



Report of the Director of City Development

Development Plan Panel

Date: 9 June 2009

Subject: Aire Valley Leeds Area Action Plan – Progress Report

Electoral Wards Affected: All

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

EXECUTIVE SUMMARY

An Area Action Plan (AAP) is being prepared for Aire Valley. The purpose is to provide a land use and spatial planning framework within a 'key area of change' within the city.

1.0 Purpose of This Report

1.1 The purpose of this report is to provide a further update on progress of the various workstreams and the next steps leading up to preparation of the submission plan for independent examination.

2.0 Background Information

2.1 Members will recall that an update was given on progress on preparation of the AVLAAP at the Development Plan Panel meeting of 6th January 2009. The update related to:

- The need for a financial model which would enable the testing of scenarios
- Investigative work being undertaken as part of a Core Cities initiative to explore the potential for identifying AVL as an Accelerated Development Zone (ADZ)
- The submission of evidence in support of Leeds' bid for housing growth point status and a Urban Eco Settlement (UES)
- Transport model being produced to help testing scenarios and to assist in negotiations with the Highway Agency and other stakeholders

- Flooding issues were being addressed via a draft Sequential Test which demonstrated that there are no reasonable available sites in the area with a lower probability of flooding which could be developed instead of those identified.
- The Leeds Flood Alleviation Scheme (FAS) implications for AVL
- Partnership working
- The potential for this area to be identified as an exemplar for sustainable development, regardless of the outcome of the UES, was to be fully explored
- Waste Management as an important theme within Aire Valley as is progress on the Residual Waste Management Project.

3.0 Recent Progress

- 3.1 Preparation of the Aire Valley (AVL) Area Action Plan has been underway since 2005 and moved to “Preferred Options” stage in October 2007. In taking forward specific policies and proposals, the LDF process requires a robust evidence base to demonstrate that schemes within it are capable of delivery. Central to this, in terms of the AVLAAP, has been the production of a financial model, to enable testing of a number of scenarios. The key purpose of this is to establish the full potential of the area and to assist in the development of a funding/delivery plan for key infrastructure.

Financial Model

- 3.2 Consultants Jacobs were commissioned by the City Council and English Partnerships to establish infrastructure costs, potential developer contributions and to develop a financial model which could be used to establish development land values based on varying infrastructure assumptions and development scenarios. Jacobs engaged Knight Frank to provide input on commercial valuation aspects. Whilst a significant amount of information was amassed on development values, infrastructure costs and related issues, further work has been necessary to refine development assumptions. Consequently, a small working group of officers (City Development, Environment and Neighbourhoods and a representative from the Homes and Communities Agency) with a detailed working knowledge of the area, has been established to assess development costs, land values and to derive realistic estimates of infrastructure requirements and responsibility for their delivery. The main focus of the work has been the development of a new financial model which is able to test different scenarios or mixes of land uses. The range of scenarios to be tested include the UDP proposals and current planning consents; the proposed uses as set out in the AAP Preferred Options and a range of other uses based on more recent developer expectations. The model will enable the size of any financial gap between costs and values to be estimated. In particular, the model can be used to test the impact of introducing higher value uses such as residential development. Subsequent consideration can then be given to how any “gaps” between costs and development value can be bridged. The model is also being used to indicate how the estimated costs of strategic infrastructure should be allocated between the public and private sectors and the level of public intervention which may be required. Further work will be required in partnership with landowners and developers to validate remediation and abnormal costs.

Accelerated Development Zone

- 3.3 Investigative work has been undertaken as part of a Core Cities initiative to explore the potential for identifying AVL as a Pilot Study for an Accelerated Development Zone (ADZ). The ADZ concept is designed to tackle the funding gap and enable up front infrastructure, which provides certainty and encourages inward investment and participation. Initial feedback would indicate some support for AVL being identified as a Pilot Project for ADZ and this would allow Leeds some financial freedom to facilitate future growth by using the “growth dividend” in the development in order to fund the required infrastructure.

Urban Eco Settlement

- 3.4 The AVL project team has also facilitated the submission of evidence in support of Leeds' bid for AVL to be identified in the Urban Eco Settlement (UES) initiative and for Hunslet Riverside (Yarn Street and Copperfields) to be selected as a “trailblazer” for exemplar sustainable development. The region's Leaders Board has agreed the principle and the Leeds City Region Partnership has recently commissioned consultants to work in conjunction with the local authorities (Leeds, Bradford, Kirklees and York) to determine the eco outputs to be delivered with a focus on early deliverable sites and how this initiative can be rolled out across AVL. A report should be submitted to Government and the HCA by 31st July 09.

Aire Valley Futures

- 3.5 Regardless of the outcome of the UES proposal, the potential for sustainable development in AVL, in connection with delivering the AVLAAP, is being considered fully via the Aire Valley futures, a sub group of the Aire Valley project team. Eleven sustainable themes (context/connections/integration, accessibility/social infrastructure, transport, water, green infrastructure/ecology, building standards, energy, climate proofing, waste, environmental issues and viability) have been identified for consideration and an initial report was presented to the Project Board on the 19th May. The second phase is to analyse the survey work and gathering of evidence to produce a cohesive and comprehensive approach and policy recommendations that can be included in the AAP

Transport

- 3.6 A transport model has been produced within the AVL project team to help testing scenarios and to assist in negotiations with the Highway Agency and other stakeholders.

Flooding

- 3.7 A draft sequential test has been carried out to demonstrate that there are no reasonable available sites in the area with a lower probability of flooding which could be developed instead of those identified. This has been agreed in principle with the Environment Agency who also suggests the need for a Surface Water Management Plan.
- 3.8 The Leeds Flood Alleviation Scheme (FAS) remit is to protect existing development and the AVL project team is providing input to ensure that the scheme respects and does not harm the overall development potential or amenity of the AVL corridor.

Partnership Working

- 3.9 The AVL continues to engage in partnership working, on several fronts, including the Aire Valley Investors Forum. A more formal partnership between the Council, HCA and major landowners is being worked on with a view to signing a Memorandum of Understanding which will facilitate sharing information and driving forward transformational change.

Waste

- 3.10 Waste Management is also an important theme within the Aire Valley and the Residual Waste Management Project is progressing and has now reduced the bidders from 10 down to 4 and these will be further reduced to two and then a single preferred bidder (2010). The Aire Valley project team has been instrumental in the analysis and evaluation of the bids and sites.

4.0 Next Steps

- 4.1 Further work is in hand to refine and confirm the inputs to the financial model. In particular, more information is required on land remediation costs, which are currently based on partial or broad-brush estimates. Any amendments made to the land uses outlined in the preferred options of the AAP must be reliable and credible if the plan is to be judged sound. Discussions with landowners continue and it is intended that the project team will share the results of scenario testing with them. The Investors Forum is clearly a key platform for discussion, along with meetings with individual owners and developers.
- 4.2 When the development options have been reviewed it will be necessary to revise the AAP document. This will include ensuring that the objectives are specific to the Aire Valley and in line with Government Office advice and reflect greater emphasis on sustainable development within AVL.
- 4.3 Based on the current rate of progress it is anticipated (subject to Development Plan Panel and Executive Board commendation) that the AAP will be published in the early part of 2010 and be submitted for Independent Examination in the summer of 2010.

5.0 Legal and resource implications

- 5.1 Once adopted (following Independent Examination), the Area Action Plan will form part of the Development Plan for the area.

6.0 Implications for council policy and governance

- 6.1 None

7.0 Conclusions

- 7.1 This report has provided an update on recent progress on the preparation of AVLAAP, and outlines the next steps.

8.0 Recommendations

- 8.1 The Development Plan Panel is asked to note the progress and next steps in relation to the preparation of the Aire Valley Leeds Area Action Plans and the next stages in production of the submission draft.

Background Papers

- AVL Area Action Plan Preferred Options – October 2007
- Development Plan Panel Report – 6th January 2009 – Leeds Local Development Framework Area Action Plans: Progress Report