



Report of the Director of City Development

Executive Board

Date: 21 July 2010

Subject: Housing Appeals – issues arising from the proposed abolition of the Regional Spatial Strategy and regional housing targets

Electoral Wards Affected:

All

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In

(Details contained in the report)

EXECUTIVE SUMMARY

1. The Council has been faced with a series of planning appeals concerning residential proposals on greenfield sites. The appeals are a consequence of the housing targets set in the Regional Spatial Strategy and concern matters of interpretation of national, regional and local policy.
2. The appeals heard to date have all been lost by the Council. Further appeals remain undetermined. The new Coalition Government signaled its intent to rapidly abolish RSS and its housing targets. The Secretary of State also published a letter saying that local authorities and planning inspectors must take this into account as a material consideration. Subsequently on 6 July the Secretary of State formally revoked RSS in a Parliamentary Statement.
3. National planning policy, including the need for a 5 –yr housing land supply remains. If the RSS target is removed (or given little weight) there is a need to determine how a 5-yr supply is then judged. Some guidance is given in the Conservative Party Policy Green Paper: Open Source Planning (OSP) on how to address this on an interim basis, pending a full local needs assessment and new target to be delivered through the “local” development plan process. A further guidance note was issued on 6 July by the Chief Planner at CLG
4. This report reviews a range of issues and taking account of the Secretary of State’s guidance, OSP and the recent guidance note recommends that the Council’s approach be based on the Draft RSS target of 2,260 p.a. net.

1.0 Purpose of this Report

- 1.1 A separate report on this agenda reflects on the outcome of the Council's challenge in the High Court against the decision of a planning inspector relating to a case at Greenlea, Yeadon. That report notes that the context for future appeals has changed with the new government's decision to abolish the Regional Spatial Strategy (RSS). It is recognised that in the absence of RSS and its associated housing targets the Council needs to determine its approach. This report seeks Executive Board support for a way forward in these changed circumstances.
- 1.2 It is proposed that this report be exempt from call-in. As the report notes at paragraph at paragraph 2.6 there are 4 undetermined appeal cases pending, two of which have already been heard and are awaiting the inspector's report. It is important that the Council's stance is established at the earliest opportunity to ensure that it can be taken into account, by inspectors and the Secretary of State, in the decision making process.

2.0 Background Information

- 2.1 Members will be aware that we have been faced with a number of planning appeals for housing on greenfield allocations. The Council has been opposed to the release of greenfield housing sites and has been arguing that such sites are not needed given the land supply that already exists and the need to support urban regeneration. The Council's stance has been confirmed in various resolutions to Council.
- 2.2 The Council is faced with this series of applications/appeals as house-builders have been seeking to exploit the opportunity presented by the substantially increased housing targets in RSS to challenge the Council's stance. When RSS was published in May 2008 the housing target went up overnight from an annual average of 1930 units gross to 4740 units p.a. At the same time national guidance requires that the local authority can at all times demonstrate the availability of a supply of housing land that is 5 times the RSS requirement. Not only was there a step change in the requirement but the changing economic climate has meant that sites that might previously have counted towards supply are no longer included as they are now unlikely to be built within the next 5 years. A huge leap in the land supply target has been accompanied by the removal of sites that were previously considered available. National guidance suggests that where a 5 year supply cannot be demonstrated then proposals should be favourably considered.
- 2.3 Numerous arguments have been advanced by the Council in support of its stance. Some of the key issues are set out in the report on the outcome of the High Court elsewhere on this agenda. The Council has also argued that the reality of the housing market should be taken into account. We are being asked to have a 5 year land supply for over 20,000 dwellings at a time when new starts are running at less than 1,000 p.a. and many of these are only going ahead because of HCA subsidy. In effect we are being asked to release land for which there is no immediate market.
- 2.4 To date all our arguments have been unsuccessful. On Counsel's advice the first three cases lost by the Council at Greenlea, Yeadon; Selby Road, Garforth; and Pudsey Road, Swinnow were the subject of legal challenge. The cases were all due to be heard in the High Court in Leeds on 20/21 April.
- 2.5 Two further appeal decisions have been recently received relating to sites at Milner Lane, Robin Hood and Bagley Lane, Farsley. In both cases the appeals were again upheld and planning permission granted and in the Bagley Lane case the appellant

sought and won an award of costs against the Council. The inspector took the view that in using the same arguments rejected in earlier cases the Council's position was 'weak'. In doing so, with an even weaker land supply, she took the view that the Council had acted unreasonably. It is not yet known what the costs order will amount to.

2.6 The Council has been faced with 4 more appeals where similar arguments around the RSS targets and housing land supply are at the heart of the case. These are as follows:-

- Church Fields, Boston Spa – started 18.3.10, now completed and decision awaited – recovery requested
- Grimes Dyke, Whinmoor – started 27.4.10, now completed and decision awaited – recovered by the Secretary of State
- Holt Lane, Adel – due to start 25.5.10 but deferred for 2 months
- Queen Street, Allerton Bywater – started 15.6.10 but adjourned until August 23rd

2.7 Notwithstanding the consistent line taken by inspectors in response to the Council's arguments in these cases, the undetermined appeals are now in a very different position. The Coalition Government has been clear on its intention to abandon RSS and regional targets confirming the position in the Conservative Party Green Paper No. 14: Open Source Planning (OSP). This states very clearly that it is intended to eliminate bureaucracy by,

“abolishing the entire bureaucratic and undemocratic tier of regional planning, including Regional Spatial Strategies and national and regional building targets.”

2.8 This intention was confirmed in the post-election statement by the new government “The Coalition: our programme for government”. This advises that,

“We will rapidly abolish Regional Spatial Strategies and return decision-making powers on housing and planning to local councils.....”

2.9 More recently, and fundamentally, the new Secretary of State, Eric Pickles, sent a letter to all chief planners on 27 May 2010 confirming this intention and that a formal announcement would follow shortly. He added that,

“I expect Local Planning Authorities and the Planning Inspectorate to have regard to this letter as a material planning consideration in any decisions they are currently taking.”

2.10 The Planning Inspectorate subsequently issued its own guidance to planning inspectors. This advises that RSS remains part of the development plan until formally revoked. However, it also advises inspectors to recognize the intent to abolish RSS as a material consideration. The weight to be given to this will depend on the extent to which RSS policy and targets are central to the decision being taken. The Inspectorate's advice note also points to OSP as generally establishing the government's proposed approach in the absence of more formal transitional arrangements and guidance.

2.11 It is on the basis of this change of policy and guidance and in anticipation of further pronouncements from government that the two most recent appeal cases have been deferred and that the Council has requested that the other two undetermined cases, at Boston Spa and Grimes Dyke, should be re-opened. The position has now been

further clarified with a Parliamentary Statement on 6 July by the Secretary of State Communities and Local Government in which he formally revokes RSS. He makes clear that RSS is no longer part of the development plan for the purpose of S38 of the Planning and Compulsory Purchase Act 2004; that is in determinations under the planning acts. On the same day the Chief Planner CLG issued a guidance note (GN) to local authorities the purpose of which is to help clarify, *“how local planning authorities can continue to bring forward their Local Development Frameworks (LDFs); and make planning decisions in the transitional period.”* At any further appeal hearing it will be necessary for the Council to set out its approach to housing land supply in the absence of RSS targets and in the light of this guidance.

3.0 Main Issues

- 3.1 As indicated in paragraph 2.7 the undetermined appeals are in a very different position. The Secretary of State has now abolished RSS and clearly intends to devolve decisions on housing supply to the local level. It was his clearly stated intention that this be taken into account by planning inspectors. The Council's response to the Court's decision on Greenlea and in relation to the remaining court cases will have little or no relevance to the undetermined cases given the significantly changed context.
- 3.2 In taking forward the outstanding cases it is however necessary to establish the Council's view on housing land supply in the absence of RSS policy and targets. It is important to note in this context that national guidance on this issue remains intact. Planning Policy Statement 3 (PPS 3) Housing is the main source of guidance. This includes the need for Councils to maintain a 5-year supply of deliverable sites (PPS 3 paras 54 and 57) and where such supply is not available Local Planning Authorities should consider favourably planning applications for housing (PPS 3 para 71). OSP says that,

“There is general acceptance that a five-year land supply provides a good baseline from which to work.”

This is confirmed in the GN which advises that,

“Authorities should also have a five year land supply of deliverable sites. This too will need to reflect any changes to overall local housing ambition.”

In addition PPS 3 has recently been re-issued but the only changes deal with the new government's commitment to end “garden-grabbing” and the removal of minimum densities. It is clear therefore that the 5-year land supply requirement remains.

- 3.3 The critical issue therefore becomes how the adequacy of the 5-year land supply should be judged in the absence of the regional target. Unfortunately there is no simple mathematical formula by which such an assessment can be made. Current guidance in PPS 3 indicates (para 33) the range of information to be taken into account in setting housing targets:

1. Evidence of current and future levels of housing need and demand
 - a. Local Strategic Housing Market Assessments (SHMAs)
 - b. Long term house prices
 - c. Advice from the National Housing and Planning Advice Unit (NHPAU)
 - d. Household Projections
 - e. The needs of the regional economy and economic growth forecasts
2. Evidence of land availability (SHLAAs)

3. Government policy ambitions (increase housing supply; better affordability)
4. Sustainability appraisal of social, environmental and economic consequences
5. Infrastructure impacts and needs

The RSS had its own checklist of factors at paragraph 12.5. This largely replicates the above factors from PPS3, but has the following further factors:

6. Evidence about low demand and vacancy rates
7. Levels of housing completions in recent years

- 3.4 As can be seen from the range of issues set out above, establishing the housing requirement is complex. It has been apparent for some time that many of the assumptions on which the RSS target was based were now significantly out of step with economic and market reality. RSS targets were essentially established projecting forward the conditions prevailing at the time and did not foresee the very different economic climate that now exists. Some of the factors are considered below.

Long term house prices

- 3.5 House prices increased by 200% between 2000 and the peak of the market in 2007. Since then, Yorkshire and Humber prices fell to 87% of their peak values in 2009, but later rebounded. Work carried out by Ecotec for LGYH indicates that restrictions on lending are significantly holding back demand for housing and are unlikely to be eased until 2016. Even with a drop in house prices the ability to purchase has decreased.

Household Projections

- 3.6 The Office for National Statistics (ONS) produce national population projections every two years. These projections are supplemented by mid-year population estimate data. Communities and Local Government then produced a series of household projections based on the resulting population projections. The base date for the ONS projections changed during RSS production with the final figures used reflecting an even more buoyant economy than the original. Since then there has been a drop in economic activity resulting in reduced migration. To date such changes have not fed through into the projections.
- 3.7 An early indication that growth may not occur at the rates seen in 2004 is found in the 2009 mid-year population estimate release. This release highlights that the Leeds population didn't grow to the same extent as estimated a year ago. In fact the revised figure for 2009 suggests that the actual 2009 figure is only about 75% of the estimated figure. If we were to project this difference forward till 2026, we would see the final population figure of around 42,000 people fewer than the current forecast. At 2 people per household, this is a difference of 21,000 housing units. Therefore some level of caution is needed when interpreting these long term forecasts.
- 3.8 Whilst some forecasts have suggested that Leeds population will grow to 1 million by 2030, forecasts by the University of Leeds suggest growth of around 8%.
- 3.9 The 2011 Census will provide the first indication of how accurate the estimates of ONS have been. It is not anticipated that figures from the 2011 Census will be available for some time afterwards, but it is anticipated that the updated population data will form the new base for future projections. Moreover, recent government

announcements to both cap immigration levels as well as count immigrant's leaving the country will result in more accurate information on immigration levels and influence population projections.

- 3.10 The National Housing and Planning Advisory Unit (NHPAU) has published several reports looking at various household demand scenarios. The scenarios looked at how different factors, such as immigration levels, household formation rates, size of households, economic growth, affordability, etc all can impact on the demand for housing. However, all of the NHPAU work built on the 2006 population projections produced by ONS. These projections were even more influenced by the above mentioned factors, so that the significant population increases that resulted must therefore be treated with caution. In some of the various scenario's, housing demand in Leeds was upwards of 6000 units per annum. Such a figure vastly exceeds any past build rate and has not been policy tested to look at sustainability and infrastructure issues that would arise from such a large population increase.

The needs of the regional economy and economic growth forecasts

- 3.11 The most recent employment forecasts from the Regional Econometric Model (April 2010) suggests there will be job growth of around 15,000 full time equivalent jobs in Leeds by 2016 (2,610 per annum) and 48,000 by 2026 (3,005 p.a). This compares to the potential for 6,000 p.a. reflected in the RSS. The job growth for Leeds and the Region accelerates for the medium and long term periods.

Total FTE jobs	2010	2016	2021	2026
Leeds MD	342,692	358,351	373,893	390,778
Yorkshire & Humber	2,067,682	2,120,260	2,178,555	2,243,266

- 3.12 Work by Ecotec for LGYH considered a number of scenarios looking at the effective demand for new housing. Taking account of the recession and the reduced employment growth projected above, as well as the government's proposals on public sector spending and jobs, this would point to a reduced housing requirement in the short term with some recovery post 2014.

Evidence of low demand and vacancy rates

- 3.13 Leeds still has a number of low demand areas in the inner city where the housing market is fragile and prone to collapse. Decisions on the distribution of new housing development need to be sensitive to the fragility of these areas and avoid oversupply of new housing in locations which could draw demand away from them and cause vacancy and abandonment.
- 3.14 Evidence of housing vacancy can mean that fewer new houses are required if vacant dwellings can be brought into use. Since the inception of the RSS, vacancy rates have risen in the District. The rates in the District are above the RSS regional target of 3.5% and as of 2008/09 were 5.6%. The data also shows that for every new unit built in the District over the past five years, one unit has become vacant. This suggests that the level of house building in previous years has not necessarily been ensuring that more people are accessing housing.

Vacancy Rates in Leeds					
	Total Vacant Dwellings	Vacant more than 6 months	Total Housing Stock	% Vacant	% Long Term Vacant
2004/05	12,712		317,215	-4.01%	

2005/06	10468	5966	319600	-3.28%	2%
2006/07	12512	5757	322456	-3.88%	2%
2007/08	17,557	6,851	328,201	-5.35%	2%
2008/09	18569	9346	334,083	-5.56%	3%
Change	5,857		16,868		

Completions

- 3.15 Housing completions since 2004 rose steadily until 2008/09, peaking at 3828 net. This peak in completions arrived after the market meltdown across the country, but was sustained due to the high number of buildings under construction prior to the crash, particularly apartment blocks. The high level of completions occurred during some of the most prosperous years in the UK economy. Coupled with a surge in city centre living (increasing demand for flats), low interest rates, favourable lending for buy to let properties and grant funding for regeneration initiatives, it is no surprise that the district experienced such high levels of completions. If one were to only look at gross completions for housing units during the same period, an entirely different picture would emerge. Only 29% of the past six year's completions have been housing units (gross new build), or about 850 units per year. If there is to be a switch to more family housing, it is clear that reaching the 'RSS rate' of 4300 units becomes even more unrealistic and unachievable.

		Net Housing stock change						
Financial years		2004-5	2005-6	2006-7	2007-8	2008-9	2009-10	Total
Gross building		2924	3694	3538	3833	3976	2518	20483
Total losses		291	258	211	257	148	281	1446
Net Gain		2633	3436	3327	3576	3828	2237	19037
New Build Housing Units								
Gross Flats		1741	2551	1993	2297	2460	1665	12707
Gross Houses		867	755	785	1143	957	646	5153
Total		2608	3306	2778	3440	3417	2311	17860
% Houses		33%	23%	28%	33%	28%	28%	29%

Other considerations

- 3.16 Leeds' SHLAA 2009 shows that Leeds has a good reserve of housing land. This includes considerable previously developed land (PDL) in urban areas. Only a proportion of this land is deemed "achievable" for housing development under current depressed market conditions, but more land would be expected to become "achievable" when the market recovers. Leeds' reserve of housing land also includes a considerable quantity of greenfield land, with decisions on if and when this is released to be determined through the development plan process.
- 3.17 SHMAs do not seek to reinvent a local authority's housing requirement as that would duplicate the Role of RSS. Their purpose is more to understand the types of housing (market and affordable) needed and geographical distinctions. The Leeds SHMA was published in 2007 and indicates that a large proportion of new housing ought to be affordable. In terms of sizes of dwellings and locations, the survey of households found that a variety of sizes and types is sought across the district. The only steer that Leeds' SHMA gives on total housing is that Leeds should not rely on the heavy proportions of flats built from 2000 to 2007. This is not an issue for the short term because market pressure for building flats has fallen significantly since 2007. However the most recent completion figures were heavily influenced by

flatted development and therefore the higher completion rates are unlikely to be sustained or replicated unless flats remain as the most prominent form of housing.

- 3.18 The government is clear that it wants to build more houses but sees the actual targets as a matter for local determination influenced by financial incentives.
- 3.19 No sustainability appraisal was carried out on the quantum of the housing requirement, because it was dealt with as part of RSS. In addition there was no clear and transparent evidence supporting the Secretary of State's Proposed Changes to demonstrate how the additional housing figure had been arrived at or apportioned. It has never been clearly demonstrated that the final housing target could be delivered in a sustainable way taking account of the other policy objectives of RSS.
- 3.20 As a general rule, the lower the housing growth, the less stress on infrastructure; whilst development provides opportunity to provide additional infrastructure (such as new greenspace through S106) it is often only providing to meet its self generated needs. Strategic needs such as improved public transport are normally too expensive to be entirely paid for by development and rely upon public subsidy. It can be expected that the Coalition Government's stress on reducing the public sector deficit will mean less public funding being available for infrastructure projects. Officers are currently preparing an Infrastructure Delivery Plan to accompany the Core Strategy which will provide further details. At present, it can generally be assumed that lack of infrastructure funding will tend towards having a lower housing requirement.

Looking Forward

- 3.21 Although the Council has already completed both the SHMA and SHLAA it would clearly take some considerable time for Local Planning Authorities, including Leeds, to undertake the "professional assessment of the housing needed for their locality", with a need for "calculations to be robust" as OSP suggests. Furthermore, in arriving at a target it is clear that such an assessment is only the starting point, with considerable emphasis given to the views of local communities so that:

"local people in each neighbourhood – a term we use to include villages, towns, estates, wards or other relevant local areas – will be able to specify what kind of development and use of land they want to see in their area." and in drawing up the local (district) plan;

"the evolution of the plan starting at "ground level" in neighbourhoods with every single resident of the neighbourhood approached to take part."

The local housing target is therefore to be informed both by an overall assessment and local ambition and further guidance is to be provided which will need to address the means by which any discrepancies between the strategic and local positions may be reconciled.

- 3.22 OSP recognizes this position and has a section dealing with "transition arrangements". This advises that during the transition, current local planning documents will continue in force, but that local authorities can review them to remove unwanted policies that were a response to RSS. In Leeds, the most current local planning document is the Leeds UDP Review adopted in 2006, which pre-dated RSS.

- 3.23 As part of RSS preparation, Open Source Planning believes that local authorities had estimated their own housing requirements in the form of the so called Option 1 numbers before the Government imposed higher figures. For a transitional period, Open Source Planning suggests Option 1 numbers be used as the provisional numbers.
- 3.24 This position is essentially confirmed in the GN. This confirms that the development plan (in Leeds) now consists solely of the “saved” policies of the UDP. It also refers to the use of Option 1 targets and suggests these can replace RSS targets, *“if that is the right thing to do for your area.”*
- 3.25 In the case of Yorkshire and Humber a process of RSS preparation was used that did not invite local authorities to set out Option 1 numbers. Our understanding is that the Option 1 approach was used in the West Midlands and South East. Compared with the current RSS requirement for Leeds for 2008+, the Draft RSS figure was substantially lower. Nevertheless, at that time it was some 40% higher than the previous RSS (RPG 12) figure and was subject to formal objection by the City Council. The various figures are set out below.

RSS Document	Leeds Annual Housing Requirement Figure			
	Gross		Net	
	2004-8	2008-16	2004-8	2008-16
RSS (RPG 12)	1930	1930	-	-
RSS Draft (2005)	2700	2700	2260	2260
RSS Adopted (2008)	2700	4740	2260	4300

- 3.25 Whilst the Draft RSS figures of 2700 (gross) and 2260 (net) might be used as a proxy for the Open Source Planning Option 1 figure, there are problems with this approach. Leeds City Council objected to the figure for Leeds and in that sense it is unlike the Option 1 figures that were believed to have been advanced by the local authorities themselves. Given this Council’s sustained objections to the RSS figures the Draft target is in no sense the locally determined figure that OSP is seeking. The only real alternative to this in the interim is the 1930 p.a gross that is the basis of the Council’s adopted UDP, although even that figure derives from an earlier version of RSS.
- 3.26 However, it must be acknowledged that the UDP figure is significantly out of date and so far removed from the more recent projections that helped inform RSS that its use, even as an interim target, is questionable. The figure of 1930 p.a has to be compared with the assumed gross figure of 4,740 in RSS and would therefore represent a reduction of 60%.
- 3.27 Whilst accepting that the Council raised concerns about the Draft RSS requirement it is understood that the so called “Option 1” figures were produced at draft strategy stage. In that sense the Draft RSS figures could be considered appropriate. Furthermore, the Council, in its Core Strategy Preferred Approach published in October 2009, has promoted what it believed to be a more realistic approach to achieving RSS targets with lower delivery in the early years. The figures used in the Core Strategy, albeit that they are founded on RSS, are not dissimilar to Draft RSS.
- 3.26 In using either the UDP or draft RSS figures when assessing the 5-year supply there is a question about the period the assessment should cover. The UDP looks back to 1998 and takes its first phase from 2003, while the first phase of draft RSS is from 2004. The end date for the UDP is 2016 and for draft RSS 2026. These

considerations are important if the supply is to be judged against a residual annual requirement which is the normal approach.

3.27 The tables and housing trajectories in Appendix 1 illustrate potential performance based on current housing land supply information. These show that even in current market conditions Leeds would hope to out perform either the UDP or Draft RSS requirement. Housing land supply would not be a constraint on achieving this level of output.

3.28 It could be argued, and no doubt will be by others, that neither the UDP nor Draft RSS figures have been informed by the latest evidence. The work on the RSS review as input to the Regional Strategy (RS) was pointing to even higher housing targets based on the projections of ONS and the National Housing and Planning Advice Unit (NHPAU). On the other side of the equation employment growth projections are now significantly lower than the job growth assumptions of RSS. Work commissioned by LGYH to the RS suggests that the effective demand for housing in the region will be well below the RSS targets and points towards some recovery around 2014. This tends to suggest a lower requirement for housing in the short term with some increase from 2014 onwards. This is very much consistent with real world conditions which have seen a significant drop in new starts and completions.

Year	Starts	Completions	Under Construction 31/03
2004-5	3220	2924	4037
2005-6	2722	3694	3453
2006-7	4060	3538	4738
2007-8	3290	3833	4589
2008-9	1784	3976	2959
2009-10	901	2518	1551
Grand Total	15977	20483	21327

3.29 Are there any alternatives that might be used as the basis for interim targets? The Council has referred in its evidence to the various appeal hearings and High Court to the use of the LAA target (currently 2,300 p.a.). The latest LAA represent an informed view of what delivery of residential units can be expected in the light of prevailing economic circumstances. Reference has also been made to the early years figures in the emerging Core Strategy which proposed a more gradual stepping up of housing delivery. However, both figures have their basis in RSS and the use of these figures and the weight to be given to them has been consistently rejected by planning inspectors with a similar view taken in the High Court. Moreover the future of the LAA appears uncertain. More importantly in starting with RSS the figures are not derived from local assessment and do not reflect any community level debate as OSP suggests.

3.30 While it can clearly be argued that the use of alternative figures does not reflect longer term needs or Leeds` ambitions for growth this approach is consistent with the transitional arrangements outlined in OSP and the GN and the Secretary of State`s advice that local authorities have the opportunity to review their housing targets now that RSS is revoked. Furthermore, the factors considered earlier in this report all point to a much lower short term requirement than envisaged in the RSS annual average.

3.31 PPS 3 (para 70) advises that even where a 5-year land supply exists, Local Planning Authorities should consider whether granting permission for applications

for sites allocated in the overall land supply would undermine achievement of their policy objectives. The Council has argued that development now, in the absence of a demonstrable shortage of housing land would harm the regeneration and urban transformation agenda. RSS is abolished and is no longer part of the statutory development plan and the UDP is the only document to which section 38(6) of the 2004 Act now applies. With the consequence that applications are required to be determined in accordance with it unless material considerations indicate otherwise. Consequently, with RSS revoked much greater weight should be attached to the policies of the UDP, as the only remaining statutory development plan document against which proposals should be judged. This includes policies that seek to control the release of land with this objective in mind. This includes the trigger mechanism set out in the UDP.

- 3.32 In fact, the UDP's phased approach to housing release conforms closely to key strands of PPS3. Paragraphs 40-44 highlight the importance of effective use of land by-re-using land that has already been developed. Whilst the national target for housing development on PDL is set at 60%, it can naturally be expected that targets within urban areas would have to be much higher if the national figure is to be achieved. Also paragraphs 62-67 of PPS3 stress the importance of having a managed approach to housing land supply so that new circumstances can be taken into account and land release adjusted accordingly. Within paragraph 67 of PPS3 national policy considers invoking development control powers in order to prevent the development of greenfield land whilst the delivery of brownfield land is underperforming against expectation. Whilst the sequential approach to the development of residential land no longer forms part of national policy it is still the case that development of brownfield land in sustainable locations remains a priority. Where, as in Leeds, there is a robust supply of such land national policy clearly points to its release to support residential supply, promote social inclusion and urban renaissance. Under "Plan, Monitor and Manage" local policies may include:

"An indication of the circumstances in which specific management actions may be introduced should monitoring and review demonstrate that objectives are either not being met or risk not being met." (para 62)

This strand of PPS3 is very comparable to the UDP's trigger mechanism for release of housing land and illustrates that this part of the UDP remains up-to-date and consistent with national guidance.

- 3.32 In addition the Secretary of State's letter makes clear that decisions on what is needed will rest with local councils. As part of the section on "transition arrangements" OSP advises that,

"It will be for local people and their elected representatives to decide how far these (sites previously identified as suitable for housing) remain part of their local plans, with the supply of land forming part of the local plan's definition of what is sustainable in each of the areas it covers".

The local evaluation of sites and review of the sustainability credentials of them individually, cumulatively and relatively to other potential allocations is clearly part of the longer term input into the development plan. OSP clearly has in mind that this will apply to existing allocations and the grant of planning permission now would be prejudicial to this policy objective. Further OSP intends local decision making to include consideration of the local tariff, part of which will go to the local community. Clearly the full engagement of the housebuilding industry and local communities affected by allocations and development proposals will be required in determining

future policy choices. The potential for this to happen would also be undermined by the early grant of planning permission.

4.0 Implications for Council Policy and Governance

4.1 The issues in this report stem from the Council's refusal of planning permission for residential development on a number of Greenfield housing allocations. This arises from the Council's approach to the policies and targets set out in RSS which have been the subject of a number of resolutions in Council. The outcome of the Court case and the decisions of inspectors at appeal run counter to the Council's approach.

5.0 Legal and Resource Implications

5.1 The only implications are considered to be the normal costs and risks associated with the planning appeal process.

6.0 Conclusions

6.1 For the four remaining undetermined appeals it is considered that the change of government and the new Secretary of State's decision to revoke RSS and the further guidance issued constitute a significant change to the planning context. There remains a requirement to comply with national planning policy, which includes that related to the 5-year land supply.

6.2 In the absence of RSS there is no definitive guidance on what an alternative target should be. The approach in OSP points to the use of earlier and lower agreed targets, subsequently reiterated in the GN. There are a range of factors that would suggest that this is appropriate in the short term, pending a proper local assessment as part of the development of a formal "local" plan. Consistent with this guidance it is suggested that the 5-yr land supply is judged against the requirements of the Draft RSS. This would not only reflect that the influencing factors generally point to a lower figure in the short term but is also broadly consistent with position taken by the Council in the Core Strategy Preferred Approach and in the LAA. This represents a higher and more ambitious target than would the use of the RUDP figure, which is perhaps the only alternative but is significantly out of date.

6.3 Local authorities are not obliged to discard regional targets but have the option to retain them for local use if they so choose. In establishing a transitional position the Council is clearly signalling its intent to review its housing targets. Looking ahead it will be necessary to come to a view on the longer term scale of growth required. This will include a proper assessment of local housing need, with the establishment of a local housing target. This will need to take place as part of the development plan process (this is likely to mean the Core Strategy as the GN encourages authorities to continue with their LDF documents) subject to any further government guidance that might be issued.

7.0 Recommendations

7.1 Members are recommended to:

Agree that in the absence of RSS and in the context of the latest government advice that the Council's view on land supply and the 5-year requirement be based on the annual requirement of 2,260 p.a. net set out in the Draft Regional Spatial Strategy.

Background Papers

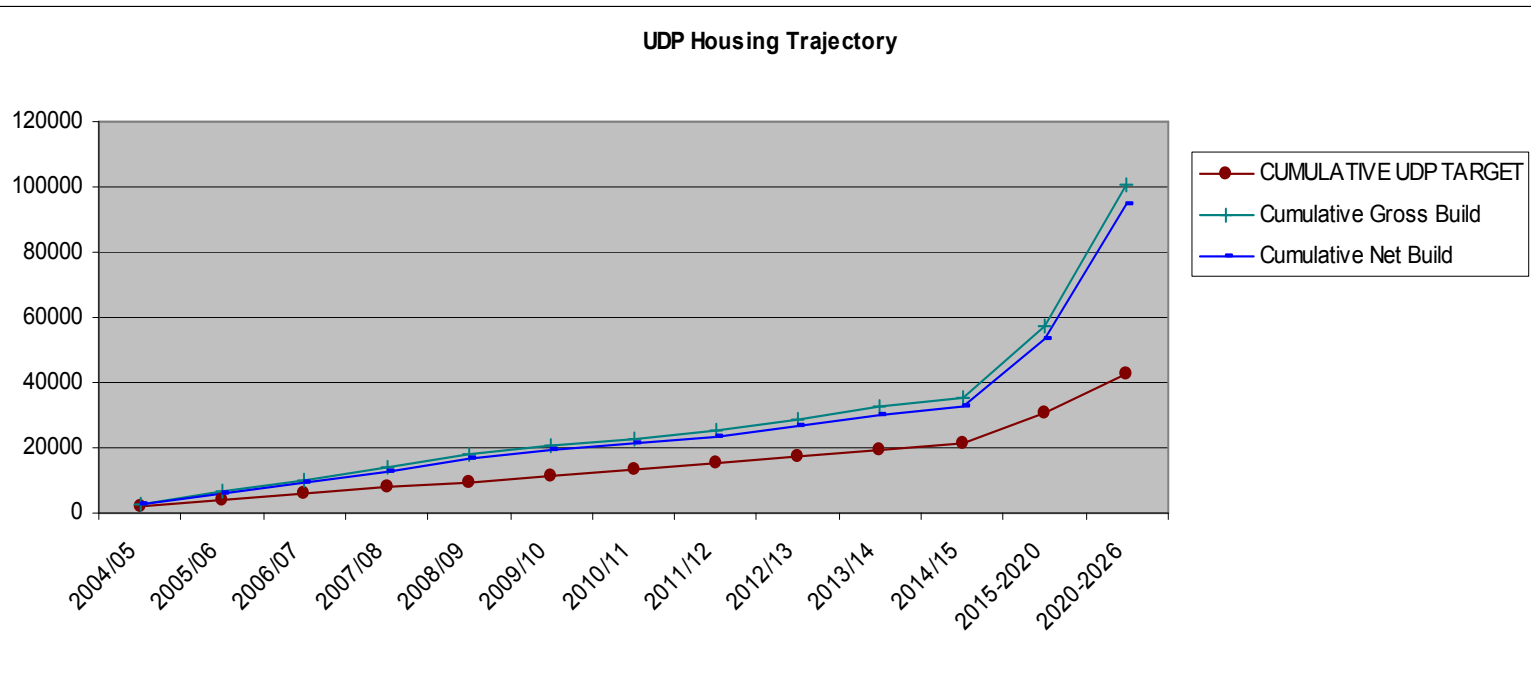
1. The Coalition: our programme for government
2. The Conservative Party Policy Green Paper No. 14: Open Source Planning
3. The Secretary of State Communities and Local Government letter of 27 May 2010 to Chief Planning Officers
4. Planning Inspectorate Advice Note – Advice produced by The Planning Inspectorate for use by its Inspectors – “Regional Strategies – Forthcoming Abolition
5. Parliamentary Statement of 6 July 2010 by the Secretary of State Communities and Local Government
6. Guidance for Local Planning Authorities following the revocation of Regional Strategies issued by CLG on 6 July 2010

UDP Figures Only

Appendix 1

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015-2020	2020-2026
GROSS BUILD	2924	3694	3538	3833	3976	2518	2,312	2,582	3,426	3,607	2,846	22,178	42,907
NET BUILD	2,633	3,436	3,327	3,579	3,828	2,237	2,062	2,332	3,176	3,357	2,596	20,928	41,407
UDP TARGET GROSS	1930	1930	1930	1930	1930	1930	1930	1930	1930	1930	1930	9650	11580
CUMULATIVE UDP TARGET	1930	3860	5790	7720	9650	11580	13510	15440	17370	19300	21230	30880	42,460
Cumulative Gross Build	2924	6618	10156	13989	17965	20483	22795	25377	28803	32410	35256	57,434	100,341
Cumulative Net Build	2,633	6,069	9,396	12,975	16,803	19,040	21,102	23,434	26,610	29,967	32,563	53,491	94,898
Cumulative Difference (Gross)	994	2758	4366	6269	8315	8903	9285	9937	11433	13110	14026	26,554	57,881

UDP Housing Trajectory



Draft RSS Figures

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015-2020	2020-2026
GROSS	2924	3694	3538	3833	3976	2518	2,312	2,582	3,426	3,607	2,846	22,178	0
NET BUILD	2,633	3,436	3,327	3,579	3,828	2,534	2,062	2,332	3,176	3,357	2,596	20,928	42,907
Draft RSS Target	2260	2260	2260	2260	2260	2260	2260	2260	2260	2260	2260	14060	17700
CUMULATIVE Draft RSS TARGET	2260	4520	6780	9040	11300	13560	15820	18080	20340	22600	24860	38920	56620
Cumulative Gross Build	2924	6618	10156	13989	17965	20483	22795	25377	28803	32410	35256	57434	100341
Cumulative Net Build	2633	6069	9396	12975	16803	19040	21102	23434	26610	29967	32563	53491	94898
Cumulative Difference	373	1549	2616	3935	5503	5480	5282	5354	6270	7367	7703	14571	38278

