



Report of the Chief Planning Officer

Development Plan Panel

Date: 13th July 2010

Subject: Update report on Aire Valley Leeds Area Action Plan and Urban Eco Settlement

Electoral Wards Affected:

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Executive Summary

1.0 Purpose of this report

1.1 This is a Report to update Development Plan Panel on progress on the proposed Area Action Plan and the Urban Eco Settlement proposals for the Aire Valley in the context of the City Region.

2.0 Background information

2.1. The Leeds City Region (LCR) has been in discussion with government Ministers and officials to progress the LCR forerunner plan and the statutory status for the region. As part of these discussions the government has accepted the proposals for the Urban Eco Settlement with the same status as Eco Towns. Leeds has also submitted a prospectus (to CLG) for the urban eco settlement for Leeds which is anchored in the Aire Valley Leeds. The prospectus is supported by the Leaders of all three main political parties. This was with the intention of having the Aire Valley Leeds proposals formally accepted to the eco town programme.

2.2 The Leeds City Region Urban Eco Settlement (UES) proposals complement the housing growth agenda whilst seeking to deliver the Eco-Towns principles in four major urban brownfield locations within the heart of some of the city region's major economic and population centres.

2.3 A Report produced for the region, in liaison with the four local authorities recognises that the location of the settlements within major towns and cities means that the planning and development issues will be different from those that will be experienced through the freestanding Eco Towns. However the use of brownfield

and hard to develop land raises other planning issues that need to be addressed including: viability, contaminated land, flood risk areas and integration with existing communities. The increased eco standards required also raises other challenges which need to be addressed as early as possible to enable delivery.

- 2.4 The successful Leeds City Region forerunner bid includes four Eco Settlements: Aire Valley Leeds, Bradford Shipley Canal Road Corridor, North Kirklees / South Dewsbury and York Northwest which, together have the potential to provide up to 30,000 new eco homes in sustainable mixed use development, well integrated with existing communities. The Leeds, Bradford and Kirklees Bids also include proposals for retro-fitting existing residential properties. Some of these areas, particularly Aire Valley, are more advanced than others with regard to the readiness to develop.
- 2.5 The initial aim of the city region programme is to promote an Urban Eco Settlement approach within the City Region that meets the 'Eco Town' agenda with funding targeted to facilitate delivery of PPS1 Eco Town standards. An important concept behind the UES approach is that each area will be brought forward in accordance with an emerging Core Strategy/LDF policy approach. The City Region has identified five key themes through which the programme will be developed:

Statutory Planning Process

- 2.6 The key aim of this theme will be to ensure that each UES achieves the same standard of readiness to commence development as early as possible to ensure each UES can fulfil its potential in meeting future city region housing needs and help accelerate economic recovery. The theme includes activity to accelerate preparation of the Core Strategy, AAP documents, Masterplanning and Area Action Planning, Research and Feasibility including water cycle and flood risk studies.

Capacity Building

- 2.7 The development of capacity and ownership across developers, local authorities and communities to achieve the eco standards. Using the City Region partnership to bring partners and stakeholders together. This would aim to facilitate behavioural change of not only new and existing communities but also developers and professionals involved in regeneration across the City Region.

Piloting Innovation

- 2.8 Involves the development of new methodology and technology and testing this as far as possible prior to developing eco exemplar demonstrators, in accordance with the City Region Forerunner agreement with Government to develop the City Region as a Centre of Excellence for eco design and innovation.

Eco Skills and Training

- 2.9 The current recession has highlighted the importance to the economy of the development of the eco / eco construction sector. However many new technologies are at an early stage and expertise in their use is limited because of the current scale of activity. The UES Programme offers the opportunity to better co-ordinate the current sporadic approach to eco skills development across the City Region,

linked to both the UES developments and the City Region Domestic Energy Efficiency Programme.

Capital Development

- 2.10 Development of the sites, improvement of existing housing and building new homes and communities.

Commitment to Eco Towns PPS Standards

- 2.11 The LCR Urban Eco Settlements, as stated above, experience different challenges from the Eco Towns in that they are located in urban areas and utilise brownfield land. LCR Leaders have received reports regarding the intention to deliver Eco Towns PPS standards within the UES areas.
- 2.12 All four authorities wish to ensure that Eco Towns PPS standards are implemented, in principle but adapted to their urban setting and context. Reports have been taken to and endorsed by the LCR Leaders Board. Each authority has also received commitment from its members to both the principles and inclusion of UES's within their Core Strategies. CLG has requested that Council Leaders give a commitment to ensure that the eco standards set out in PPS1 will be achieved through the LDF. Within Leeds we propose that this is done via an expanded Aire Valley AAP. This expansion will include the South Bank Planning Statement area, currently being prepared and the master planning of the new city park. Leeds needs to commit to the production of the AAP as a means of securing the regeneration of this massive opportunity and setting out the policy framework to deliver the UES and its eco principles. Securing ADZ pilot study status or similar funding for AVL is crucial to the overall delivery.

3.0 Local Development Scheme

- 3.1 Each of the four UES locations are already identified in adopted and emerging planning policy, including the current adopted Regional Spatial Strategy and emerging LDF Core Strategies and therefore, are subject to proper planning consultation and assessment. The LCR UES have high level member agreement through the LCR Leaders and respective local authorities.
- 3.2 Aire Valley Leeds is the most advanced of the four UES with HCA kickstart support for an initial residential development at Yarn Street, which is now under construction. The Aire Valley UES has the potential to develop approx 10,000 new homes, together with retro-fitting 8,000 existing homes and creating over 27,000 jobs. Its Area Action Plan is well advanced for a major part of the Aire Valley as is the preparation of a planning framework for Leeds South Bank, in the City Centre.
- 3.3 The AAP needs to demonstrate that it is deliverable and funding of infrastructure, early in the development process is vital. Tax Incremental Financing (TIF) in the form of an Accelerated Development Zone has been identified as the optimum means of securing such funding. The March 2010 budget announced: The Government is to "support investment in infrastructure in our cities and other centres of growth through an Accelerated Development Zone (ADZ) pilot programme". The pilot schemes was to be introduced in locations across England in 2011-12 and selected local authorities would receive capital grant funding to a total of **£120 million** to help support projects that deliver key infrastructure and commercial development to unlock growth. The Government were to use the pilots

to assess the impact of the investment on business rates growth within the ADZ areas. However, the latest budget in June 2010 was silent on such proposals and we must now wait for some form of announcement in the Spending Review due this autumn. We remain confident that this initiative will be pursued and therefore we still need to make sure that we are in pole position for pilot funding and work is underway in that respect. A Programme Board has been established to oversee the implementation of the ADZ pilot bidding project.

- 3.4 There are a number of issues around infrastructure which will need to be addressed as sites are developed, these range from potential new river crossings and public transport to site specific issues of contaminated land and made ground. Initial discussions have taken place with Government agencies and further detailed discussions are needed with the EA and other agencies.
- 3.5 Research and workshops have been undertaken towards delivering a sustainable Aire Valley (Aire Valley Futures study) and this work is recommending an incremental delivery of bespoke eco credentials, for the UES and AAP, across 12 sustainable themes that are considered appropriate to its urban setting. The key priority and next stage of this work is to translate these recommendations into innovative and robust policies that will be delivered via the AAP, incrementally over time. The emerging Transport Strategy for the Aire Valley will take on board the recommendations from the Atkins study, commissioned by the Dept of Transport and the draft transport model (that Leeds is producing) which is currently being discussed with the Highways Agency. This too needs further work taking on board emerging eco criteria from the AV Futures work and the interpretation of Eco New Towns PPS 1 criteria into an urban context.
- 3.6 The City Region's strategic approach to green infrastructure is reflected and embraced in the Leeds UES and AVLAAP as regionally significant (covering over 1300ha), plus the wetlands and washlands of the lower Aire valley (a further 1000ha), along with Skelton Lake, Temple Newsam Park, Wykebeck Valley, Rothwell Country Park which are to be integrated with the green spine of Aire Valley Leeds which is the river/canal corridor. The integration of the rural green infrastructure (of the lower aire valley) with the urban green infrastructure (of Aire Valley Leeds) is crucial in recognising the context and synergy or mutual benefits that may be accrued in establishing a sense of place. The proposed development will embrace this regional asset and focus on cultural gems, such as Thwaites Mill, the environment centre and Hunslet Mills, before culminating at the proposed new city park (South Bank). Sustainable access to such assets and other facilities, its permeability and connectivity are also key features of the proposals for Aire Valley.

4.0 Other Issues

- 4.1 Flood risk is a key issue that needs to be addressed in order to take all areas forward in the development of the Core Strategy. The UES Deliverability Assessment issued in January 2009 details the other issues that need to be considered for each area including infrastructure needs and delivery partners.
- 4.2 None of the issues are expected to affect the early win sites, which can be delivered without the requirement for additional off site infrastructure.

4.3 Eco Development Funding Proposal

Studies Funding (Revenue)

4.4 CLG previously announced that there was £10m available nationally (this year) to support the next wave of eco settlement proposals across the country. The Leeds City Region submitted proposals for the funding in /line with five general themes as follows:

- Preparing for Development / LDF Core Strategy
- Capacity Building
- Eco Skills and Training
- Piloting Innovation
- Demonstrator Projects (Capital)

4.5 The bid was successful in securing a major part of the bid and the funds available. The following table sets out the original bid figures and the agreed funding and projects.

Leeds City Region Eco Development Fund - Proposed spend profile for £750K revenue funding March 2010

Project	Funding Originally Requested	Essential	Desirable	Alternative Funding Identified	Comments
<p>Preparation for LDF Core Strategy / AAP including Masterplanning</p> <p>To be undertaken in Aire Valley, Bradford Shipley Canal Road Corridor and York Northwest.</p>	£300,000	£350,000	£110,000	£0	Masterplanning / AAP work needs to commence in BSCRC & YNW (which will eg. incorporate required transport study work and consideration of Green Infrastructure) and further detailed work is required in AVL. £100K is to be allocated to each of the three areas. An additional 50K is to be allocated for feasibility work on the AVL Copperfields site, which will be the 2 nd site to be developed in the Aire Valley UES. Masterplanning work has been completed in NK/SD.
<p>Flood Risk Assessment Study & Water Compatible Development innovation Pilot feasibility work</p> <p>Phase 1 - Stage 2 Flood Risk Assessment in NK/SD and BSCRC with light touch flood risk completion work in AVL & YNW (includes BSCRC and KN/DS) Followed by a Phase 2 feasibility study on viability of water compatible development in NK/SD</p>	£220,000	£150,000	£70,000		Kirklees will lead on a joint project which will procure under one commission to enable efficiency savings and ensure a consistent approach to addressing these issues.
<p>Water Cycle Study</p> <p>A LCR wide WCS</p>	£150,000	£80,000	£75,000		Due to awaiting preliminary findings, this is unlikely to be commissioned until Quarters 3 or 4. £25,000 per area has

scoping study is currently being undertaken and will report in the Summer. Funding will enable follow on detailed work in the three UES of BSCRC, KN/DS and YNW. AVL already has undertaken this detailed work					been set aside for this study, although it is currently uncertain as to the outcomes of the LCR WCS scoping study as to what will be suggested as the most appropriate way forward to undertake WCS work across the city region – eg. one single detailed LCR study or individual studies in key locations on a phased basis.
Green Infrastructure Funding will enable design work on the City Park in Aire Valley Leeds and preparatory on pedestrian/cycle bridge which would enable access from the ABF site to the wider York Northwest site.	£150,000	£80,000	£70,000		The LCR wide GI Strategy will be finalised in early Spring 2010, when consideration will be given to further detailed study work over and above work being undertaken through the LDF Core Strategy work (see above) Funding breakdown is £50K AVL City Park and £30K Pedestrian / Cycle Bridge YNW
Transport Feasibility Studies Proposal was to undertake the DFT funded Atkins Study (undertaken for Aire Valley) across the other three UES areas of BSCRC, KN/DS and YNW	£100,000	£0	£0	n/a	The Atkins Study is now being developed into a toolkit which can then be used in the other areas. BSCRC, KN/DS and YNW will now incorporate this in the AAP / Masterplan development. No separate funding is therefore needed.
Financial Modelling Proposal was for Kirklees to lead on this review which would have considered the viability of sites, which once developed could have been duplicated for other sites across the other three UES areas..	£50,000	£0	£0	£50,000	Funding has been obtained from an alternative source
Eco Feasibility Study Led by York this study will establish the most cost effective ways of achieving Code for Sustainable Homes levels 5 and 6 across the 9 design categories. It will also identify the most appropriate technologies for individual site characteristics which can be used to inform the approach taken on other sites both within the city region UES and nationally.	£80,000	£60,000	£20,000		Will complement capital works to be undertaken in YNW and provide learning and advice for application elsewhere in all the UES' and elsewhere in the city region.
Developer Forum Project will seek to establish a Forum	£20,000	£5,000	£15,000		The initial funding priority will be to hold a city region conference event to explore eco policy and delivery issues both in the UES' and elsewhere.

including developers, architects, eco manufacturers and others in the construction / eco industries					Discussions are already taking place with developers about possible funding support for the event.
Monitoring of Behavioural Change – Aire Valley Study to assess the behavioural changes of retrofitting and information and making changes as to how people use of save energy (low carbon living)	£25,000	£25,000	£0		The study is linked to the eco exemplar demonstrator project which has secured capital funding.
Eco skills audit and scoping study	£50,000	£0	£50,000		Across the City Region a number of initiatives are considering eco-skills. Discussions are taking place with LCR Skill's colleagues about obtaining funding through other means.
Total	£1,145,000	£750,000	£385,000	£50,000	

4.6 In addition to the revenue funds Leeds also secured £150,000 Capital funding for:

Aire Valley Leeds – Monitoring Behavioural Change

4.7 The capital element of this project, the aim is to understand what design features and applications best influence behavioural change and use this to design new settlements and new and retrofit housing around users for more sustainable outcomes. Specific interventions will be tested with a range of household types. Existing homes will be identified through partner housing associations across Cross Green and new homes will be in partnership with Miller Homes on the Yarn Street development.

4.8 All funding has been put on hold but it is expected that the overall budget for the region will be halved to some £600,000. This is yet to be confirmed as is the consideration of prioritising which schemes should remain in the spending programme.

5.0 Aire Valley UES

5.1 The site proposed as the trailblazer for the urban eco settlement in Aire Valley Leeds, at Yarn Street in Hunslet has received approval for £3.95m in Kickstart funding. This has allowed a start on site to be made, initially on a first phase of 61 units. The site is owned and is being developed by Miller Homes. The site has planning permission for 281 homes. It is intended that as the site is developed, Miller Homes will increase the eco standards from the current level 3 (Code for Sustainable Homes). The proposed CHP plant (£1.7 million funded by HCA) will enable the Core Level to rise to Level 4.

5.2 The council will continue to work with the Government and with the Homes and Communities Agency (HCA) on the proposals for the urban eco settlement and to promote the Yarn Street Site and other sites within the Hunslet Riverside area and beyond.

- 5.3 Our latest UES proposals extend beyond the Aire Valley AAP boundary to include sites in the City Centre to the south of the River and within the 'Rim' area. These sites will help act as "stepping stones" from Aire Valley to the City Centre. LCR and CLG both recognise the importance of the LDF, the core strategy, the AAP base for eco policy development and implementation. It is therefore necessary to extend the AVLAAP to incorporate most of the UES sites previously identified.
- 5.4 The enlarged area will also include the site for the proposed City Centre Park and where a planning framework is close to agreement with the key land owners (including the former Carlsberg-Tetley site).
- 5.5 The inclusion of this new area within the APP area will also enable the consideration of the form of residential development, in order to provide a much greater emphasis on family housing. This can take advantage of the existing educational and social facilities that already exist in the Mount St. Mary's area. It should be noted that the Urban Splash Saxton Gardens scheme has already been the subject of a provisional award of kick start funding from the HCA. A map showing the revised AAP boundary is attached.

6.0 Implications for Council policy and governance

- 7.1 Progress on the Leeds UES bid will continue to be reported to the City Region Leader board and to the Council's Executive Board. Progress on the AAP will be reported to the Development Plan Panel. The Aire Valley Board will also receive update reports.

8.0 Legal and resource implications

- 8.1 A full indication of the revenue request will need to be drafted as part of the UES and through the Local Development Framework.

9.0 Conclusions

- 9.1 The proposed Aire Valley AAP and UES provides the potential to deliver new houses and jobs within the existing urban framework and, together with retro-fitting existing residential properties can make a major contribution to the sustainability agenda. It will also provide an opportunity to work with the other Local Authorities within the City Region, and to support the initiatives to promote new opportunities for enterprise, research and eco-based industrial sectors. It will further our partnership working with stakeholders, major landowners and Housing Communities Agency.

10.0 Recommendations

- 10.0 Development Plan Panel is recommended to:
- i) Note and support the proposals for the AAP and the Urban Eco Settlement within Aire Valley Leeds.
 - ii) Recommend to the Executive Board (21 July), support for the preparation of the Aire Valley AAP (with the revised boundary) as the means of ensuring that eco-standards and the objectives of the AAP are achieved.

Appendix 1.