

Report of Chief Planning Officer

Report to Development Plan Panel

Date: 11th September 2018

Subject: Housing land supply interim update

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

Summary of main issues

1. The Council has received the Secretary of State Decision letters dated 12th July 2018 on two recovered appeal decisions for up to 874 dwellings and a 66 bed care home at land west of Street 5, Thorp Arch Estate, Wetherby (TATE) and up to 770 dwellings at land at Dunningley Lane, Tingley (Tingley). The Inspectors recommended that both appeals be dismissed and the Secretary of State agreed with the Inspectors' decisions and dismissed the appeals and refused planning permission.
2. In June 2018 the Council received an Inspector's decision allowing an appeal and granting permission for 55 homes at Pool Road, Pool in Wharfedale. In light of the above decisions of the Secretary of State, the Council is challenging this decision.
3. The Council awaits a decision on an appeal relating to an application for 26 homes at land at the Ridge, Linton. The Inspector has requested comments from both the Council and the appellant as to the impact, if any, of the National Planning Policy Framework 2018 on the case. The appellant has also submitted a full and partial costs application and the Council has submitted a partial cost application in respect of this appeal.
4. The evidence submitted by the Council, at these recent appeals, in respect of its five year housing land supply was based on the Strategic Housing Land Availability Assessment (SHLAA) 2017 Update. This shows a 4.38 year housing land supply (against Adopted Core Strategy requirements, backlog and a 20% government

imposed buffer). The Secretary of State is generally supportive of the Council's approach to its land supply.

5. The Adopted Core Strategy housing target remains up-to-date in plan making terms and has been used to steer the Site Allocations Plan (SAP). However, the known trajectory of lower growth led to revisions to the submission SAP, which was examined at hearings in August, with fewer housing releases in the Green Belt and a commitment to an early review. For decision making purposes the Adopted Core Strategy figure has been overtaken evidentially as recognised by both the Ministry of Homes Communities & Local Government (MHCLG) and the evidence on population, household projections and jobs growth as part of the Core Strategy Selective Review (CSSR). The evidence of both documents acknowledges lower housing requirements going forward, which would change the calculation of Leeds' five year housing land supply. Whilst the development plan takes precedent, regard can be had in decision-making terms to these lower requirement figures.
6. Both the adoption of the Site Allocations Plan and progressing Core Strategy Selective Review are key mechanisms to increasing the five year housing land supply and deliver completions.
7. At this point, the Council does not have a five year housing land supply. However, it is in a very positive position at 4.38 years. Officers are currently updating the SHLAA 2018 and hope to present this to DPP in November 2018.

Recommendation

8. Member's are requested to:
 - (i) provide views on the report; and
 - (ii) note the positive position Leeds is in in regards to its five year housing land supply.

1. Introduction

- 1.1 This report provides an update on the recent housing appeals and the supply and delivery of housing. It includes details of the collaborative work of the Housing Growth Team between Planning and Asset Management & Regeneration to support housing growth in order to meet the Core Strategy target. It highlights the importance of the adoption of the Site Allocations Plan and the impact of NPPF 2018 and the submitted Core Strategy Selective Review on the five year housing land supply.

2. Background

- 2.1 Since 2012 housebuilding in Leeds has not met the Core Strategy requirement of 3,660 per annum, nor the step up to 4,700 since 2017. The Council has recently submitted evidence in four appeals on housing land supply. This has been assessed by the Secretary of State in his decision on land at Thorp Arch and Tingley, where he concluded that Leeds does not to have a five year housing land supply.
- 2.2 The findings of the Secretary of State upon the conclusions of his Inspectors relate to the evidence tested as part of recent public inquiries at land west of Street 5, Thorp Arch Trading Estate, Wetherby for up to 874 dwellings and a 66 bed care homes (closed, November 2017) and subsequently updated at Tingley Station (up to 770 dwellings at land at Dunningley Lane) (closed, January 2018). Both inquiries considered the five year supply position as sourced from the SHLAA (2017 Update) updated from a base date of 1 April 2017 for the five year period from 2017/18 to 2022/23.
- 2.3 The Secretary of State *agrees with the Inspector that the Council's housing land supply is around four years*". As Tingley Station involved the updated evidence base, when compared with Thorp Arch Trading Estate, it must be treated as taking precedence over the Secretary of State's decision in Thorp Arch.
- 2.4 The Secretary of States conclusion notes the confidence in the Council's *"...thorough and proactive approach to land availability"*.
- 2.5 The Inspectors appeal decision report issued 18 June 2018, in respect of land south of Pool Road, Pool in Wharfedale outlined that the Inspector does not reject the Council's then advanced case of 4.4 years. This is compatible with the Tingley Station decision.
- 2.6 Despite the lack of a five year supply the Inspectors did not seek to approve unsustainable development that was clearly in conflict with the Development Plan. In Tingley, the Inspector found *"that the appeal scheme's deficiencies with regard to accessibility to relevant services and facilities, arising from the site's anomalous location, are significant."* The Inspector concluded *"that the appeal proposal would fail to accord with CS policies SP1, H2 and T2...and paragraph 29 of the Framework."*
- 2.7 Furthermore, the Inspector in Tingley states *"I also consider that the scheme would fail to accord with paragraph 38 of the Framework.* Whether "most" properties would be within walking distance of key facilities "such as" (but not exclusively) primary schools and local shop is, clearly, a matter of judgment. In my judgment, on the basis of the estimated percentages, and wider contextual matters, set out above they would not."

- 2.8 In Thorp Arch, the Secretary of State agrees that the proposal would not be consistent with policy SP1 of the Core Strategy. However, he also agrees that the fact that a substantial part of the area intended for built development is previously developed land, which provides support for the proposal. The Secretary of State agrees that the proposal would not fully meet the accessibility standards set out in the Core Strategy. He further agrees that the location is not, or would as a result of the proposal not be, adequately served by public transport, and would thus conflict with Policy T2 of the Core Strategy. He also agrees that opportunities for pedestrian access are limited. As such, he concludes that the site is not a sustainable location for the proposed development. As the proposal would not be adequately served by the highway network, and congestion problems have not been resolved, it would be contrary to Policy T2 of the Core Strategy and Policy GP5 of the UDPR. These traffic impacts attract considerable weight.
- 2.9 The Council has taken careful note of the Thorp Arch and Tingley Decisions, viewed within the specific context in which these decisions have been made. Particularly also, as these Decisions now present the most up-to-date position on various matters, and as a matter of fact, supersede the Pool in Wharfedale appeal decision issued on 18 June 2018 which the Council considers out of date and in error. The Council has sought statutory review by way of s288 Town and Country Act 1990 of this appeal decision.
- 2.10 The Council awaits a decision on 26 homes at land at the Ridge, Linton. The Inspector at Linton has requested comments from both the Council and the appellant on the NPPF 2018. The Council made submissions on 10 August 2018.

3. The Council's efforts to stimulate the housing market

- 3.1 The Council is being proactive and has in place a number of measures and incentives to promote the delivery of regeneration and housing. These include delivering housing itself, particularly affordable housing, selling brownfield land in its ownership to promote housing, facilitating land sales and the approval of record numbers of applications for residential development.
- 3.2 As at 1 April 2018 there was outstanding capacity for 21,618 units (units yet to be built) that have planning permission with a further capacity for 12,711 units available to gain planning permission on allocated land including nearly 6,000 on new allocations in the Aire Valley. Of the 21,618 units, 17,019 have detailed planning permission. Considering that 4,104 units are under construction, this leaves 12,915 units with detailed planning permission that have not yet started.
- 3.3 Last year was a record year in Leeds for greenfield approvals and for new permissions granted on both brown and greenfield sites in the post-recession market with 7,660 units approved in 2017/18. This follows a record level of planning approvals in 2016/17. The Council has continued to grant this level of approvals in the first few months of 2018/19. The total stock of sites with detailed planning permission now rests at 18,426 across 397 sites.
- 3.4 The Council has been working with the government and Homes England to unlock early and accelerated growth in the city centre housing market. The strategy has begun to deliver and there is considerable activity in the city centre and inner area. In the city centre, the private rental sector (PRS) is an emerging sector in the home

building industry in Leeds with potential for over 10,000 new homes to come forward over the next 10 years.

- 3.5 There are over 60 current schemes with planning permission in the city centre and fringe, 11 of which are on sites that are under construction including over 700 at both Dandarra on Sweet Street and Hunslet Mill in the Aire Valley. There are over 8,000 units with extant planning permission in the city centre and fringe including approvals for over 1,000 at City Reach on Kirkstall Road, 515 at Quarry Hill and over 300 at Low Fold on South Accommodation Road. Since 1 April 2016, 32 new schemes have been approved in the city centre with total capacity for over 3,500 new homes.

4. Maximising the use of brownfield land

- 4.1 As members are aware the Council has consistently made a clear priority to maximise the use of brownfield land in meeting the need for new homes across the district and is actively engaged with incentivising the bringing back into use of brownfield sites with the adopted Core Strategy setting out a previously developed land target of 65% for the first five years and 55% thereafter. Delivery of new homes on brownfield sites has averaged 80% over the last five years.
- 4.2 The Council has continued in its commitment to identifying brownfield sites for development and has published a Brownfield Land Register with over 300 sites to help lead the way in bringing forward previously developed land for new homes. The Registers will help house builders identify suitable sites quickly, with the intention of speeding up the construction of new homes.

Planning and regeneration programmes

- 4.3 DPP has previously been updated on the Council's Housing Investment Land Strategy (HILS) which sets out a proactive approach to the use of all surplus land and buildings for the delivery of new homes.
- 4.4 As an update to this, Members may be aware that approval of more than £7million from the government's Housing Infrastructure Fund has been confirmed to support housing development on land to the east of Otley and at Roundhay Road in Chapeltown. Together the two schemes are capable of delivering 614 new homes in total, of which more than 200 will be affordable housing.
- 4.5 The bid for the funding was made by Leeds City Council working with the developers for each site. At Roundhay Road a partnership formed between Unity Housing Association and Chapeltown Co-housing (ChaCo) will benefit from a grant of £990,000 to remediate the site and to build affordable apartments for over-55's alongside an innovative project led by local people to create a co-housing scheme along with self-build opportunities.
- 4.6 In Otley, Leeds City Council is working collaboratively with developer Persimmon Homes and other landowners and are leading in bringing forward the critical infrastructure proposals for the site, which as a long-standing part of the city's agreed planning strategy is allocated for the development of 550 new homes as well as a new primary school, employment uses and greenspace. Funding of £6.3m will gap fund construction of a 1.5-kilometre East of Otley Relief Road that will, subject to planning

permissions, allow housing development to start by providing an eastern bypass that will relieve traffic pressure on Otley town centre.

5. Site Allocations Plan by HMCA and Aire Valley Area Action Plan

- 5.1 The Revised submission Site Allocations Plan (SAP) hearing sessions closed on the 3rd August 2018. The Plan, once adopted, will bring the comprehensive release of a range of sites, across 11 Housing Market Areas (HMCAs). In the City Centre, the Private Rented Sector (PRS) is an emerging sector in the home building industry in Leeds with potential for over 10,000 new homes over the next 10 years. SME and regional-scale developers will have opportunities for increasing activity across the District including on challenging brownfield sites proving possible to deliver viable and attractive schemes.
- 5.2 The AVL AAP (adopted in November 2017) includes allocations to deliver a minimum of 6,500 between 2012 and 2028 within the area focussed across five broad locations (South Bank/ East Bank/Cross Green/Hunslet Riverside/Skelton Gate), each strategically important in delivering the area's housing requirement and to supporting wider regeneration aspirations.

6. SHLAA update

- 6.1 In line with national guidance, the Council undertakes and publishes a SHLAA that provides clear evidence on the deliverability of sites. This takes into account the findings of the Secretary of State upon the conclusions of his Inspectors relating to the evidence on housing land supply tested as part of appeals. It also brings up to date recent planning approval activity and reflects the current construction status of sites. The Council is continually updating the SHLAA and the 2018 Update is underway reflecting on the recent appeal decisions and developer comments.
- 6.2 The Council wrote on 22 August 2018 to landowners, developers and agents of the sites in the current land supply, to confirm the availability of sites and produce an accurate picture of delivery. The Home Builders Federation have also been consulted for their members to review and provide evidence on sites where they are the developer or the agent acting on their behalf. Further technical work has also been undertaken on the SHLAA site assessments, to reflect recent planning and construction activity across the District.
- 6.3 Site records have been updated according to the Council's activity in regeneration schemes such as the Private Sector Housing Acceleration Scheme and dialogue with landowners and developers through the Housing Growth Team. Officers have also assessed sites included in the Site Allocations Plan to take into account representations made as part of the plan-making process that provides intelligence of when the development is likely to commence and anticipated build-out rates.
- 6.4 The NPPF 2018 and guidance is consistent with the previous version and adds further detail as to the evidential requirement needed on sites without a detailed planning permission. The Council has always produced clear evidence across all sites as part of the SHLAA process, thereby satisfying the NPPF 2018 approach, just as it had satisfied the previous version. It has always been important to confirm an accurate position of housing land supply by identifying any factors leading to either delay or acceleration of house building on sites. This includes confirmation of any availability

or ownership issues that would impact on the delivery of a site. Officers are once again in the process of contacting all landowners, developers and agents involved in the delivery of sites in order to collate new evidence and establish a dialogue on delivery in order to make informed decisions as to how sites contribute to the future supply of housing in Leeds.

- 6.5 A full update on the 2018 SHLAA and five year supply position is anticipated to be reported to Development Plans Panel in November.

7. Five year housing land supply positions

- 7.1 The Council has been clear that it does not currently have a five year land supply as set out in Section 2.

- 7.2 The starting point for establishing a five year supply requirement is the housing target, as set out in the up to date Local Plan or against local housing need where the strategic policies are more than five years old. The current housing land supply requirement is at its highest ever level and is simply a product of the buffer, backlog and Core Strategy requirement brought together. An updated five year supply requirement for 1 April 2018 to 31 March 2023 taking into account actual 2017/18 performance and the recalculated backlog puts the total requirement at 36,412 dwellings or 7,282 per annum.

- 7.3 Whilst the Core Strategy targets remain up-to-date in plan making terms (as adopted) they have been overtaken evidentially by both the government's standard methodology target for Leeds and the evidence on local population and migration variations, household formation rates, employment growth forecasts and market sensitivities including unmet needs for affordable housing as part of the CSSR lower requirement figures, which is the Council's chosen housing requirement option. They do not however supersede the target in the Core Strategy unless and until the CSSR is adopted. The evidence on both methodologies point to lower requirements than the current Core Strategy target and the government's local housing need figure (previously published at 2,649 per annum in September 2017) is preferred in the NPPF as the benchmark of the Housing Delivery Test.

- 7.4 The Council's five year housing land supply is now 4.38 years against the adopted Core Strategy requirement for the period of 1 April 2018 to 31 March 2023. The extent of this shortfall has however become more marginal in light of the NPPF revisions. The five year housing land supply will be increased by at least 6,219 units upon adoption of the SAP (as submitted) and 5.23 years as a minimum. This position is further boosted upon the lowering of the buffer from 20% to 5% following the implementation of the Housing Delivery Test in November 2018, which is measured against household projections (a component of the local housing need) as part of transitional arrangements. The adoption of the CSSR would then see a fundamental lowering of the five year housing land supply requirement. Under the CSSR requirement the five year supply increase from 6.58 years to 7.86 years with a 5% buffer upon the adoption of SAP.

- 7.5 The adoption of the SAP will enable the Council to demonstrate, by some margin, a five year housing land supply against the present Core Strategy requirement. This will be further strengthened by the forthcoming changes to planning policy at national and local level impacting upon the housing land supply requirement for Leeds.

7.6 An updated position will be presented following completion of the SHLAA. The update will reflect the most up-to-date calculations upon the requirement and evidence upon of the deliverability of sites as part of the NPPF.

8. Corporate Considerations

8.1 Consultation and engagement

8.1.1 The focus of this report has been to provide a summary of the current position on housing land supply and delivery. Consultation is not applicable in the circumstances.

8.2 Equality and diversity / cohesion and integration

8.2.1 Given the scale of the District and diversity of community areas, these issues are especially acute in meeting housing needs, now and in the future. In reflecting such issues, the Adopted Core Strategy (and selective Review) is focussed upon setting overall housing requirements, as a basis to meet overall housing needs.

8.2.2 Evidence base work supporting the Core Strategy Review (Strategic Housing Market Assessment), gives particular emphasis to helping to understanding the dynamics and nature of updated housing needs and the housing market in Leeds, as a basis to influence subsequent policy and implementation issues.

8.3 Council policies and City Priorities

8.3.1 Housing of the right quality, type, tenure and affordability in the right places is an objective of the Best Council Plan. Housing is a key cross cutting issue for the Council, which has a direct impact on the Council's budget, policy and operational service issues. This is reflected in the expenditure required to maintain key services (including Social Care), income generated to the Council (including via Council Tax, Section 106 CIL income and New Homes Bonus), the management of the Council's housing stock and related asset management issues and also the strategic links to the provision of infrastructure and utilities.

8.4. Resources and value for money

8.4.1 None arising from this report. Activities associated with monitoring the 5 year housing land supply are met from existing budgets.

8.5 Legal implications, access to information and Call In

8.5.1 None arising from this report.

8.6 Risk management

8.6.1 None arising from this report. In addressing a number of key issues set out in this report, there is a need for the Site Allocations Plan to be adopted to supplement the Council's housing land supply. There are therefore risks of critical deadlines not being met, prolonged exposure to speculative housing applications challenging the Council's five year housing land supply position and risk of unplanned and uncoordinated development without a plan in place resulting in difficulties to co-ordinate and align investment decisions for infrastructure.

9. Conclusion

- 9.1 The purpose of this report is to provide Development Plan Panel with an overview and update of housing land supply and delivery and associated progress made in relation to technical work and performance outputs.

10. Recommendation

- 10.1 Member's are requested to:

- (i) provide views on the report; and
- (ii) note the positive position Leeds is in in regards to its five year housing land supply.