, Network Rail and Scarborough Development Group have now put in place the appropriate legal and funding agreements to enable the detailed design and delivery of a rail bridge and the major highways infrastructure through Thorpe Park.
- 3.2.4 Significant ground works are now underway at Thorpe Park, with incidental coal extraction taking place as a precursor to the road building. Scarborough Development Group anticipates the MLLR being completed by mid 2017 – this will in effect provide the southernmost leg of the ELOR in advance of the main project, connecting into the M1.
- 3.2.5 Thorpe Park is a key asset for the city, offering real opportunities for high quality employment growth in key sectors, in a business and leisure destination that has the potential to offer a unique and high quality environment. In August 2015, it was announced that Legal & General had taken a 50% stake in Thorpe Park through the delivery vehicle for the site, Thorpe Park Developments Ltd, reportedly for an equity investment of £162m.
- 3.2.6 This is a major mark of confidence in both Thorpe Park and Leeds as an investment proposition, demonstrating the scope for growth, quality and value to be achieved here. In discussions with the developers and investors, it is clear that the plans for the East Leeds Extension, the infrastructure proposed and the wider success and growth potential of Leeds as a city have played a key role in providing the confidence for this investment.

- 3.2.7 This is one of L&G's first commitments to come through its involvement with the Government's Regeneration Investment Organisation (RIO). The firm committed at the start of the year to invest £1.5bn in joint ventures with other groups involved in RIO, with a particular aim to support the government's 'Northern Powerhouse' aspirations.
- 3.2.8 The Council has an active dialogue with RIO as part of its activities to promote Leeds and secure private investment in the city and efforts are continuing to explore opportunities that may be of investment attraction to institutional and private funds, as with Thorpe Park.

### **3.3 Northern Quadrant Proposals**

- 3.3.1 A consortium of developers and landowners submitted an outline planning application in July 2012 for the construction of 2,000 homes, community facilities, open space and a section of ELOR on land between the A58 and A64, known as the Northern Quadrant.
- 3.3.2 In January 2014 Executive Board received details of the negotiations on the planning application and supported a number of key principles for the Council to carry forward in working with the developers and in delivering on its role in enabling the delivery of infrastructure and housing in the ELE:
- subject to the grant of planning permission, the delivery of ELOR between the A58 and A64 roundabouts should be funded by developer contributions, to be included in a s106 agreement to be negotiated by the Chief Planning Officer;
  - direct delivery by the Council of ELOR between the A58 and A64, to be led by the Chief Highways & Transportation Officer, subject to securing the necessary statutory consents, the grant of planning permission including the completion of the s106 agreement and the approval of a detailed financial business case;

- should any compulsory purchase of land be required or the acquisition of land be agreed via private treaty, the s106 agreement negotiated by the Chief Planning Officer will include an indemnity to the Council from the Northern Quadrant consortium for all costs properly incurred in pursuing a CPO or land assembly;

#### ***Progress of the Planning Application***

- 3.3.3 A significant amount of work has taken place with the applicants since the submission, to achieve a scheme that could be considered viable whilst delivering an appropriate package of planning obligations and prioritising a contribution to the full cost of the ELOR through this part of the ELE.

- 3.3.4 The consortium has committed to the payment of the ‘roof tax’ towards ELOR in this section and to dedicating the necessary land between the A58 and A64 for the construction and adoption of ELOR.
- 3.3.5 At its meeting of 10<sup>th</sup> March 2015, City Plans Panel was presented with a recommendation to defer and delegate determination of the outline application to the Chief Planning Officer, with all s106 requirements delivered per planning policy with the exception that 12% affordable housing be delivered. Panel was also asked to consider the principle of allowing a start to the development of housing on this site in advance of ELOR being provided, on the basis that the Council has control over the delivery of ELOR, to the timetable set out above.
- 3.3.6 Panel agreed to the principles presented in the deferral and delegation recommendation, with the exception that 15% affordable housing be required, as per current planning policy requirements for this area.
- 3.3.7 Further discussions with the consortium have proceeded to review the viability of the scheme in meeting this target and within the new planning obligations regime provided by the Community Infrastructure Levy (CIL). It is anticipated that a revised position will be reached to enable a further report for determination by Plans Panel by the end of the year.

### ***Land Assembly***

- 3.3.8 In December 2014, Executive Board noted that the NQ consortium has ownership or control over the majority of land within the NQ area, with the exception of two parcels of land. One of these interests is critical to the route of ELOR through the site and therefore to the achievement of planning for the scheme and it had not proved possible for the consortium to reach an agreement to acquire. The parties involved had approached the Council to establish whether it would be in a position to directly acquire the relevant land, in its leading role in delivering ELOR and as a strategic enabler for housing growth.
- 3.3.9 Executive Board agreed that the Council should enter into negotiations to agree terms for the purchase of the land interest on the basis of its strategic position in enabling the delivery of ELOR and requested a report back on the terms to be provisionally agreed.
- 3.3.10 Executive Board has previously noted that for any land not available for the construction of the NQ section of ELOR, the consortium has stated that it would indemnify the Council for the costs incurred in acquiring the land.
- 3.3.11 The Council has now provisionally agreed terms with the landowner and the provisional basis of an indemnity agreement with the consortium. Details of these terms are provided in Exempt Appendix 2 and Executive Board approval is requested to enable completion of the deal, an injection into the Capital Programme and an Authority to Spend the monies for its purchase.

### ***Site Access Works***

- 3.3.12 The proposed junction location for ELOR and the A58 Wetherby Road in the NQC's outline application was not considered acceptable by the Council in highways terms, being contained entirely within the NQ site to the east of the A58. Subject to approval of the outline planning application, the consortium must meet a condition to submit a further planning application for a revised junction in a centralised position that will require the dedication by the Council of a small area of land currently in its ownership from the Red Hall side of the A58.
- 3.3.13 This would be entirely in keeping with the principles agreed by Executive Board in September 2013 for the future development of the Red Hall site, in so far as the revised junction would provide for the route of ELOR around the northern edge of the allocated land as per the emerging designs through the Council's project and maximise the development land available on Red Hall itself. This is a key principle in the routing of ELOR along the full length of the ELE, where the viability and cost of development will be central to the ability of the Council to obtain a full package of s106 planning obligations, CIL and ELOR roof tax. As such the optimal location of the strategic road infrastructure should avoid leaving allocated housing land on the 'outside' edge, where it would not be developable.
- 3.3.14 Executive Board is asked to note that the dedication of this land on the Red Hall site will be subject to statutory procedures but can be undertaken through existing delegations to the Director of City Development and will be managed through the s278/s38 Highways Act Agreement that will govern the design and delivery of the junction works.

#### **3.4 Red Hall**

- 3.4.1 The Red Hall site covers around 29 hectares and is located between the Outer North Ring Road and A58 Wetherby Road. The majority of the land is in Council ownership comprising operational Parks & Countryside facilities (17ha) and playing fields and open space (11ha), though the original Red Hall House and stables (1ha) are owned and occupied by the Rugby Football League as its headquarters. A plan showing the site is attached at Appendix 3.
- 3.4.2 A separate item on the agenda of this meeting sets out details and required approvals of the Council's project to relocate the horticultural nursery to a site at Whinmoor Grange.
- 3.4.3 Although the existing sports pitches have fallen into disuse due to very poor drainage, which is financially unviable for the Council to address and manage sustainably, this part of the site does remain publically available as informal playing fields. These are a well-regarded resource by some local residents but are not in heavy use.
- 3.4.4 The Red Hall site as a whole is one of the Council's most significant and valuable strategic land holdings due to its size and location on the northern fringe of the built up area of Leeds and its allocation in the Local Development Framework for development. There is the potential for a significant capital receipt from its sale, in support of the Council's financial plan.

- 3.4.5 The principle of redevelopment of the site is a long-standing one. The 2006 Unitary Development Plan Review allocated the land for both housing and a key business park, within the ELE. The principle of wholly residential use across the whole of the Red Hall site was put forward in the Site Allocations (Issues & Options) consultation undertaken in June/July 2013 and is now proposed as the allocated land use here through the Site Allocations Plan Publication Draft, with consultation on that plan to be undertaken in September/October.
- 3.4.6 The five sports pitches notionally provided on Red Hall have been considered in the green space analysis undertaken as part of the Site Allocations Plan and are assumed as being retained or re-provided so there is no overall impact on the quantum of provision through redevelopment of the site. The green space analysis is undertaken at a ward level, as a proxy in the absence of a better alternative, but when assessing specific schemes it is also appropriate to consider geographical proximity. Red Hall is in Crossgates & Whinmoor ward but is located at the boundary with two others and is close to Roundhay Park in the Roundhay Ward.

### ***Planning Brief***

- 3.4.7 Further to the outline development principles agreed by Executive Board in September 2013, work has progressed on a draft Planning Brief for the Red Hall site. This is attached as Appendix 4.
- 3.4.8 The purpose of this document will be to:
- set out a vision for a high quality residential development and to guide developers on the constraints, opportunities and requirement
  - provide a basis for consultation and to offer certainty for local residents and stakeholders on the future of the site,
  - assist in the marketing and disposal of the site; and
  - be used as a material consideration in the determination of planning applications
- 3.4.9 Vision, Guidance and Site Requirements - The Draft Planning Brief will set out a vision that:
- 3.4.10 *The Red Hall area will be developed as a new high quality residential neighbourhood forming the north-western quarter of the East Leeds Extension. The new development will provide high quality new housing, well related to surrounding neighbourhoods, supported by enhanced and usable public greenspace and sustainable transport links. The site will facilitate the connection of the East Leeds Orbital Road between the existing Ring Road and the A58. The document will be structured to provide historical background and site analysis, an overview of the planning policy context, development guidelines and indicative approaches to site layout. It is not intended to be prescriptive but will indicate the*

principal constraints and opportunities that development proposals would be expected to consider. These include:

- the route of the ELOR to be provided for around the edge of the site and how development will be required to relate to this;
- the requirement that development contributes to the costs of delivering the Red Hall section of ELOR through a roof tax, in common with all sites in the East Leeds Extension and their respective sections of ELOR;
- the retention and funding of green space on site in the form of at least two playing pitches, with options on how and where these could be located on site;
- the existing Listed Buildings – protection of their setting and views as well as maintaining the operational function of the majority of these as they form the headquarters of the Rugby Football League;
- the need for a comprehensive drainage solution;
- retaining Public Right of Way links to the countryside and new links to Roundhay Park;
- vehicular access points to the site.

- 3.4.11 Consultation & Certainty - There is local interest in the site and a need to ensure a range of residents and local stakeholders are properly engaged in discussions to agree the final form of the development brief. It should be emphasised that the Draft Planning Brief will not revisit the principle of development, which is a matter to be clarified through the Site Allocation Plan Publication Draft. It will focus on matters relating to the scope, scale, design and delivery of development.
- 3.4.12 It is important to recognise that whilst the potential scale of the development (estimated as up to 400 dwellings) is equivalent to a new neighbourhood in its own right, it must integrate with existing residential areas adjoining and ensure that open spaces and routes to the countryside remain accessible for all local people.
- 3.4.13 The form and location of retained open space on site will be of particular interest locally and requires transparent discussion on how this aspect will be taken forward.
- 3.4.14 It is proposed that a public consultation exercise on the Draft Brief proceeds from November, following the completion of the Site Allocations Plan Publication Draft consultation meetings, with the detailed timetable to be agreed by the Chief Planning Officer in consultation with the Executive Member for Regeneration, Transport and Planning.
- 3.4.15 Informal Planning Guidance - Following consultation it is intended that the document is adopted as informal planning guidance, as a material consideration in determining future planning applications. This will not replace or duplicate

existing policy provision in the Local Development Framework or detailed design and place-making guidance (including the Core Strategy, Site Allocations Plan and Neighbourhoods for Living SPD), but offer a clear expression of the local and site specific responses that will be considered appropriate here.

- 3.4.16 Executive Board is asked to approve that the Chief Planning Officer publishes the draft Red Hall Planning Brief on the basis set out above and brings forward a programme of public consultation on this from November, in liaison with the Executive Member for Regeneration, Transport and Planning and with Crossgates and Whinmoor Ward Members, ensuring where appropriate alignment with the requirements for consultation on other aspects of the ELE as set out in this report.
- 3.4.17 A final version of the Planning Brief will be reported to Executive Board for approval in the Spring of 2016.

### ***Marketing and Disposal Strategy***

- 3.4.18 The timing for the disposal and development of the Red Hall site needs to be carefully considered in relation to the key influencing factors of the construction of ELOR and an ability to confirm a 'start on site' date. There is an anticipation that the receipt for the disposal could be programmed in 2017/2018, however this will need to be kept under review so that the disposal fits in with the Planning and ELOR programmes.
- 3.4.19 It is currently anticipated that Red Hall nursery site will be vacant in 2016, which should tie in with the approval of the planning brief for the site. Whilst marketing of the site could take place at that point, potential purchasers / developers are unlikely to purchase at its full value until there is planning certainty relating to the local highway capacity that is available for new dwellings to be built, released and occupied on the site.
- 3.4.20 The timescale for development of the site will therefore need to be closely aligned with the delivery programme for ELOR. Whilst it is not anticipated that access to the site will be required from ELOR itself, it is possible that without it the local highway network would not have the capacity to take the impact of traffic growth arising from the development, in addition to that arising from other adjoining housing schemes such as the Northern Quadrant.
- 3.4.21 Although the Red Hall site could be sold relatively soon after the point that vacant possession is secured it would be without the benefit of an approved planning permission, which is unlikely to secure best value and therefore comply with obligations under the Local Government Act. It is anticipated that the site will be marketed for a period of 6 to 9 months through the invitation of offers and development proposals with the possibility of refining the most preferable schemes for a period of 3 months. Following this, conditional contracts would be prepared for the disposal of the site subject to the preferred purchaser securing planning permission. Planning may take 12 months to obtain. This is a complex and highly desirable site that has the ability to create its own sense of place so it has to be carefully considered. The timetable indicated above is very high level but it demonstrates that it may take in the region of 2 years from marketing to

disposal and that disposal may need to coincide with the delivery of the road to provide the necessary comfort to the developer on site.

- 3.4.22 Executive Board is asked to approve the outline marketing and disposal strategy for the Red Hall site as set out above but to note that this will be kept under review to ensure the timetable for an expected capital receipt reflects the planning and highways position as it evolves, to ensure the Council's financial planning relating to this site remains realistic.

### **3.5 Southern & Middle Quadrants**

- 3.5.1 In March 2014, the Council began a process of engaging with landowners and developers with an interest in the land to the south of the A64 and north of the York/Selby railway line. Since then officers have sought to provide updates to all the landowners on the status and progress of the wider programme, though there is now a need to progress with an increasing focus on development principles and delivery arrangements.
- 3.5.2 The Council is in the process of preparing a Development Framework which will guide the future delivery of the Middle and South Quadrants of the East Leeds Extension and would be capable of being adopted as a Supplementary Planning Document (SPD). This document will not duplicate existing guidance such as the Neighbourhoods for Living (SPD), but will focus primarily on how the Council expects planning and phased delivery of new housing in the area to take place in a co-ordinated way across ownerships. Particular areas of focus will be around the roof tax arrangements, and a requirement for proposals to come forward on a consortium basis (either formally or informally), ensuring the co-ordinated provision of all required community facilities and infrastructure.
- 3.5.3 Key delivery principles will include the need for an agreed approach to land value equalisation across the area, ensuring that the burden of land costs for shared uses such as schools, open spaces, drainage etc are not unfairly placed on individual land owners, without receiving the due market value of residential land. It will also be necessary to ensure through this Framework that the housing developments in the allocated area are subject to the requirement for contributions to the ELOR through the roof tax, with the principle that development in each quadrant pays for the respective section of ELOR (with its junctions) and that public funding will be brought in to provide for costs that cannot be met due to viability or to provide the cash flow for the initial capital cost.
- 3.5.4 Whilst it is acknowledged that the SPD will be a technical document and will primarily of interest to landowners and developers given its focus on delivery, wider public consultation on the areas that the document will focus on and emerging principles will be undertaken in line with the Statement of Community Involvement. In addition the Council will continue to work with landowner and developer interests to ensure that the SPD is realistic and supported.
- 3.5.5 Preparation of the SPD is underway and it is recommended that the Chief Planning Officer progresses this document through public and stakeholder consultation over the Autumn in consultation with the Executive Member for Regeneration, Transport and Planning and with Ward Members.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 The East Leeds Extension is a large area and the activities involved in bringing it forward as a strategic growth point for the city cannot easily be broken down into separate matters on which to engage stakeholders or consult.
- 4.1.2 It is proposed that a programme of co-ordinated consultation, information provision and publicity takes place from November, bringing together the various elements of the programme to ensure residents, businesses and other stakeholders have a clear view on all the proposals for the area, how they are linked and where they are able to comment and influence the future of the area.
- 4.1.3 Although there will be defined timescales for some aspects of the consultation referred to in this report, engagement is not intended to take place simply in fixed short term windows. A comprehensive communication and engagement strategy has been prepared and the Council will shortly be in a position to launch a number of channels through which interested parties will be able to engage with the programme.
- 4.1.4 Executive Board has previously approved development principles for the Red Hall site, which have informed further work on the Draft Planning Brief. The Executive Member for Regeneration, Transport and Planning and the Executive Member for Communities have been consulted on the draft brief and both support the proposals.
- 4.1.5 Officers have been in regular dialogue with Crossgates and Whinmoor Ward Members about the progression of the Northern Quadrant proposals, the ELOR and the future of the Red Hall site. There is a wish to see delivery of ELOR as quickly as possible to mitigate the local impact of traffic growth from new homes. There is also a wish to see retention of as much green space as possible on the Red Hall site and support for the provision of two playing pitches as part of any redevelopment.
- 4.1.6 The ELE and ELOR have been the subject of regular and ongoing discussion at the East Leeds Regeneration Board, where ward members from across East Leeds have expressed their support for the delivery of ELOR as quickly as possible as part of a co-ordinated approach to realising the housing and economic growth potential of this area.
- 4.1.7 Officers have also been in regular communication with local residents who are part of the Friends of Red Hall Playing Fields group. Executive Board should note that there is opposition to the loss of the playing fields, which is reflected in the deputation to Full Council at its meeting in July 2015, to seek their retention and upgrading. There has not been any substantive consultation on the draft brief and subject to Executive Board's views on this report, a programme of public consultation on the will be taken forward from November.

4.1.8 Landowners in the Southern and Middle Quadrants have been kept updated on the progression of the East Leeds Extension programme, over the last two years.

4.1.9 The Executive Member for Regeneration, Transport and Planning and Ward Members in the Harewood Ward and Crossgates and Whinmoor Ward have been consulted on the land assembly within the Northern Quadrant.

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

4.2.1 EDCI screenings have previously taken place for ELOR and Red Hall. An updated EDCI screening for the whole of the ELE programme as set out in this report is provided at Appendix 5 and this indicates that the equality, diversity/cohesion and integration issues identified remain very high level and that there is no need for a full assessment at this stage. It will however be necessary to ensure full regard and consideration is given to EDCI issues in relation to any consultation work that is undertaken in relation to the matters raised in this report.

#### **4.3 Council policies and Best Council Plan**

4.3.1 The East Leeds Extension will play a major role in delivering the housing required to meet the Core Strategy requirements for 70,000 new homes by 2028 and will assist in the delivery of the Best Council Plan, particularly the objective of promoting sustainable and inclusive economic growth. There are also strong linkages to other objectives in the BCP, where work to plan for and develop significant new neighbourhoods for the city, effectively integrated physically and socially with the existing urban area, will require inputs from all services of the Council to ensure opportunities to deliver the best city are met.

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

4.4.1 The ability to deliver the full infrastructure requirements to support the East Leeds Extension will require financial contributions from both private and public sectors. Private contributions will be secured through the direct delivery of any relevant planning approvals, s106 agreements secured in relation to these (including the ELOR roof tax) and the Community Infrastructure Levy. However opportunities for securing other means of private investment that offer value for money to the Council and which assist in bringing forward the overall growth proposition in an efficient and timely way will be explored on an ongoing basis and Executive Board will be advised accordingly.

4.4.2 Public funding for ELOR will continue to be pursued through the West Yorkshire Plus Transport Fund. As cost estimates continue to be refined on the scheme a further report will be brought to Executive Board to set out the further borrowing requirements to meet the initial capital cost of the works and the revenue implications to the Council in carrying this debt until it is repaid through the roof tax.

4.4.3 The planning documents and related consultation exercises for Red Hall and the Southern & Middle Quadrants will be undertaken through existing officer resources.

4.4.4 The ELOR consultation exercise will be resourced through WYTF monies available for project and business case development, with external services commissioned where necessary to support this work and to ensure information management is properly managed and robust to support planning and statutory processes.

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

- 4.5.1 The Council may complete the acquisition of land in the Northern Quadrant by virtue of Section 120 of the Local Government Act 1972 which covers acquiring land for “the benefit, improvement or development” of the Council’s area, or for the purposes of any of the Council’s functions under any enactment.. Section 120 also allows the Council to acquire land for any purposes notwithstanding that the land is not immediately required for that purpose.
- 4.5.2 The information contained in the Exempt Appendix 2 attached to this report relate 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 initial one to one discussions for the acquisition of the property/land then it is not in the public interest to disclose this information at this point in time.
- 4.5.3 Also it is considered that the release of such information would or would be likely to prejudice the Council’s commercial interests in relation to other similar transactions in that prospective purchasers of other similar properties would have access to information about the nature and level of consideration which may prove acceptable to the Council. It is considered that whilst there may be a public interest in disclosure, much of this information will be publicly available from the Land Registry following completion of this transaction and consequently the public interest in maintaining the exemption outweighs the public interest in disclosing 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.
- 4.5.4 Legal matters relating to land assembly in the Northern Quadrant are set out in the Exempt Appendix 2.

#### **4.6 Risk Management**

- 4.6.1 The principle risks to the East Leeds Extension programme were set out in the January 2014 report to Executive Board, which focused specifically on ELOR. These have not changed and work across the programme is continuing to seek mitigation of these.
- 4.6.2 Board should note that there is an overarching risk to the delivery of the growth ambition here, which is that the ability to deliver the envisaged new homes and places and to pay the costs of ELOR delivery will be sensitive to changes in the wider economy and housing market and the viability of development. The programme itself cannot control this but close working with landowners, investors and house builders will ensure the Council puts in place appropriate legal and

commercial arrangements to mitigate the impacts of such change on the Council and the city.

- 4.6.3 In view of the complexity and scale of the programme, the Council is in the process of procuring an external legal advisor, to provide support on all aspects of the programme.

## **5 Conclusions**

- 5.1 The programme for the ELE is ambitious and complex. It involves a range of landowners and developers, major infrastructure proposals, the use of Council land and resources, public and private funding and a series of linked project activities which require the Council to fulfil a strong co-ordination and enabling role.
- 5.2 Momentum is now building in the Council's activities and there is a need for Executive Board to consider various decisions to enable the next stages of work. Consultation will need to proceed across all elements of the programme from the Autumn to support this and to begin to give the programme greater visibility for residents and stakeholders, starting the process towards certainty for all parties in this area of major change over the coming year.

## **6 Recommendations**

- 6.1 Executive Board is asked to:
- i. Note the report and the positive progress made by the Council in its enabling activities to bring forward the major strategic growth area of the East Leeds Extension and the major infrastructure project for the East Leeds Orbital Road;
  - ii. Approve in principle that the Council continues to develop a funding case for the costs of the East Leeds Orbital Road through the West Yorkshire Plus Transport Fund, prudential borrowing and developer contributions and continues to explore alternative means of financing;
  - iii. Reaffirm its commitment to the ELOR Roof Tax as the principle mechanism through which developer contributions will be secured from the East Leeds Extension towards the delivery costs of the East Leeds Orbital Road, as set out in paras 3.1.6 – 3.1.8;
  - iv. Note the programme for the planning, procurement and construction of the East Leeds Orbital Road as set out in para 3.1.10 – 3.1.13 and approve that the Chief Officer for Highways and Transportation submits a detailed planning application for the project, in consultation with the Executive Member for Regeneration, Transport and Planning;
  - v. Note the progress made in assembling land to facilitate the route of ELOR at the Northern Quadrant and consider the recommendations in Exempt Appendix 2.

- vi. Note that the Council will make land available on the Red Hall site for the initial A58 junction infrastructure that will enable access to the Northern Quadrant site, as set out in paras 3.3.12 – 3.3.14, subject to the discharge of relevant statutory processes by the Head of Land and Property and the delegated approval of the Director of City Development;
- vii. Approve that the Chief Planning Officer prepares and publishes a Draft Planning Brief for Red Hall, with the detailed timetable to be agreed with the Executive Member for Regeneration, Transport and Planning
- viii. Approve the approach to marketing and disposal of the Red Hall site set out in paras 3.4.18 – 3.4.22, with the details to be confirmed by the Director of City Development in consultation with the Executive Member for Regeneration, Transport and Planning;
- ix. Approve that the Chief Planning Officer prepares and publishes a Draft Development Framework for the Southern and Middle Quadrants, with the detailed timetable to be agreed with the Executive Member for Regeneration, Transport and Planning
- x. Approve a co-ordinated programme of public and stakeholder engagement for the East Leeds Extension from November 2015, to include public consultation on the East Leeds Orbital Road, Red Hall and the Southern & Middle Quadrants, with the details to be confirmed by the Head of Regeneration in consultation with the Executive Member for Regeneration, Transport and Planning and Ward Members.

## **7. Background documents<sup>1</sup>**

7.1 None

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