



Report of the Chief Planning Officer

Report to Development Plan Panel

Date: 21 November 2017

Subject: Strategic Housing Land Availability Assessment Update 2017

Are specific electoral Wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, name(s) of Ward(s): All		
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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, Access to Information Procedure Rule number:		
Appendix number:		

Summary of main issues

1. This 2017 update of the Strategic Housing Land Availability Assessment (SHLAA) has used the Council's established methodology in accordance with national planning policy and up-to-date interpretation of planning guidance.
2. The assessment concludes that an improving stock of deliverable land supply exists in Leeds within the context of the strengthening market, recent planning permission activity and ongoing housing growth initiatives.
3. The Council anticipates that it will be able to demonstrate a five year housing land supply upon the adoption of the Site Allocations Plan, if not sooner pending changes to the National Planning Policy Framework and consequent implications for the housing land supply requirement for Leeds.

Recommendation

5. Development Plan Panel is recommended to note, comment and agree the contents of this report to be published.

1. Purpose of this Report

- 1.1. To update Development Plan Panel on the progress and conclusions of the 2017 SHLAA prior to its publication.

2. Background Information

Purpose of a SHLAA

- 2.1. Preparation of a SHLAA (with annual updates) is a requirement of the National Planning Policy Framework (NPPF). A SHLAA is a technical study to inform planning policy development and implementation. It is not the purpose of the SHLAA to allocate land for development; this is undertaken through the preparation of a Development Plan. A SHLAA also sets out whether there is a deliverable supply of housing land for five year's worth of housing, known as the five year housing land supply.
- 2.2. The previous Leeds SHLAA - the 2015 SHLAA - worked to a base date of 01/04/2015. This SHLAA Update works to a base date of 1 April 2017.

Previous SHLAA updates

- 2.3. Following the introduction of national planning guidance, the preparation of a SHLAA for Leeds commenced in 2008 with the setting up of a partnership of external housing interests, agreement of a methodology and assessment of over 700 sites. The exercise completed in 2009 and the final reports were published early 2010. The SHLAA has then been updated on four further occasions (2011, 2012, 2014 and 2015) to adjust the delivery prospects of sites against updated information and to consider new sites. One of the most important aspects of these updates has been to capture the influence of a recovering housing market on the prospects for housing delivery.
- 2.4. In previous years the Council has pulled together a SHLAA Partnership to steer and oversee the technical work on individual sites. The Partnership has comprised officers, members, the Home Builders Federation (HBF), housebuilders, interested parties (including community representatives) and statutory agencies such as the Homes and Communities Agency.

2017 SHLAA

- 2.5. The NPPG provides information to help local authorities fulfil their responsibilities under paragraph 47 of the NPPF. As well as establishing a five-year supply position, to support the preparation and examination of Local Plans, the NPPG confirms that the supply position should be updated annually.
- 2.6. In response to this requirement, the Council publishes a SHLAA on an annual basis. The SHLAA is generally published in Winter each year setting out the housing supply position as at 1 April. A 2016 SHLAA was not published as the Council awaited the Secretary of State decisions on land supply from the 2015 SHLAA in December 2016.

- 2.7. A new approach to the SHLAA following consultation with members and the HBF has been taken that takes into account the conclusions of the Inspector and the Secretary of State towards an improved and more detailed 2017 SHLAA that reflects the up-to-date interpretation of NPPG.
- 2.8. Within this context, the Council has finalised the 2017 update to the SHLAA and has contacted agents, landowners and promoters of sites to comment upon the availability and achievability of each site as part of a positive approach to update the SHLAA, according to the most up-to-date information that is available, on a site-by-site basis. The SHLAA Report is contained at **Appendix 1**.
- 2.9. In order to ensure that the 2017 SHLAA is robust and up to date The Council have been in contact with landowners and developers (via the the Private Sector Housing Acceleration Scheme) and through correspondence (June 2015, July 2016 and September 2016, Appendix 5) - following the receipt of title information from the Land Registry. The Council has also established an on-going dialogue with the developers (via the Housing Growth Board) to keep up-to-date construction programmes for sites with planning permission. This is the across the board approach taken in the 2017 SHLAA in order to obtain detailed site-specific information that informs assessments of deliverability.
- 2.10. The Council approached the HBF in July 2017 asking that members review and provide comments on sites where they are the landowner or developer of the site or the agent acting on their behalf. This has helped to inform the technical update of the information held for sites with views on availability, viability and market activity forming part of the consultation. The draft SHLAA 2017 was also sent to agents, landowners and promoters of sites in seeking comment on the availability and achievability of each site as part of a positive approach to update the SHLAA according to the most up-to-date information available on a site-by-site basis. This is an across the board approach in the 2017 update, in order to obtain detailed site specific information that informs assessments of deliverability as advocated by the Inspector and Secretary of State in the previous appeal decisions.

Planning Appeals

- 2.11. It was found by the Secretary of State in December 2016, by his decisions to allow conjoined S78 planning appeals made in respect of land at Breary Lane, Bramhope, at Leeds Road, Collingham and at Bradford Road, East Ardsley on 23 December 2016, that the Council did not have a five year housing land supply.
- 2.12. For the Kippax planning inquiry (July 2016) the Council did not present evidence on the assessment of housing land supply on the basis that, by then, it had been recently reported by the Secretary of State through his planning appeal decision in respect of land at Grove Road, Boston Spa (May 2016) and his decisions for Bramhope, Collingham and East Ardsley that the Council did not have a five year housing land supply. As part of the conjoined appeals, the Appellants had argued 2.9 years supply, against the Council's argued 5.4 years supply. The Inspector concluded the true position fell between the two, but was closer to that argued by the appellants – a supply figure of

somewhere between 2.9 and 4.2 years. This was on the basis that the Inspectors conclusion that the developers (appellants) were being more realistic and the City Council too aspirational.

- 2.13. The Council has since continued to increase the stock of outstanding planning permissions with a record year for approvals in 2016/17 of 6,792 new homes whilst progressing the Site Allocations Plan towards adoption alongside a range of housing growth initiatives. These actions strengthen the five year housing land supply.
- 2.14. The Council has properly reflected upon the conclusions of the Secretary of State in December 2016 in deciding the conjoined appeals, has substantially modified its approach to housing land supply calculation, has revisited the evidence base, and has given very thorough consideration to all relevant contextual changes (such as housing market and overall development conditions). There are two current appeals at Rudgate Village, Thorp Arch Trading Estate (September - November 2017) and Tingley Station (PAS) (November 2017).
- 2.15. The Council's calculation of forward housing supply, and what amounts to 'deliverable' supply, is considered to be both realistic and robust in the light of how the assessment of 'deliverability' (properly construed for the purposes of the NPPF) must be approached. 'Deliverability' under the NPPF and NPPG, national policy requires a 'realistic prospect of delivery' be disclosed by a given site. The assessment of supply is to be carried out with regard to what is deliverable, which differs from expected actual delivery.
- 2.16. The Council is of the view that there has been a marked and important step change, by which the Council has considerably improved its housing supply position since that which was in evidence in mid-2016. This is well reflected by a continued increase in the stock of outstanding planning permissions for residential/mixed with residential schemes alongside a range of implemented and progressing housing growth funding and regeneration-led policy initiatives.

Planning, Housing and Regeneration Programmes

- 2.17. Housing regeneration and growth is a key priority for Leeds; it is a Breakthrough Project in the Best Council Plan in place to help materialise the efforts needed to meet annual targets set in the Core Strategy.
- 2.18. As part of the positive actions of the Council, the Council has been working with the HCA and DCLG to unlock early, accelerated growth in the city centre housing market. While Leeds has a good track record in working with partners across sectors to stimulate and support the housing market in our existing residential neighbourhoods, through schemes such as; the Housing PFIs; Brownfield Land Programme delivery; private sector housing investment; and Housing Growth Programme (including a large new build council housing programme), there has been more limited intervention to date in stimulating the city centre housing market.

- 2.19. ‘Leeds Living’ has emerged as a project through this city centre growth ambition and sets out the necessary interventions to enable it. This has developed alongside a separate discussion between DCLG and Core Cities around the need for bespoke housing deals to unlock growth and Leeds Living has effectively become the route for discussion around a Leeds deal. It is estimated that with the appropriate support and cross-sector partnership arrangements 14,000 new homes can be delivered by 2028 in and around the city centre, to create a mixed tenure residential market, and thriving city centre neighbourhood, accessible and available to all Leeds residents. This is part the country’s largest single Local Authority housing growth ambition, being driven by the immediate and future growth of the Leeds economy, recent infrastructure improvements such as the flood alleviation scheme to open up the southern side of the city centre for development, significant infrastructure investment in the form of HS2/HS3, and the overall objectives for the Northern Powerhouse.
- 2.20. In line with the NPPF, the Council have consistently made a clear priority to maximise the use of brownfield land in meeting the need for new homes across the district and we are actively engaged with incentivising the bringing back into use of brownfield sites. This approach is no different now, with the Core Strategy spatial strategy focussing on previously developed land and the Settlement Hierarchy (City Centre, Main Urban Area, Major and Smaller Settlements). This strategy gains support from the recent Housing White Paper and recognises that a range of tools and solutions are necessary to stimulate delivery on brownfield sites. A range of local activities are seeking to boost delivery on brownfield sites:
- the Council’s Housing Growth Team works across a range of Council services including: Planning, Regeneration, Asset Management and Housing to identify and implement interventions to stimulate housing growth primarily in areas in need of regeneration and on brownfield land.
 - a Housing Investment Land Strategy (HILS) includes a proactive ‘live’ view of surplus brownfield land in the Council’s ownership that has potential for residential development and brings together all proposals for market-led or public sector funded housing on these into a co-ordinated approach to how, when and where housing can be delivered. In April 2017, 917 homes in Seacroft, Halton Moor and Osmondthorpe were granted permission across a range of sites assembled by the Council under the Brownfield Land Programme. They will be delivered by Keepmoat and Strata builders.
 - Publishing a Brownfield Land Register.
- 2.21. The Council were invited by DCLG in January 2016 to be a pilot authority for the Brownfield Land Register project. As part of the project, the Council put together a pilot register of over 300 suitable sites with a total capacity of over 30,000 new homes which will all have planning permission through the Permission in Principle mechanism under the provisions to publish a register by 31 December 2017.

- 2.22. The Council has a primary role in setting out a vision for the development of the District and by identifying sites through the development plan are actively creating new housing opportunities for a range of providers.
- 2.23. Through the Private Sector Acceleration Programme, the Council is already working with SMEs to address stalled sites, through providing planning advice, work locally with the Homes and Communities Agency (HCA) and de-risk sites where possible to add pace to delivery. Since this programme commenced, development has commenced on 12 sites delivering a total of 1,200 units with a further 14 sites moving through the planning process.
- 2.24. The Council is engaging with other developers, SMEs and regional house builders in addition to building its own homes through Council House building. The programme to deliver 1,000 new council homes is delivering at pace and demonstrates Leeds' ability to deliver new housing at scale. In addition to Housing Revenue Account (HRA) resources of £134m, £16m HCA grant has been secured to match and stretch HRA resource to support increased housing supply.
- 2.25. The Council will be working closely with the development industry and other partners to clarify and encourage high quality growth and share ideas and experience – and actively use our own assets and knowledge to unlock housing opportunities and deliver more homes.

3. Main Issues

- 3.1. The preparation of the 2017 SHLAA reflects the most up to date guidance available, including the NPPG. In particular, the NPPG provides more detailed advice for carrying out a SHLAA, noting that it should:
 - Identify sites and broad locations with potential for development;
 - Assess their development potential; and
 - Assess their suitability for development and the likelihood of development coming forward (the availability and achievability).
- 3.2. The approach taken in the 2017 SHLAA update provides an up-to-date and more accurate picture of deliverability which takes into account the view from the Secretary of State decisions on the Inspector's conclusions in respect of housing land supply in December 2016 from the 2015 SHLAA. Assessments have been updated to reflect recent planning and construction activity across the district in accordance with national policy.
- 3.3. The 2017 SHLAA assesses 1,234 sites with a total capacity of 204,490 dwellings. Of these, 550 sites are considered to be suitable, available and achievable contributing a total of 57,610 units to the identified deliverable supply between 1 April 2017 and 31 March 2028.
- 3.4. There is a policy compliant deliverable supply of 26,608 as at 1st April 2017 (SHLAA sites are shown in **Appendix 3**). Of the 26,606 dwellings in the Identified Supply, 25,977 (98%) are emerging allocations in the SAP or AVAAP.

- 3.5. In line with paragraph 47 of the NPPF (and as a consequence of the appeal decisions outlined above), a 20% buffer has been applied to the housing requirement for Leeds, to account for under delivery since the start of the Plan period (2012/13). This buffer is applied to the Core Strategy housing requirement and the shortfall since the start of the Plan. The total adjusted five year requirement for the period 1st April 2017 to 31st March 2022 stands at 33,571 dwellings, a requirement of 6,714 dwellings per annum.
- 3.6. With the inclusion of windfall at 500 per annum, the return of empty properties together with the discount of demolitions the **overall five year supply is 4.38 years (29,383 dwellings)**.
- 3.7. The 2017 SHLAA is thorough and robust, developed in conjunction with landowners, developers, the HBF and the SHLAA Partnership. Individual site assessments have been undertaken through the SHLAA process in line with best practice. The SHLAA assessment has been populated on the basis of the best evidence of a realistic prospect of delivery and is consistent with the Council's proactive activities and interventions to deliver much needed homes more quickly.

DCLG consultation proposals

- 3.8. The Housing White Paper 'Fixing Our Broken Housing Market' (February 2017) contains a number of proposals to reform and simplify the planning system and advised that further consultation on specific issues would follow. On 14 September DCLG released a consultation on a proposed approach to adopting a standard method for calculating local housing need, (Planning for the right homes in the right places). This consultation also sets out the Government's ambition to publish a revised NPPF in Spring 2018. The expectation is for local planning authorities to adopt the proposed method when assessing housing need and in calculating housing land supply. The City Council's draft response to this consultation has previously considered by the Development Plan Panel on 3rd November.
- 3.9. The 'Housing need consultation data table' sets out the housing need for each local planning authority using the DCLG proposed method. It sets a figure for 2,649 for Leeds per annum.
- 3.10. The data informing this new method is based on the most up-to-date information available at the date of the consultation document. The housing need figures published are based on the 2014-based household projections (published July 2016) and 2016 house price-to-earnings ratios (published March 2017). These present latest, up-to-date figures. The household projections are updated every two years.
- 3.11. The consultation also notes that whilst these figures represent the minimum number of homes needed in a local authority, Councils may nonetheless decide to deliver more housing due to economic growth ambitions.
- 3.12. It is considered that the consultation signposts a clear direction of policy travel. For Leeds, this would mean a significant reduction in the requirement of 2,051 per annum: from 4,700 to 2,649.

- 3.13. The White Paper states that, in the absence of an up-to-date local or strategic plan, after 31 March 2018 the new method for calculating local housing need would apply as a baseline for assessing five year housing land supply. For illustrative five year supply purposes the proposed requirement for Leeds will result in a total requirement of 21,265 (4,253 per annum) where this is inclusive of a 20% buffer and backlog from the Core Strategy target. However, such a fundamental lowering of the Leeds requirement would inevitably call into question the reasonableness of both backlog and the application of the 20% buffer.

Element	Calculation	Figure
Base requirement 2017/18 to 2021/22	2,649 * 5	13,245
Backlog against CS target from 2012/13	(18,300 - 13,824)	4,476
Base requirement + under delivery	(23,500 + 4,476)	17,721
20% buffer	(17,721 * .20)	3,544
Total requirement		21,265
Annual requirement	(21,265 / 5)	4,253

- 3.14. The 2017 SHLAA illustrates a five year supply of 26,608 from identified sites, with 29,383 overall (from additional windfall). This equates to 4.38 years from the existing requirement. The 5 year supply report is contained at **Appendix 2**. This would increase to 6.91 years when using the DCLG consultation figure as the base annual requirement, even where factors such as backlog and 20% buffer remain are not revisited but remain constant. However, as set out in a separate report on the Development Plan Panel agenda, there are a series of consideration and options before the City Council in determining a revised housing requirement for Leeds as part of the Core Strategy Selective Review (CSSR).

4. Consultation and Engagement

- 4.1. Evidence reports such as the SHLAA are not subject to the need for public consultation. Evidence reports are informed largely by factual investigation and may have limited involvement of particular specialist interests. In the case of the SHLAA, it has been prepared by officers from across City Development as a draft for consultation with partnership members including the house builders. The Council's website contains advice for anybody wishing to submit a site for inclusion in a SHLAA update although these have mainly been via the Site Allocations Plans process, which has been subject of extensive consultation and engagement.

5. Equality and Diversity / Cohesion and Integration

- 5.1. It is considered that the publication of the SHLAA Update raises no issues about equality.

6. Council Policies and City Priorities

- 6.1. Keeping the SHLAA up-to-date helps implement the Development Plan i.e. the Core Strategy, AVLAAP and emerging SAP. The Development Plan plays a key strategic role in taking forward the spatial and land use elements of the Vision for Leeds and the aspiration to the ‘the Best City in the UK’. Related to this overarching approach and in addressing a range of social, environmental and economic objectives, these Plans seek to implement key City Council priorities. These include the Best Council Plan in particular to ‘promote sustainable and inclusive economic growth’. The SHLAA also supports the delivery of breakthrough projects on the delivery of housing.

7. Resources and value for money

- 7.1. The in-house technical exercise of preparing the SHLAA Update 2017 has been achieved within the City Council’s budget for the Local Development Framework.

8. Legal Implications, Access to Information and Call In

- 8.1. Preparation and upkeep of a SHLAA is a requirement of national government planning policy and informs consideration of planning applications. The report is not eligible for call in as no decision is being taken.

9. Risk Management

- 9.1. The evidence of the SHLAA has in the past been subject to challenge from the development industry, seeking to overturn decisions to refuse planning permission for housing development at appeal, and objecting to development plan policies and proposals concerning the quantity and distribution of housing in Leeds. These issues will be played out in particular at the Examination into the Site Allocations Plan.

10. Conclusion

- 10.1. The report sets out how the 2017 SHLAA has been undertaken and provides overall results. The Council can demonstrate a 4.38 year land supply.

11. Recommendation

- 11.1. Development Plan Panel is recommended to note, comment and agree the contents of this report to be published.