

**Report of Director of City Development**

**APPENDIX 1**

**Report to Executive Board**

**Date: 27<sup>th</sup> June 2018**

**Subject: Submission of the Leeds Core Strategy Selective Review**

Are specific electoral wards affected? If yes, name(s) of ward(s): ALL	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is the decision eligible for call-in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**Summary of main issues**

1. The Best Council Plan (2018/19 – 2020/21) (BCP) states that Leeds is a growing city with a population estimated at 781,700; an increase of around 50,000 people in the last decade. It recognises that one of the biggest challenges Leeds faces is to provide enough homes to meet this growth. In so doing it seeks to ensure that new homes are of the right quality, type, tenure and affordability, and are delivered in the right places. The BCP acknowledges that the Adopted Core Strategy (CS), which sets the statutory strategic spatial Planning framework for Leeds is a key route to achieve these objectives; complementing the ambition of the Leeds Housing Strategy (2016 – 2021) to effectively meet housing need to make Leeds the best place to live. Within this context it is important to ensure that the CS is based on the most up to date evidence and reflects the direction of national guidance.
2. The CS is one of a number of documents comprising the Leeds Local Plan (others include the Adopted Aire Valley Leeds Area Action Plan (2017), Adopted Natural Resources and Waste Plan (2013) and highly advanced Site Allocations Plan). The Adoption of the Leeds CS (in November 2014) was a major achievement for a District the size and complexity of Leeds and a number of local authorities have still yet to adopt their own. Failing to have an up to date Local Plan means the threat of formal Government intervention and/or a loss of control over planning decisions via penalties within the National Planning Policy Framework (NPPF).
3. In February 2017 Executive Board endorsed a selective review of the CS which focussed on a discreet number of targeted policy areas where there had either been

significant changes to the evidence base, national planning policy changes or operational issues of implementation. The selective matters for review concern the housing requirement, affordable housing, housing standards, accessible housing, green space, the role that buildings play in preparing for and preventing climate change and electric vehicle charging. The Board recognised that overall the focus of the strategic approach and spatial strategy in the Adopted CS remains up-to-date, fit for purpose and appropriate. Central to the approach is the integration of a range of economic, environmental and social policy objectives, which together help to cumulatively address key aspects of the BCP around: safer and stronger communities, inclusive growth, housing, culture, health and wellbeing, 21<sup>st</sup> century infrastructure and a child-friendly city. This is achieved by a CS strategy with a priority for the majority of new development within the main urban area and major settlements, where the use of brownfield land and regeneration programmes can be boosted. In addition, policies for place making, for high quality and affordable homes - of the right mix in the right place to meet local needs (including encouraging more homes in the City Centre) and supporting strategic employment hubs (for inclusive growth) are integral to the approach. Linked to this also, is the imperative to match where people live and work, in sustainable locations, whilst maximising existing infrastructure, transport hubs and respecting local character and distinctiveness. A fundamental component of the CS also is to support public health via the protection and enhancement of the environment, including the important role of Green Infrastructure and local child-friendly green spaces.

4. In February 2018 Executive Board considered the proposed submission documents (referred to as the 'Publication Draft' Plan) for the CSSR (the draft policies supported by an evidence base, wider consultation with relevant directorates and details of where reasonable alternatives to the matters being addressed in the policies had been considered, assessed and discounted). The Board endorsed these policies for public consultation (under Regulation 19) with a range of statutory bodies, specific representative groups, representatives of the house building industry, landowners and the general public. Consultation took place between March and April 2018 and elicited 175 separate representations (with an additional 83 standard letters from Aireborough residents objecting to the proposed approach to housing distribution). The report summarises the main representations received and the Council's response to these, including where changes to the Submission Draft CSSR policies have been made as a result.
5. As part of the CSSR proposals, Executive Board also considered that the Council plans for a lower but still challenging housing requirement than is set out in the Adopted CS on the basis of revised national population projections, the conclusions of a Strategic Housing Market Assessment and taking into account draft changes to national guidance on calculating housing numbers. Following Council approval in January 2018, a Revised Submission Draft Site Allocations Plan was submitted to the Secretary of State in March 2018 and will form the basis for hearing sessions in July as part of the continued Examination. These revisions – including, reducing the level of Green Belt release to allow for a trajectory of lower housing numbers - are complementary to the Submission Draft CSSR.
6. The CSSR, once adopted, will provide a key part of the strategic planning framework for the District as a whole. The proposed new housing requirement will enable the Council to undertake a targeted SAP review (in respect of Broad Locations), in planning for this revised level of growth up to 2033 and to consider the extent of any future Green Belt release for development. Given that the housing requirement is lower than the Adopted Core Strategy it is highly likely that the need for future Green Belt release

will be significantly reduced. In taking this approach forward the City Council will need to have regard to the outcome of the SAP Examination and the Inspectors Report, together with national guidance and local circumstances at the time of undertaking the SAP review.

7. In line with Government Guidance allowing a flexible approach to Local Plan preparation (which enables a specific focus on specific documents and/or policy areas) the remainder of the Core Strategy will at a future point be subject to review and updating as necessary.

## Recommendations

8. Executive Board is invited to:
  - i) Note the representations made in response to the recent consultation on the 'Publication Draft' proposed submission draft CSSR documents (under Regulation 19 of The Town and Country Planning (Local Planning) (England) Regulations 2012). Note the consequential changes made to the policies, which as amended now form the Core Strategy Selective Review Submission Draft Plan;
  - ii) Note the resolutions of Development Plan Panel and Scrutiny;
  - iii) Recommend Council:
    - a) Approve the Submission Draft of the Core Strategy Selective Review (**Appendix 1**) for independent examination pursuant to Section 20 of the Planning and Compulsory Purchase Act 2004 as amended.
    - b) Approve the Sustainability Appraisal Report (**Appendix 2**) in support of the Plan, along with supporting evidence and background documents, for Submission to the Secretary of State for independent examination, pursuant to Section 20 of the Planning and Compulsory Purchase Act 2004 as amended
    - c) Grant authority to the independent inspector appointed to hold the Public Examination, to recommend modifications to the Submission Draft Plan, pursuant to Section 20 (7C) of the Planning and Compulsory Purchase Act 2004 as amended;
    - d) Delegate authority to the Chief Planning Officer, in consultation with the Executive Member, to (a) approve the detail of any updates or corrections to the submission material and any further technical documents and supporting evidence required to be submitted alongside the revised Submission plan for consideration at future hearing sessions, (b) continue discussions with key parties and suggest to the Inspector any edits and consequential changes necessary to be made to the revised Submission Draft Core Strategy Selective Review following Council approval during the Examination and (c) prepare and give evidence in support of the revised Submission Plan at Examination.

## **1. Purpose of this report**

- 1.1 The purpose of this report is to invite that Executive Board recommends to Council that it approves the Core Strategy Selective Review alongside supporting material and evidence for submission to the Secretary of State so that it may be subject to independent examination by the Planning Inspectorate.
- 1.2 The Core Strategy Selective Review includes amendments to the Adopted Core Strategy (contained in Appendix 1 of this report) as follows:
- reviewing the housing requirement in Policy SP6, housing distribution in SP7, with a Plan period of 2017 - 2033
  - introducing new minimum space standards for new housing in Policy H9 and new accessibility standards in Policy H10
  - updating policy requirements for Affordable Housing by amending Policy H5
  - reviewing the requirement for green space in new housing developments by amending Policy G4 and making minor amendments to Policies G5 and G6
  - incorporating new national policy regarding Code for Sustainable Homes by updating the wording of Policies EN1 and EN2 and a consequential change to EN4
  - introducing a new Policy for Electric Vehicle Charging Infrastructure (EN8)
- 1.3 The Policies are supported by a Sustainability Appraisal Report (Appendix 2 of this report) and Non-Technical Summary (Appendix 3) alongside relevant supporting material including:
- Report of Consultation ((see para. 7.1(a)) setting out details of the consultation activities occurring at each regulatory stage, representations made on the Plan at Regulation 19 stage, the Council's response to these and the changes proposed as a result)
  - Duty to Cooperate ((see para. 7.1(b)) Statement (setting out continuous engagement with statutory prescribed bodies (including neighbouring authorities and statutory agencies) as set out in Section 33A(1)(c) of the Act))
  - amendments to the Core Strategy Monitoring Framework ((see para. 7.1(c))
- 1.4 The Plan is also supported by an evidence base including:
- Economic Viability Study 2018 (undertaken by GVA consultants) available on the CSSR web-site
  - Strategic Housing Market Assessment 2017 (undertaken by ARC4 consultants) available on the CSSR web-site
  - Background Papers (including further information following Submission Draft Publication on Water Management in support of amended Policy EN2) available on the CSSR web-site.

## 2. Background information

- 2.1 The Leeds Core Strategy was Adopted in 2014 and sets the strategic and spatial planning framework for the Leeds Metropolitan District and is the overarching document within the Leeds Local Plan (which also comprises an Adopted Natural Resources and Waste Plan, an Adopted Aire Valley Leeds Area Action Plan and Saved Unitary Development Plan policies). The highly advanced Site Allocations Plan (currently at independent examination) will also form part of the Local Plan. The planning system in England and Wales is “plan-led”, which means that an up to date and Adopted Plan is necessary to promote good growth and investment whilst ensuring that speculative and inappropriate development can be resisted. It remains a priority for national government that full local plan coverage be in place and for plans to be subject to regular reviews.
- 2.2 Executive Board resolved to undertake a selective review of the Core Strategy in February 2017. It agreed a targeted scope of the Review focussing on: updating the housing requirement for a revised plan period of 2017 – 2033, updating affordable housing and green space policies, introducing new policies on housing standards (size and accessibility) and updating the sustainable construction Policies EN1 and EN2 to reflect national advice. In addition to these matters the Council also reflected upon messages from Government on electric vehicle technologies and introduced a policy on electric vehicle charging as part of its Submission Draft policies.
- 2.3 Given the importance of ensuring that the District of Leeds plans for sufficient levels of housing growth, a targeted scope was considered necessary to swiftly progress the Review. Public consultation took place on the scope of the CSSR1 19th June to 31st July 2017 and helped to inform policy drafting.
- 2.4 Executive Board considered and endorsed the ‘Publication Draft’ proposed submission documents<sup>2</sup> on 7th February 2018. These were subsequently consulted upon between 9th February and 23rd March 2018 with a headline position statement on comments received provided to Development Plans Panel in April 2018. Members are reminded that at this time, alternatives to the approaches taken were set out around the following key issues:
- Alternative housing requirement levels
  - Approaches to distribution including considering the amendment of HMCA boundaries
  - Levels of affordable housing provision

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<sup>1</sup> Regulation 18 of The Town and Country Planning (Local Planning) (England) Regulations 2012

<sup>2</sup> Regulation 19 of The Town and Country Planning (Local Planning) (England) Regulations 2012

## Development Plan Panel Resolutions

2.5 The CSSR material has been considered by the Council's Development Plan Panel in meetings and workshops as follows. The resolution of DPP on 20<sup>th</sup> June 2018 will be provided as a supplementary note to Executive Board.

<b>Date</b>	<b>Subject</b>	<b>DPP Resolution</b>
<b>05.08.17</b>	Report on progress made on the CSSR including: outcome of initial consultation on scope of the Plan (Regulation 18); headlines from the evidence base (including the Strategic Housing Market Assessment and Affordable Housing)	Noted progress; hold a workshop for Members and officers from relevant sections; ensure that public are clear on intent of Council to continue with SAP at the same time as the CSSR
<b>04.10.17</b>	Workshop with DPP and officers discussing levels of housing growth, merits of amending HMCA boundaries, levels of affordable housing, viability, housing standards, approach to greenspace contributions and environmental standards	Discuss thematic matters and have opportunity to shape and steer policy development
<b>21.11.17</b>	Outcomes of the workshop and options for progressing a revised housing requirement for the CSSR in light of SHMA and viability assessment work considering four options: 42,384, 51,952, 55,648 and 60,528 homes between 2017 and 2033.	Endorsed draft publication / submission policies to meet 51,952 homes between 2017 and 2033
<b>19.12.17</b>	'Publication Draft' proposed submission CSSR policies and documents. Clarified that HMCA and affordable zone boundary re-assessment is not evidenced nor advised without reviewing the implications for CIL and can be considered at a future date.	Endorsed all policies excepting Policy H5 - affordable housing, with calls for more consideration of higher targets in the city centre and inner area zones, Policy G4 – greenspace, with calls for consideration of wording, Policy H9 – space standards, with calls for clarification over HMOs.
<b>16.01.18</b>	'Publication Draft' proposed submission CSSR policies and documents taking account of DPP proposals on 19 <sup>th</sup> December 2017 and as a result increasing affordable targets in inner and city centre from 5% to 7% and amending wording of Policies G4 and H9.	Resolved to recommend to Executive Board that policies be subject of consultation.
<b>17.04.18</b>	Initial feedback on the scale and nature of public consultation responses made to the Core Strategy Selective Review Draft Submission Plan	Noted
<b>20.06.18</b>	To consider recommendations as per para 7 of this report and make comments to Executive Board. Comments will be provided to Executive Board as a supplementary note.	To be considered

## Scrutiny Board (Infrastructure, Investment & Inclusive Growth) Resolutions

- 2.6 Scrutiny Board (Infrastructure, Investment & Inclusive Growth) will consider this report and its background material at its meeting on 20<sup>th</sup> June 2018. The resolution of Scrutiny Board will be provided to Executive Board as a supplementary note.

## Site Allocations Plan Examination

- 2.7 Members are reminded that the CSSR is being progressed concurrently but independently of the Leeds Site Allocations Plan (SAP). The SAP is currently at Examination and is being considered by an independent Inspector against the Adopted CS, including its housing requirement.
- 2.8 However, in January 2018, Council resolved to submit a Revised Draft SAP so as to reflect Government Guidance "*Planning for the Right Homes in the Right Places*". This was on the basis that a draft nationally prescribed starting point for housing growth for Leeds was set at 42,600 homes – creating a strong likelihood that the SAP, on its course at the time, would release land from the Green Belt that may in time be found to be unnecessary. To that end, the SAP revisions concern ensuring that land availability in line with the NPPF provides for the requirement and plan period as set out in the Adopted CS, but that a pool of land, remaining in the Green Belt and therefore protected from development is identified as Broad Locations. These may be released for housing/mixed-uses or deleted upon a future SAP Review once the CSSR housing requirement is adopted. The amended SAP is, as a result, complementary to the draft policies in the CSSR in that it anticipates likely lower housing targets in Leeds and ensures that Green Belt is not needlessly released at this stage.
- 2.9 The CSSR, once adopted, will provide a key part of the strategic planning framework for the District as a whole. The proposed new housing requirement will enable the Council to undertake a targeted SAP review (in respect of Broad Locations), in planning for this revised level of growth up to 2033 and to consider the extent of any future Green Belt release for development. Given that the housing requirement is lower than the Adopted Core Strategy it is highly likely that the need for future Green Belt release will be significantly reduced. In taking this approach forward the City Council will need to have regard to the outcome of the SAP Examination and the Inspectors Report, together with national guidance and local circumstances at the time of undertaking the SAP review.

## Wider Local Plan Review

- 2.10 The focus of the CSSR is to introduce revised policies, considered to be necessary, to respond to changes in the evidence base, shifts in National Policy and guidance and/or which raise implementation issues, to ensure that this plan remains fit for purpose. It is not within the scope of the review to re-open discussion about other parts of the Leeds Adopted CS, which remain in place as part of the statutory plan for Leeds. Notwithstanding this, the Government encourages local authorities to review and update as necessary its Local Plan on a rolling basis. Development Plan Panel are kept up to date with the work programme of this review through detailed reports and the Local Development Scheme which is available on the Council's web-site and provides for a 3 year work programme of plan review and update.



## National Planning Policy Framework (NPPF) Review

- 2.11 The NPPF has been through a process of review over the past 18 months starting with the Housing White Paper. The Council has responded to each of the consultation stages with its latest submission to the Ministry for Housing and Local Government being sent in May. The Council is advised that the final draft NPPF will be published in July 2018.
- 2.12 It is important to note that the NPPF contains provisions for local authorities who are mid-way through their plan-making process. This is relevant to Leeds for the CSSR and allows the Council to submit a plan to the Secretary of State under transitional arrangements. The transitional arrangements apply to all development plans in preparation, submission and examination, within a 6 month period, following the introduction of the new NPPF.

### **3. Main issues**

- 3.1 The selective review of the Core Strategy is focused on several discreet policy areas only. **Appendix 1** sets out the Submission Draft policies and shows the changes made to the initial “publication” draft proposed submission policies as a result of the recent consultation. This is illustrated via tracked changes for information only, so that Executive Board can see the proposed changes to the policies, which were endorsed previously in February 2018. The submission draft to be submitted to Council for approval will not contain these tracked changes.
- 3.2 The derivation of each policy, main comments received at ‘Publication Draft’ proposed submission policies stage and changes proposed as a result are set out and summarised in turn below. A more detailed report of the consultation activities is provided in the Report of Consultation ((see para. 7.1(a)).

### The Housing Requirement for 2017 – 2033 – Policy SP6

- 3.3 The changes to the demographic evidence base for Leeds have changed significantly since the Adopted CS. A revised Strategic Housing Market Assessment (SHMA) has been completed based on the latest 2014-based sub-national household projections (produced by the Office of National Statistics). The SHMA, following a methodology set out in current national guidance, uses these as a starting point and considers wider policy objectives of the District, including its role in the Leeds City Region as a centre of employment, the need for housing throughout all parts of Leeds to meet local needs and the needs for affordable housing. Executive Board considered the headline alternatives provided by the SHMA in February 2018 and acknowledged calls for the District to plan to the lowest alternative of 42,384 (which was provided by the Government’s draft revised methodology in the revisions to the NPPF and introduced in the “*Planning for the Right Homes in the Right Places*” consultation in 2017). The figure of 51,952 was endorsed by the City Council as it reflected the need for more affordable homes and the economic growth of the City (avoiding the situation where people who wished to work in Leeds could not find a home and as a result place avoidable pressure on transport infrastructure by living outside the District and commuting in).

- 3.4 327 individual representations on this matter have been received. 298 objecting to the policy and 29 supporting it.
- 3.5 The consultation responses follow three themes: first, some local people and community groups are supportive of the lowering of the CS figure; second, object on the basis that the lowest figure should have been used (a standard letter from 83 residents in Aireborough follows this theme); third, housebuilders suggest the figure is too low, fails to have regard to the job growth scenarios of the Leeds Growth Strategy and ignores the higher growth scenarios of the SHMA 2017 without justification. The allowances for windfall development, empty homes and demolitions are also questioned. There are also calls for the housing requirement to be expressed as a minimum.
- 3.6 In response, the approach taken is derived from the SHMA, has been objectively assessed and is in line with national guidance and scores comparatively more favourably when assessed against wider policy objectives in the sustainability appraisal. The approach takes the household projections as a starting point and reflects the District's role within the wider City Region and ambitions for job growth providing a level of realistic uplift so as to ensure that Leeds provides sufficient homes to match estimated jobs and address affordable housing needs. This aligns with the spatial strategy in the CS and the distribution of homes throughout Leeds. It is considered that expressing the housing requirement as a minimum would align with the Adopted Core Strategy and be consistent with national guidance. A change is therefore proposed to draft Policy SP6.
- 3.7 Nonetheless it is recognised that much concern of local people stems from previous targets set in an upward economic cycle and delivery subsequently affected by a downturn. To that end, the publication draft submission policy is proposed to be amended by the addition of a further paragraph at 4.6.6 at **Appendix 1**. This seeks to ensure that the Council is not subjected to blunt and generic penalties in national guidance around land supply that have no bearing on the effects of wider macro-economic events on the local housing market, local circumstances and the attitudes of house builders.
- 3.8 Regarding the proposed plan period for housing supply of 2017 – 2033 some residents felt that this was a deliberate attempt to obscure and confuse the public over the calculation of the housing requirement and its alignment with the SAP. They suggested the period of 2012 – 2028 should be retained, or at least dwelling requirements calculated for 2012-28 and 2028-33. In response, the officers are of the view, and Development Plan Panel endorsed, that the approach is in line with national guidance and any other plan period would not be sound as the NPPF advocates that plans are for a minimum of 15 years. Notwithstanding this the Council has addressed the broader point by taking specific steps to ensure that the overlapping plan periods of CSSR and SAP are complementary and not detrimental to the Green Belt (as paragraph 2.8 explains).

#### Housing Distribution – Policy SP7

- 3.9 The CSSR retains the indicative distribution levels of housing as proportions of the total requirement between the 11 Housing Market Characteristic Areas.

- 3.10 111 representations on this matter have been received. 94 objecting to the policy and 17 supporting it.
- 3.11 Calls for the HMCAs to be revised have been considered because some consider that there are anomalies in the boundaries between areas. Due to the HMCAs being inextricably linked with the SAP and the wider evidence base, amendments are neither desirable nor technically beneficial to the Plan. Some resident and community responses claim that there is no case to build on Green Belt with a lower housing requirement and that the distribution should be varied to reflect this factor. In such a circumstance the agreed spatial strategy of the Adopted CS would not be addressed and local needs would fail to be met locally. Moreover, pressure would be placed on a city centre and inner area which is already taking a significant proportion of housing, with consequent implications for infrastructure. In contrast, the development industry felt there needs to be a wide distribution of housing land supply in different housing markets in order to optimise overall delivery of housing. The Council agrees and is satisfied that the framework of the Adopted CS, SAP and CSSR will deliver this objective.
- 3.12 It is also suggested that the HMCA percentages lack evidence of delivery, and there are concerns from developers about deliverability and achievability of the targets given that the City Centre, Inner and East HMCAs account for nearly 50% of the distribution. The inference being that relatively low market areas would find it harder to build more homes. This is a familiar criticism from some landowners and parts of the housebuilding industry, keen to see more greenfield and Green Belt release in Leeds. Monitoring reveals that this is not the case and in 2016/17, 46% of all new homes completed were in the City Centre, Inner and East Leeds HMCAs, in line with the CS indicative target of 48% and forecast to continue on the basis of: i) planning permissions granted in these areas, ii) the front loading of specific projects such as the East Leeds Extension and South Bank proposals and iii) the Council's regeneration interventions on brownfield land throughout these HMCAs e.g. Council House Building Programme, Housing Investment Land Strategy, and Private Sector Acceleration Programme. Moreover, the EVS supports a continued focus of development in these areas.
- 3.13 The proposal to delete the aspect of Policy SP7 which related to the settlement hierarchy, on the basis that they are now unnecessary and duplicate Policy SP1, has met with very limited representation.

#### Affordable housing – Policy H5

- 3.14 Policy H5 sets affordable housing requirements in terms of affordable housing targets, thresholds and tenures, based on evidence on need in the Strategic Housing Market Assessment and Economic Viability Assessment. The policy proposes to retain the existing affordable housing policies for zone 1 (35%) and zone 2 (15%), and increase them for zone 3 (5% to 7%) and zone 4 (5% to 7%). The policy also specifies an approach to Build to Rent offering developers a choice of three options for determining their affordable housing contribution; one of these based on the latest draft NPPF approach to a 20% national target.
- 3.15 78 representations on this matter have been received. 75 objecting to the policy and 3 supporting.

- 3.16 Responses from the local community raised concerns about the non-affordable remainder of dwellings on a site being accessible to middle income households. The Council acknowledges that planning policy can only do so much in the delivery of affordable housing and that policies on the matter are limited by the viability tests sets out in Government guidance. In addition, there are other routes for the provision of affordable housing and in Leeds over the past 5 years of the 2,002 affordable homes built 25% are from S106; the remainder are from HCA, Registered provider and City Council programmes. Moreover, the housing mix policies of the CS seek to ensure a greater delivery of 1-bed and 2-bed homes, which in general can be more affordable market options. The spatial strategy of the CS (remaining unchanged by the CSSR) aims to deliver a balanced spread of housing opportunities through all market areas but with a focus on the City Centre and Inner areas. It was also noted from a handful of representors, that on-site delivery should be the priority. There may be occasions where off site provision is the most appropriate solution given the individual circumstances and the Council would not want to restrict flexibility in this regard.
- 3.17 Housebuilders have objected to the increase in the proportion of affordable housing sought in the City Centre and Inner areas. They claim that it has the propensity to affect investment decisions on new housing schemes in the City Centre, and is without evidential foundation. They also point to viability issues raised in the EVS about Zone 2. This disappointing approach of housebuilders reflects a misunderstanding of the methodology of the EVS. The Council is confident that the modest increases are justified by the SHMA and the EVS and reflect evidence of improving markets, which in turn allow for greater numbers of much needed affordable homes in the City Centre and Inner areas.
- 3.18 Build-to-rent developers have objected to the affordable housing requirements for build-to-rent in Policy H5. It is suggested that the 20% national target is not applicable locally unless it is viability tested, which Leeds have not done. The Council contend that the policy offers flexibility to follow two options that have been viability tested; one using the Council's affordable housing policy targets and thresholds (including for social rented and intermediate housing); the other being the commuted sum equivalent. The national guidance option may be viable in certain instances subject to local assessment.

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

- 3.19 Policy H9 introduces new policy on minimum space standards for new dwellings and as such is about improving the quality of housing. Government policy allows local authorities to adopt the space standards as nationally defined (Nationally Described Space Standards – NDSS) provided that a local planning authority can demonstrate a need, viability and not undermine housing supply. The effect of the NDSS has been included in the Economic Viability Study with the conclusion that most residential development in Leeds will remain viable subject to the proposals for policy on affordable housing, green space and accessible housing standards set out in this report being applied. Members of Development Plan Panel were concerned that the standards of all homes in Leeds should be improved. However, it has been acknowledged in the policy that HMOs and Purpose Built Student Accommodation (PBSA) are exempt from NDSS and as a consequence the policy proposes separate standards derived from NDSS, to be included as Supplementary Planning Document.

- 3.20 53 representations on this matter have been received. 39 objecting to the policy and 4 supporting.
- 3.21 Housebuilders have contended that the Council has not demonstrated a need for the policy approach and that they have no evidence that housing is not of sufficient quality to meet needs. They also note that the policy will affect their ability to provide smaller dwellings. In response the Council maintains that it is imperative for meeting wider BCP objectives that the general health and wellbeing benefits that accrue from living in well-designed homes are needed in Leeds. The Council recognises that better space standards offer a multitude of both privacy and sociability benefits which new residents in Leeds should be entitled to share. These include: impacts on family life; the opportunity for children to engage in uninterrupted private study, which increases educational attainment and also applies to adults working from home, thus ensuring a better work-life balance and less pressure on transport infrastructure; the importance of adaptability to changing needs and lifestyles and physical requirements.
- 3.22 There were also concerns raised that space standards will impact and inhibit capacities of sites. This is not the case and the changes to the greenspace policy taking together with the proposals to increase dwelling sizes do not create lower densities or stymy delivery of dwellings.

#### Housing Standards (ii) Accessible Housing Standards – Policy H10

- 3.23 Policy H10 introduces new policy in relation to accessible housing standards and is again about improving the quality of housing. The policy requires new residential development to provide two types of accessible accommodation defined in Building Regulations: M4(2) a general level of accessibility roughly equivalent to the old “lifetime homes” standard (to apply to 30% of new dwellings) and M4(3) wheelchair accessible dwellings (that can be “accessible” or “adaptable”) (to apply to 2% of all new dwellings). All types of new build development providing dwellings should provide the accessible dwellings with the exception of Purpose Built Student Accommodation which has standards set under a different part of the Building Regulations.
- 3.24 113 representations on this matter have been received. 104 objecting to the policy and 9 supporting.
- 3.25 The main concern raised was from housebuilders about the need for the policy and the viability of the proposals. They also contended that the policy should only apply to specific geographical areas. The Council considers that the aging population in Leeds creates a pressing need for the design and delivery of new homes which are accessible. The EVS has justified that the policy is viable. The Council is of the view that needs for accessible dwellings be met throughout all areas.
- 3.26 Some consider that the policy is hard to comprehend. In response the Council has revised the policy and supporting paragraphs to make them clearer.

#### Green Space – Policy G4, G5 and G6

- 3.27 Policy G4 sets out the green space requirement for new residential developments. An analysis of planning permissions given since adoption of the Core Strategy in

November 2014 found that green space is not being delivered on-site as expected by Policy G4. The findings of the EVS, sets out appropriate levels of greenspace, when assessed at a cumulative level with the other policies which have viability implications. This means that high, medium and low density schemes will be able to meet the requirement and remain viable. The proposed green space policy has also been tested by number of bedrooms; such an approach provides a more equitable split whereby schemes with a larger number of bedrooms would provide more green space than those with fewer bedrooms. A conclusion of the Member workshop was that different parts of Leeds require different green space solutions and that policy needs to be responsive, by providing on-site provision in some cases and commuted sums to improve existing spaces in others.

- 3.28 133 representations on this matter have been received. 98 objecting to the policy and 6 supporting.
- 3.29 Concern was raised from housebuilders that the policy is not viable and that the EVS does not explicitly consider the approach by bedroom. The Council confirms that this is not the case and the EVS has appropriately justified the policy.

#### Climate Change Reduction - Policies EN1, EN2

- 3.30 When originally included in the adopted Core Strategy in 2014, Policies EN1 and EN2 expected development to be designed to exceed sustainable construction and CO2 reduction standards set in Building Regulations. However, a written ministerial statement (WMS) released by the Government in 2015 reduced the role of town planning in setting these standards and placed reliance upon Building Regulations. At the same time the Code for Sustainable Development (which applied to residential development) was replaced by a new set of Building Regulation standards. However, the WMS made special provision for local authorities who already had policies such as EN1 and EN2 prior to the changes. This allowed planning policy concerning residential development to continue to seek higher standards for renewable energy and water consumption. After publication of the WMS, Leeds set out revised approach for EN1 and EN2 on the LCC webpage for the Core Strategy. The aim of this was to reflect the up to date position as a result of national changes. The CSSR provides opportunity to incorporate these changes into the Core Strategy itself. The requirements for non-residential development of Policies EN1 and EN2 remain unchanged.
- 3.31 54 representations on this matter have been received. 45 objecting to the policy and 8 supporting it and 1 neutral.
- 3.32 Developers and housebuilders have raised concerns that the policy is too onerous and will render schemes unviable. They also consider that the policy goes beyond what national guidance envisages. The Council wishes to see quality extended to all aspects of new development including as it relates to climate change adaptation and mitigation and the policy is considered to be justified in meeting these objectives in a manner which has been shown to raise no viability issues for developers (in the EVS). The additional requirements are further evidenced in a new background paper on water consumption (available on the Councils web-site).

#### Electric Vehicle Charging Infrastructure – Policy EN8

- 3.33 A new policy for electric vehicle charging points is proposed. The aim of this is to introduce for new developments the provision of electric vehicle charging points.
- 3.34 40 representations on this matter have been received. 33 objecting to the policy and 7 supporting.
- 3.35 The main comment received related to the viability of installing electric vehicle charging and a concern that the Council requires significantly more expensive “fast-charge” points. This is not the case and the Council considers that up front infrastructure costs are minimal as has been set out in the EVS. One representor expressed concern that developers of flats could avoid the provision of charging points by not dedicating spaces to dwellings. The Council has recognised this and amended the policy to address that issue.

#### Viability Assessment

- 3.36 The Economic Viability Study (EVS) provides baseline evidence for the CSSR and has been prepared in accordance with industry and planning guidance and provides an independent assessment of whole plan viability. The report has also been prepared in accordance with the RICS Guidance Note – ‘Financial Viability in Planning’ and ‘Viability Testing - Local Plans’ Harman Report. The most important function of the EVS is to bring together and consider the cumulative impact of the proposed changes to the CSSR policies in accordance with paragraph 174 of the NPPF. However, it should be recognised that this assessment will not provide a precise answer to the viability of every single development likely to take place during the plan period. Instead, it provides high level assurance that the submission draft policies will not undermine the viability of the development needed to deliver the plan.
- 3.37 In assessing the cumulative impact on viability of the policies, individual policies were firstly tested and then these were tested in combination to assess appropriate policy levels at a cumulative level i.e. in combination. The policies which are viability tested are those which have an impact on cost and therefore viability, such as affordable housing, green space, housing standards and sustainability policies. These are tested within the context of existing policies in the adopted Core Strategy which also have an impact on viability and the Community Infrastructure Levy (CIL). The EVS also factored in any changes in the housing market in Leeds since the last EVS was undertaken (Jan 2013), CIL rate increase as a result of indexation which is applied on an annual basis and changes to affordable housing benchmarks.
- 3.38 The EVS concludes that the policies set out in **Appendix 1** can all be achieved without affecting development viability. This includes the introduction of three new policy areas: the minimum space standards, accessible housing standards and the introduction of electric vehicle charging points. The EVS also concludes that if new policies are required there is currently no headroom to increase the level of provision in existing policies.
- 3.39 A significant number of comments on the matters above relate specifically to concerns about viability of development. To be compliant with national guidance local planning authorities need to ensure that plan policies do not render schemes unviable. GVA, the consultants who authored the EVS, have been sent all representations relating to viability; to consider whether they raise any soundness issues for the evidence base. It is considered that the submission draft policies remain viable and are deliverable at

a strategic plan level and therefore do not need to be amended on that basis. Setting policies which are generally viable to willing landowners and developers at the plan making stage is a fundamental desire of Government to provide clarity for investors and speed up of decision making at the planning application stage.

#### Further Representations on Matters Not Covered by the CSSR

- 3.40 Representations were also received on the following matters that are not within the scope of the CSSR:
- Review the need for employment land up to 2033
  - Review strategic Green Belt
  - Review green, social and community infrastructure to support communities where housing growth is proposed
  - Review transport infrastructure and transport priorities
  - Review of housing site release policy H1 and housing mix policy H4.
- 3.41 This is a selective review of the Core Strategy and focuses on specific policy areas which are in need of review at this time. However it is also recognised that a more comprehensive review will be required in the future which addresses all wider policy areas given the Core Strategy was adopted in November 2014. Local planning authorities must review and update as necessary policies in their Local Plans.

#### Sustainability Appraisal

- 3.42 The aim of the Sustainability Appraisal (SA) is to assess the potential environmental, economic and social impact of the revised policies of the CSSR. The appraisal should ensure that the CSSR, contributes towards achieving sustainable development and highlight any mitigation which is necessary to ensure that policies are sustainable. The Council uses an SA framework for its Local Plan documents, which is updated at the individual plan-making stage to take account of shifts in baseline information, relevant plans, programmes and policies and monitoring information.
- 3.43 At the proposed submission draft policies stage of plan preparation which involved public consultation in February and March 2018, a SA Report was published alongside the policies of the Plan and specifically sent to the three statutory consultees – Environment Agency, Natural England and Historic England for comment. They have generally all been supportive of proposals to revise the SA framework, which includes recasting the sustainability objectives and drafting a clearer set of decision making criteria. In turn this has enabled use of a systematic scoring process within a database framework. The suggestions of the consultees have been incorporated into the SA process and report. One issue raised by Historic England (and covered in **Appendix 3**) is a concern that the housing distribution for the Outer North East should have a significant negative effect on the historic environment because it has led to the proposed allocation of Parlington. In response no change to the Plan is recommended because 1) the Parlington allocation is outside the scope of the CSSR (and part of the Site Allocations Plan); 2) many parts of Leeds have heritage assets and there are no strategic heritage reasons in the Outer North East that require specific strategic policy mitigations at the Core Strategy strategic level. There is no evidence to suggest that as an HMCA the Outer North East would be unable to deliver 8% of housing growth without significant impact on heritage. It



is therefore, for other plans to address specific impacts of specific sites e.g. through their own SA and subsequent mitigation if needed via site requirements.

- 3.44 The SA framework has been updated and all the policy proposals in **Appendix 1** have been appraised, along with reasonable policy alternatives (which includes a “do nothing” option or responds to suggestions by consultees e.g. for higher or lower options). The results of the sustainability appraisal are set out in the SA Report, **Appendix 2**. A non-technical summary of this report is available at **Appendix 3** to this report and includes a summary of the framework alongside details of the appraisals undertaken and associated commentary.

#### Duty to Cooperate

- 3.45 The preparation of development plan documents is subject to the statutory duty to cooperate in order to assess impacts of proposed plan policies on neighbouring local authorities and other prescribed bodies such as Highways England. The Council services a bi-monthly meeting of the Leeds City Region Strategic Planning Duty to Cooperate (LCRSPDtC) Group which forms part of the framework of groups under the Combined Authority Portfolio Holders board. At the LCRSPDtC meeting of 25th July 2017, Leeds City Council reported the proposals for the Core Strategy Selective Review, including presentation of the DtC Table of Issues and Impacts, the formal Regulation 18 consultation period for comments, the results of the Strategic Housing Market Assessment in framing an new housing requirement for Leeds and evidence of need for Gypsy and Traveller site provision. No particular concerns about impacts on other local authorities were raised, although there was a general interest in the proposed change to the housing requirement. Engagement through this group has been continuous with regular updates on progress and all members have been sent the Duty to Cooperate Report ((see para. 7.1(b)) which supports the submission plan.

#### Next Steps / Timetable

- 3.46 Submission to the Secretary of State in the Summer following approval by Council at its July meeting would enable, subject to the availability of the Inspectorate, an Examination before the end of the year and Adoption early 2019. Submission in July/August would be slightly ahead of the timetable originally agreed by Executive Board in February 2017 but still assist in meeting the anticipated Adoption date of Winter 2018 as set out in the Council’s Local Development Scheme.
- 3.47 Submission of the Plan is a key milestone in its preparation and enables the Council to give weight to its policies subject to the level of unresolved objection on them.

## **4. Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 Preparation of development plan documents, including the selective review of the Core Strategy are subject to the provisions of the Town and Country Planning (Local Planning) Regulations 2012 which require a minimum level of public consultation as well as compliance with the Council’s Statement of Community Involvement. The consultation on the scope of the review was carried out for 6 weeks from June until July 2017. Promotion of the consultation involved notifying statutory consultees, neighbouring local authorities and people / organisations who had commented on the

original Core Strategy. Details were provided on the Council website and in Libraries and One Stop Shops were notified. Consultation on the proposed Submission Draft policies (“Publication Draft” stage) was undertaken from February to March 2018. A summary of these activities and the outcomes of consultation at both stages are included within the Report of Consultation ((see para. 7.1(a)).

- 4.1.2 At formal consultation stage the proposed draft policies of the CSSR have been supported by a comprehensive range of evidence and supporting documents. These are available on the Council’s Core Strategy Selective Review web-site at <https://www.leeds.gov.uk/your-council/planning/core-strategy-introduction/leeds-core-strategy-selective-review> and include: Strategic Housing Market Assessment, 2017, Economic Viability Study Update, 2018, Review of Implementation of Green Space Policy G4, 2017, Permitted Dwelling Size Measurement Exercise, 2017, Accessible Housing Need Assessment 2018, RIBA Case for Space 2011, DCLG Housing Standards Review – Cost Impacts, EC Harris 2014, Review of Changes to EN1 and EN2 following Written Ministerial Statement 2015 and an Air Quality Background Paper, 2018.
- 4.1.3 Following consultation and taking account of issues raised and prior to Submission of the Plan the Council has also prepared a Water Efficiency Background Paper to help support proposed changes to Policy EN2. This supports the requirement for maximum water consumption standards in new homes and clarifies that it is viable.
- 4.1.4 A Screening Assessment has been carried out to determine if the policies of the Leeds CSSR require an Appropriate Assessment under the Habitats Regulations (Conservation of Habitats and Species Regulations 2017 (SI 2017 1012)). This is required as a result of the European Habitats Directive. The Council requires the endorsement of Natural England to the process that it has undertaken to comply with these regulations. Following an initial response from Natural England on the proposed submission draft policies the Council has made some amendments to its screening assessment. Endorsement of the process from Natural England is anticipated prior to consideration of the material by Council.

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

- 4.2.1 Equality has been an integral part of the preparation of the Core Strategy Selective Review. Due regard has been given to the equality characteristics and an equality screening has been prepared and is attached at Appendix 4. Equality diversity, cohesion and integration has been an important part of the formulation of policies of the Core Strategy Selective Review. Equality Impact Assessment screenings have been undertaken at key stages of the process to ensure that policies are embedded in equality considerations.

## **4.3 Council Policies and Best Council Plan**

- 4.3.1 The Best Council Plan (2018/19 – 2020/21) is relevant in terms of its priorities for Inclusive Growth, Health & Wellbeing, Safe, Strong Communities, Better Lives for People with Care & Support Needs and 21st Century Infrastructure (including Low Carbon). The quantity of homes that Leeds plans for will have ramifications for economic growth, but also meeting needs of a growing population. The CSSR will also provide the ability to improve the range and quality of dwellings delivered to ensure the needs of particular groups such as the elderly are met, and that health and wellbeing of residents is improved. Proposed Policy H10 (Accessible Housing Standards) should be of particular benefit to households with mobility issues including

the elderly. In terms of public health and wellbeing, there are important linkages between the proposed revised and new Policies set out in the CSSR and the Council's priorities. Improved Space and Access Standards, the provision of Affordable Housing (in meeting housing needs), together with the protection and provision of green space make an important contribution to local amenity and quality of life across the District. It should be noted also, in terms of facilitation the delivery of the Local Plan, Infrastructure Delivery Plans (IDPs) are in place to provide a framework to capture planned and proposed infrastructure to support the District's ambitions and a framework to engage with a wide range of infrastructure and service providers (Health, Public Transport and Education).

#### **4.4 Resources and Value for Money**

4.4.1 The cost of preparation of the CSSR will be met from existing budgets.

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

4.5.1 The preparation of the CSSR as a development plan document is in compliance with the provisions of the Planning and Compulsory Purchase Act 2004 and the Town and Country Planning (Local Planning) Regulations 2012 (as amended).

4.5.2 As a development plan document the CSSR falls within the Council's budget and policy framework. It is not the subject of call in. However as part of that framework, the infrastructure, investment & inclusive growth Scrutiny Board will discuss the Submission Draft Plan at its meeting on 20<sup>th</sup> June 2018 and its recommendations are to be submitted to the meeting as noted at paragraph 2.6.

#### **4.6 Risk Management**

4.6.1 The Government is currently in the process of reviewing national planning policy concerning housing matters. A Housing White Paper was published in February 2017 followed by a consultation paper in September 2017 ('planning for the right homes in the right places') and draft changes to the NPPF in March 2018. These included proposals on how local housing requirements should be calculated. Consequent, national planning policy in respect of housing issues is in the process of a dynamic period of change. There is a risk that changes to national policy expected to be confirmed in July 2018 could mean the CSSR Submission Draft Plan is not in full conformity with national policy. For example, there are proposals for a standard flat rate of 10% of all housing to be affordable, but at a more intermediate level than that provided by the CSSR Policy H5.

4.6.2 To address this, as set out in paragraphs 2.10 and 2.11 the CSSR is being prepared in accordance with the transitional arrangements in the NPPF. Notwithstanding this, so as to reduce this risk officers have tried to anticipate the direction of travel as closely as possible, as a basis to 'future proof the document'. Moreover, it is important to note that the local evidence base for policy objectives, such as affordable housing carry weight in the plan-making process.

### **5. Conclusions**

5.1 This report sets out Submission Draft policies for the CSSR covering the housing requirement for a new plan period of 2017 – 2033, updating affordable housing and

green space policies, introducing new policies on housing standards (size and accessibility) and updating the sustainable construction Policies EN1 and EN2 to reflect national advice and introducing a new policy on electric vehicle charging points. It reminds Members of the steps thus far taken to get to this advanced stage of plan preparation and notes the main issues raised at consultation on the proposed submission documents.

## 6. Recommendations

### 6.1 Executive Board is invited to:

- i) Note the representations made in response to the recent consultation on the proposed submission draft CSSR documents "Publication Draft" (under Regulation 19 of The Town and Country Planning (Local Planning) (England) Regulations 2012). Note the consequential changes made to the policies, which as amended now form the Core Strategy Selective Review Submission Draft Plan;
- ii) Note the resolutions of Development Plan Panel and Scrutiny;
- iii) Recommend Council:
  - a) Approve the Submission Draft of the Core Strategy Selective Review (**Appendix 1**) for independent examination pursuant to Section 20 of the Planning and Compulsory Purchase Act 2004 as amended.
  - b) Approve the Sustainability Appraisal Report (**Appendix 2**) in support of the Plan, along with supporting evidence and background documents, for Submission to the Secretary of State for independent examination, pursuant to Section 20 of the Planning and Compulsory Purchase Act 2004 as amended
  - c) Grant authority to the independent inspector appointed to hold the Public Examination, to recommend modifications to the Submission Draft Plan, pursuant to Section 20 (7C) of the Planning and Compulsory Purchase Act 2004 as amended;
  - d) Delegate authority to the Chief Planning Officer, in consultation with the Executive Member, to (a) approve the detail of any updates or corrections to the submission material and any further technical documents and supporting evidence required to be submitted alongside the revised Submission plan for consideration at future hearing sessions, (b) continue discussions with key parties and suggest to the Inspector any edits and consequential changes necessary to be made to the revised Submission Draft Core Strategy Selective Review following Council approval during the Examination and (c) prepare and give evidence in support of the revised Submission Plan at Examination.

## **7. Background Documents<sup>3</sup>**

7.1 There are a select number of background documents, which will accompany the Submission Draft Plan and are available in support of the policies proposed in this report. These, unlike other already published documents listed in paragraph 4.1.2, are meant to be prepared at this stage of the plan making process and are set out below. As noted in paragraph 4.1.4 a Habitats Regulations Screening opinion is awaited from Natural England and will be made available as part of the material for Full Council.

- a) Report of Consultation
- b) Duty to Cooperate Background Paper
- c) Core Strategy Monitoring Framework (as amended by the CSSR)
- d) Note on a maximum water consumption standard for Leeds.

## **8. Appendices**

1. Core Strategy Selective Review, Submission Draft Policies
2. Core Strategy Selective Review Sustainability Appraisal
3. Core Strategy Selective Review Sustainability Appraisal - Non-Technical Summary
4. Equality, Diversity, Cohesion and Integration Screening Document

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<sup>3</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.