



Report of the Acting Director of City Development

Executive Board

Date: 22 June 2011

Subject: HOUSING APPEALS – IMPLICATIONS OF THE SECRETARY OF STATE’S DECISION RELATING TO LAND AT GRIMES DYKE, EAST LEEDS

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| Electoral Wards Affected: All |
| <input checked="" type="checkbox"/> Ward Members consulted for Morley North |

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| Specific Implications For: |
| Equality and Diversity <input type="checkbox"/> |
| Community Cohesion <input type="checkbox"/> |
| Narrowing the Gap <input type="checkbox"/> |

Eligible for Call In

Not Eligible for Call In
(Details contained in the report)

EXECUTIVE SUMMARY

1. Throughout a series of planning appeals, the Council has been seeking to promote housing development that supports regeneration and the revitalisation of communities largely within the main urban area. This approach also reflects concern for the environment and protection of the distinctive character of the settlements that make up Leeds district.
2. Among issues that will need to be addressed to make sure appropriate housing growth is taken forward in the Core Strategy will be:
 - Protecting the Green Belt and valued green areas that are important for health, biodiversity, food production and quality of life.
 - Ensuring that the necessary social infrastructure is available in the right place and at the right time.
 - Maintaining the distinctive character of settlements in Leeds.
 - Delivering a mix of houses that meet the needs of all sections of the community including affordable housing and elderly people

- Ensuring an appropriate balance between Greenfield development and brownfield urban locations in order to make the most effective and efficient use of available sites.
3. This report proposes the publication of a housing prospectus to stimulate debate about future housing growth in Leeds. Informal consultation with a cross-section of interests will inform the progress of a Core Strategy in order to establish a new housing target and approach to delivery.
 4. The planning context within which recent appeals have taken place has been subject to change and some confusion given the pronouncements of the Secretary of State regarding the intention to abolish regional strategies and a series of challenges to that decision in the Courts.
 5. The Council has been unsuccessful in the latest of the appeals, relating to land at Grimes Dyke, East Leeds, determined by the Secretary of State. Ultimately, little weight has attached to the intention to abolish RSS and hence to the Council's arguments which relied on this change. The Council has been clearly found to have a shortfall in its 5 year housing land supply.
 6. In the circumstances and after a series of set backs at appeal, it is considered that proposals for the remaining Phase 2 and Phase 3 housing sites should be favourably considered, subject to the proposals being otherwise acceptable in planning terms.
 7. As a consequence, it is recommended that the Council withdraw from the one outstanding appeal in this series, relating to land at Whitehall Road, Drighlington.

Purpose Of This Report

- 1.1 This report is to update Members on the outcome of an appeal relating to a substantial greenfield housing site at Grimes Dyke, East Leeds. The decision by the Secretary of State follows a series of similar cases determined by individual inspectors and Executive Board is asked to consider the consequences of the decision for the Council's approach to similar greenfield development in future.
- 1.2 It is proposed that this report be exempt from call-in. As the report notes in paragraph 3.5, there is a further similar appeal case for which evidence is now due and it is important that the Council's approach to that case is established at the earliest opportunity.

2.0 Background Information

- 2.1 Members will be aware that the Council has been faced with a number of planning appeals for housing on greenfield allocations. The Council has been opposed to the release of the greenfield housing sites at the present time on the basis that such sites are not needed given that there is a substantial supply of brownfield land and the need to support regeneration as a priority. The Council's stance has been confirmed in various resolutions to Council.
- 2.2 Members will recall that this situation largely arises from the very high housing targets in the Regional Spatial Strategy (RSS) and the requirement for a 5 year land supply of deliverable sites.
- 2.3 As explained later in this report, the context within which the Council has had to make decisions on applications has been changing and uncertain. The Secretary of State's pronouncement on the abolition of Regional Strategies and targets created an expectation that there was the flexibility to set aside regional targets and introduce an alternative that better reflected local circumstances. There has been a period of some confusion as this position has been challenged through a series of court cases, culminating in a decision in the Court of Appeal in May 2011. In dealing with applications, and at appeal during this period the Council has been mindful of the need to secure the regeneration of some of the more deprived areas of the district, to maintain and enhance the distinct settlement pattern and quality of place that Leeds enjoys and to reflect market realities in terms of delivery and finance.
- 2.3 Following the loss of a number of the earliest of the appeals, on Counsel's advice, the Council sought to challenge the appeal decisions in the High Court. Judgment in the first case, at Greenlea, Yeadon, was handed down on 17 June 2010. The Council was unsuccessful and concluded on the basis of the judgment that there was little chance of success in the remaining cases, and that it should withdraw from the proceedings.
- 2.4 At that time there were a number of similar appeal cases outstanding. However, as explained in reports to Executive Board on 21 July 2010 and 16 August 2010, there had been a significant change in the planning context following the change of government in the May 2010 election.
- 2.5 The post-election statement by the new government "The Coalition: our programme for government" advised that:

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

2.6 This was followed on 27 May 2010 by a letter to all Chief Planners confirming this intention and stating that:

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

2.7 Subsequently, in a Parliamentary Statement on 6 July 2010 the Secretary of State announced that he was revoking RSS. On the same day, the Government’s Chief Planner issued a guidance note to local authorities 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.’*

2.8 On the basis of this change of circumstance and the published statements and guidance, the Council determined to introduce an interim housing target as a temporary replacement for RSS, pending the development of its Core Strategy. The interim target was considered to reflect the approach set out in the Chief Planner’s guidance note and considered a range of factors used to establish targets, not least the changed economic climate and delivery performance.

2.9 As Members may be aware, the decision to revoke RSS was challenged in the courts by Cala Homes. The judgment handed down on 10 November 2010 determined that the Secretary of State’s action was unlawful and quashed the action to revoke RSS. However, on the same day the Secretary of State issued a statement which, amongst other things, advised that;

“Whilst respecting the Court’s decision, this ruling changes very little On 27 May 2010, the government wrote to Local Planning Authorities and to the Planning Inspectorate informing them of the Coalition Government’s intention to rapidly abolish regional strategies and setting out its expectation that the letter should be taken into account as a material planning consideration in any decisions they were currently taking. That advice still stands.”

2.10 As a result, Cala Homes brought a further legal challenge in the High Court on the ground that the Government’s intended revocation of RSS was legally immaterial to the determination of planning applications and appeals prior to the revocation of RSS. The challenge was unsuccessful and Cala Homes appealed to the Court of Appeal. The appeal was heard on 5 and 6 May 2011 and judgment was given on 27 May 2011. The appeal was dismissed.

2.11 Following the outcome of the first Cala case, advice was taken from leading counsel. Counsel advised that *“countervailing considerations”* could be used to outweigh an RSS, *“to which the Secretary of State is likely to attach negligible weight in the light of his clear statement of policy.”* He also noted that Inspectors were advised to follow the Secretary of State’s policy statement and the Chief Planner’s guidance.

2.12 It was against this background that the Council sought to defend the later appeals. However, both individual inspectors and finally the Secretary of State ruled against the Council and were generally consistent in their views on the weaknesses of the Council’s case.

3.0 Main Issues

- 3.1 At the present time, the development plan for both the determination of applications and appeals consists of the UDP Review 2006 and RSS. It is clear from the appeal decisions that the phasing and land release approach set out in the UDP is regarded as being out of date in the context of PPS3 and RSS. The requirement for a 5 year land supply is given a high priority both in terms of this guidance and the Government's often stated intention to deliver more housing.
- 3.2 The Council's interim housing target has been given little weight by inspectors and the Secretary of State, notwithstanding that it was prepared reflecting a range of evidence and in the light of the Chief Planner's guidance. Much of the criticism claims that it is not founded on a robust and tested evidence base and has not been subject to proper consultation. The interim housing target was just that. It was never intended to represent a long term ambition and it was always recognised that a fully tested target would be developed to replace it through the Core Strategy. Indeed, in the circumstances that the Council faced with imminent appeal hearings, it would have been impossible to replicate the sort of process required of the Core Strategy, in the time available. The Council's response was a practical and pragmatic approach founded on what it believed to be the Government's latest advice.
- 3.3 The Secretary of State's comments, even after the first Cala decision suggested that some significance was to be attached to the intention to revoke RSS and that greater weight would be given to the localism agenda. In the event, it is perhaps fair comment that the Secretary of State's comments have not translated into material support for the Council's position. In his decision letter on the Grimes Dyke case, the Secretary of State says;
- "The Secretary of State has also made it clear that it is the Government's intention to revoke Regional Strategies and the provisions of the Localism Bill which is now before Parliament reflects their intention. While he has taken this matter into account in determining this case, the Secretary of State gives it limited weight at this stage of the parliamentary process."*
- 3.4 Over the last year or so the planning context for considering the appeals has been somewhat confusing and subject to change. There has been the introduction of the very high targets in RSS that go way beyond past performance, the economic downturn leading to limited finance and new starts, the Council's High Court challenge, the revocation and then re-instatement of RSS and uncertainty created by the Secretary of State's statements and guidance. However, throughout this period of change the Council's approach to greenfield housing development has been consistently unsuccessful at appeal. The Secretary of State's decision on Grimes Dyke, supporting the conclusions of his inspector in the appeal and giving his own intention to revoke RSS limited weight provides a very clear statement rejecting the Council's position. It has to be concluded following that decision that the Council's current approach is no longer sustainable.
- 3.5 At present there is one outstanding appeal in this series relating to land at Whitehall Road, Drighlington. This appeal is concerned wholly with matters of policy, with the reasons for refusal using the arguments rejected elsewhere. Evidence in this case should already have been submitted, but the Planning Inspectorate has offered the Council further time to enable the Grimes Dyke outcome to be considered.

- 3.6 As indicated in para 2.8 the Council advanced the interim housing target in response to the Secretary of State's decision to revoke RSS and on the basis of the guidance issued by the Chief Planner. Even when that decision to revoke was declared unlawful we were still advised to take the intention to remove RSS into account and the Council has proceeded on that basis.
- 3.7 Although the second appeal by Cala Homes challenging that proposition was dismissed by the High Court and most recently by the Court of Appeal (see para 2.10 above), Lord Justice Sullivan, in his judgment in the Court of Appeal having clarified that the intention to abolish RSS can be a material consideration in determining planning applications and at appeal went on to say that it can have no relevance for the preparation of the development plan. At para 24 of the judgment Lord Justice Sullivan states,
- "It would be unlawful for a local planning authority preparing, or a Planning Inspector examining, development plan documents to have regard to the proposal to abolish regional strategies"*.
- 3.8 Given this very clear judgment it is considered that in preparing the Core Strategy we will have to work on the basis that the plan will need to be in general conformity with RSS. General conformity implies that there is some flexibility and it is of course to be expected that the Council will use up to date evidence.
- 3.9 During this difficult and uncertain period the Council has nevertheless been taking positive steps to move things forward. There has been an on-going dialogue with the housebuilding industry so that we better understand their concerns and they understand the Council's priorities. Through the Affordable Housing Strategic Partnership and dialogue with the Homes and Communities Agency affordable housing has been delivered even in a difficult market. Joint working has taken place with the private sector and representative groups on the Strategic Housing Land Availability Assessment (SHLAA) and Strategic Housing Market Assessment (SHMA) and via the Leeds Housing Partnership.
- 3.10 To take the housing debate forward, the Council is proposing to undertake a consultation exercise focussed on the housing agenda. To stimulate debate it is proposed to publish a housing growth prospectus a copy of which is attached to this report at Appendix A. The consultation is intended to include representatives of a wide cross-section of interests including town and parish councils, community groups, Members, housebuilders and financial institutions. The timetable for the Core Strategy following this consultation is set out in the prospectus.
- 3.11 The challenges of taking forward a significant level of housing growth in the Core Strategy remain. The Council wants to ensure that growth is delivered in a way that meets the needs of all sections of the community and has due regard for the environment. Among the issues will be:
- Protecting the Green Belt and valued green areas that are important for health, biodiversity, food production and quality of life.
 - Maintaining the character of the places that give Leeds its distinctive settlement pattern.
 - Ensuring an appropriate balance between Greenfield development and brownfield urban locations, particular the Council's regeneration priorities;

- Whether given financial conditions both for purchasers and housebuilders, the scale of growth is realistic throughout the plan period and if not whether it is appropriate to allocate land that may not be needed;
- How to ensure that the necessary infrastructure is available in the right place and at the right time;
- Delivering a mix of houses that meet the needs of all sections of the community including affordable housing and elderly people; and
- Making the most effective and efficient use of the available sites.

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 Grimes Dyke appeal, which was allowed, means that the Council's approach needs to change.

5.0 Legal And Resource Implications

5.1 The Council has now lost a number of appeals and the more recent cases have all been subject to an award of costs, where this has been sought. Continuing with the current policy approach would inevitably give rise to further appeals with cost implications for the Council.

6.0 Conclusions

6.1 All but one of a series of greenfield housing appeals has now been determined. The latest of these is the appeal at Grimes Dyke which was recovered for determination by the Secretary of State. All the appeals have been allowed, many with awards of costs against the Council.

6.2 Despite changes in the planning context, a series of planning inspectors have consistently given greater weight to national planning priorities with little or no support for any of the arguments advanced by the Council in response to those changes. The Secretary of State's decision and reasoning reinforces the views of the inspectors in earlier cases.

6.3 Having unsuccessfully challenged an earlier decision in the High Court, the Council has little or no option but to accept that it can no longer substantiate its previous approach and must review its position. In the light of the comments on land supply arising from the appeals it is concluded that this effectively means that all the UDP Phase 2 and 3 allocations should now be regarded as available for development in principle. Proposals for any of these sites would still of course have to address any detailed policy requirements set out in the UDP and be otherwise acceptable from a development management perspective.

6.4 National guidance is very clear that in determining applications, LPAs should consider whether a 5 year supply of housing land is available. It is clear from the appeal decisions that little or no weight can be attached to the Council's interim target, which should now be withdrawn. In the circumstances, and given that RSS

remains part of the development plan, it is suggested that the only option currently available is to revert to the RSS figure of 4,300 net p.a. as the basis for this assessment. In the circumstances, even with all the Phase 2 and 3 sites available, it may still be argued that the Council does not have a 5 year land supply. As a consequence, other greenfield (non-allocated) sites may need to be favourably considered. However, given the very clear UDP policy on the Protected Areas of Search (PAS) it is considered that release of any of these sites should only arise through the LDF process.

- 6.5 Throughout the appeals, the Council has been concerned about the impact of greenfield release on regeneration areas. It was felt that with limited market interest, such development as does take place will locate on the greenfield sites. The more greenfield sites that get permission the more this situation will become entrenched and regeneration areas will be by-passed. While the Council may still have reservations on this issue, it was not a concern that carried much weight in the appeal process. Release of the Phase 2 and 3 sites cannot therefore be made conditional on some form of support for regeneration although it is, of course, open to the Council to seek to negotiate\encourage regeneration in some way.
- 6.6 The difficulties faced with the housing appeals and the potential need for a different approach, add weight to the need to progress the Core Strategy with some urgency. The only way for the Council to effectively establish a new approach that should include a new housing target, phasing, links between brownfield and greenfield and spatial distribution is through the development plan. Recent experience suggests that only this route is likely to satisfy inspectors at appeal.
- 6.7 Given this position, it is suggested that the only option for the remaining appeal at Whitehall Road, Drighlington, is to advise the Planning Inspectorate that the Council is withdrawing.
- 6.8 It is clear from the Cala judgement that until the law changes and RSS is formally abolished, the Core Strategy must be prepared to be in general conformity with RSS. The intention to abolish RSS cannot currently be taken into account. Although RSS may have been abolished by the time the Core Strategy comes to examination, the judgement is clear that we cannot now prepare the plan on the basis of such an assumption. The circumstances are now very different from those that existed when the interim target was considered by Executive Board in July and August 2010. At that point, the Secretary had advised that RSS was already revoked. In which event no target then existed and it was perfectly reasonable for the Council to assume that it should consider developing its own long term target.
- 6.9 In preparing to promote a new target through the Core Strategy the Council will need to take on board the up to date evidence. This will include the findings of the Council's Strategic Housing Market Assessment but can also take account of such factors as demand, housing delivery and site availability. Available sites will include a review of the substantial stock of planning permissions and other opportunities in the landbanks of the housebuilders which are likely to have been put forward by the industry for consideration through the SHLAA process. Whilst ensuring general conformity with RSS the Council's concerns for regeneration, character and quality of place and green Belt will need to be addressed. In this respect it should be remembered that the focus of RSS is on the revitalisation of the main urban area.
- 6.10 The proposed prospectus highlights some of the key issues as a means of stimulating debate with a wide cross-section of interests over the coming months. As part of the debate over the summer it is suggested that Scrutiny Board

(Regeneration) be invited to review the population and household projection work that provide the background to the growth debate.

It will be important that any such review is undertaken in a timely manner compatible with the Core Strategy timetable.

7.0 Recommendations

7.1 Executive Board is asked to:

- i) Note the outcome of the appeal at Grimes Dyke and the consequences for Council policy set out in this report;
- ii) Agree to the release of all the Phase 2 and 3 housing allocations in the UDP subject to proposals coming forward being otherwise acceptable in planning terms;
- iii) Agree to withdraw from the appeal on land at Whitehall Road, Drighlington;
- iv) Agree that RSS provides the basis for assessing the 5 year land supply pending the Core Strategy; and
- v) Endorse the Prospectus at Appendix A as the basis for informal consultation on the Core Strategy housing issues.
- vi) Invite Scrutiny Board (Regeneration) to review and report on the population and household projection information that will underpin the Core Strategy. Such review to be undertaken as a matter of urgency to enable progress to be maintained according to the Core Strategy timetable.

Background Papers

1. Grimes Dyke appeal decision letter and inspector's report.
2. Executive Board report of 21 July 2010.
3. Executive Board report of 16 August 2010.

Exploring the scope for housing growth in Leeds



An overview of the issues, options and recent evidence supporting growth

To become the best city in the UK we need to ensure that we have more housing of the best quality in all communities in the city

In complex rapidly changing times and increasing population growth it is crucial that we increase our focus on providing homes and jobs for residents of our City and those that rely on Leeds for their prosperity and employment. This is why we have placed sustainable growth supported by high levels of private sector investment, at the heart of Leeds' ambition to be the best city in the UK.

It is a vision firmly based on connecting growth with places, people and high quality employment. This is more than just an aspiration. It is about fostering economic recovery by delivering new jobs, building more homes and creating the kind of places worthy of a major city which cares about sustainability, community identity and the quality of our environment.

We need to debate how housing and jobs can best be delivered. Our role must be to set the scene for investment with policies that facilitate sustainable growth, respect community identity, build public confidence and support a clear direction for our communities. We cannot do this on our own, communities, their representatives, investors and developers all have a critical role in shaping the future of our city and the preparation for this needs to start now.

We can begin these debates with a frank assessment of the housing market in Leeds. It is not working nearly as well as it should be. The population of the city is rising and yet the number of housing completions has fallen to its lowest number in years. This cannot be explained away by any absence of need. A third of private sector stock in the city has been classified as non-decent. Leeds is ranked high amongst the least affordable places in the region to buy or even rent accommodation, suggesting that scarcity of new housing is a real issue. We need to provide new homes and jobs for our growing population and children.

Deciding on how many houses are needed and where these are best located should come through a step by step process beginning with a dialogue between communities and house builders and investors based on evidence and principles that are widely agreed and trusted.

This can help us in the Council to better prepare for the more formal process of policy and plan making needed to deliver the city's "Core Strategy". This all takes time but we can set out a clear direction of travel by identifying the big issues.

This Prospectus aims to further the debate by seeking views on some of the fundamental questions associated with the housing growth agenda. What scale of growth is appropriate? How can this be delivered to achieve our regeneration ambitions and to recycle brownfield land? How do we ensure that we protect the greenbelt and other open land that our communities value and that gives Leeds its distinctive character and is high quality environment?

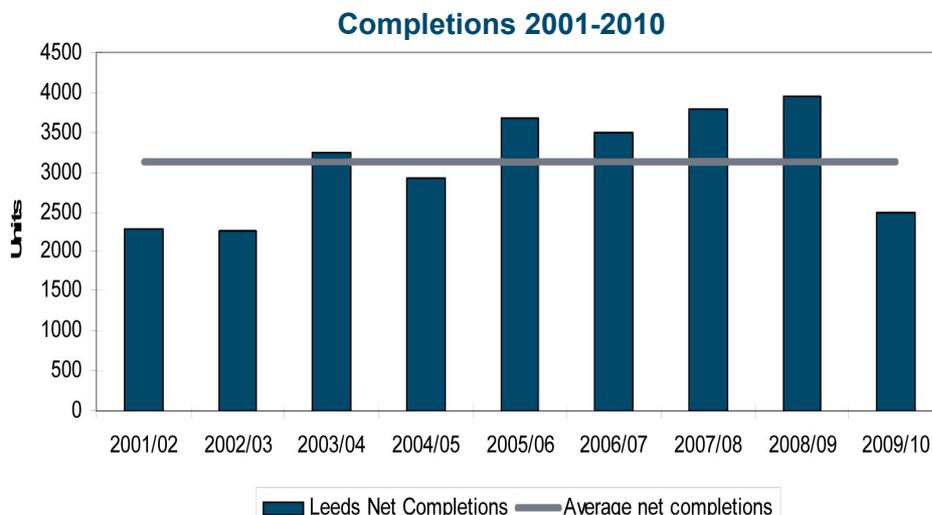
We have set out an ambitious timetable for the Core Strategy. To achieve this we need your help to answer the questions posed in this pamphlet. Fundamentally, how do we reconcile growth with improvements in the quality of life and protection of the environment as the basis of unlocking community support for new development.

Housing in the wider economy

We want a housing market that works. The number of new starts and completions in 2009/10 were at their lowest in years (see graph). This is the result of what has been happening in the rest of the economy, but it is not the only explanation.

Economic recovery requires that we unlock housing growth

To achieve its vision for the city Leeds must outperform the UK economy as a whole. We are already doing this in some areas. The city centre offers the best value for money in Europe for rents and labour (Cushman and Wakefield survey 2010) and survey after survey indicates that the city is well placed to lead the UK's recovery. The quality of the Leeds environment is also highly valued by investors and residents. These are advantages we must harness.



Investment in the City Centre continues...

Over the last 10 years, almost £3.0bn of major property development schemes have been completed in the City Centre. Despite the recession investment in the City Centre is leading the recovery not just in the city but in the region. The £350m **Trinity Leeds** retail development is on course for its scheduled spring 2013 completion. Almost 65% of the scheme is pre-let, with a further 12% in solicitors' hands and another 8% in negotiations. It will create over 3,000 new jobs.

The other major city centre retail development is of course the Hammerson's **Eastgate Quarters** scheme. The £600m one million square foot retail-led scheme will feature a two-level shopping arcade and a new civic square. As well as the restoration of historic buildings the scheme will host a Low Carbon Energy Centre. The development will have in the region of 130 new stores and will be anchored by a flagship John Lewis next to Kirkgate Market and Marks & Spencer. Over 4,000 new jobs will result.

BAM Properties has secured planning permission for phase two of its Latitude office development in **West End** Leeds which will be known as Latitude Blue. The developer will offer the 115,000 sq ft seven-storey development to the market on a pre-let basis. Together with developments at Wellington Place and along the Whitehall Riverside a whole new mixed use quarter of the city is being developed, just ten minutes walk from Leeds city station.

The construction of the £80m **Leeds Arena** has begun. Earthwork excavations started on 18 February and all planning permissions and licences are in place. Once completed, it is estimated that up to an extra £28m will be contributed each year to the local economy by the Arena.

Work is well underway on the creation of a new public open space and new development on the **Sovereign Street** site. In December KPMG agreed a nine month exclusivity period with the Council to explore options for delivering a new building for the company on the site on Sovereign Street. The scheme is aiming to create a "stepping stone" between City Square and the proposed South Bank development.

The **South Bank** includes a proposal for a new city centre park and a new office and residential quarter to rival the best in Europe.

Investment in the Wider City continues...

Situated on the eastern edge of the city centre **Thorpe Park** and is one of the region's leading Business Parks. Covering 270 acres and with direct access from the M1 Motorway (Junction 46), recent investment means that there will be over 1.8 million sq ft of office accommodation when complete.

A key priority for the city is the regeneration of inner **East Leeds**. In recent years there has been over £54m of investment in this part of the city. Investment in schools, healthcare, infrastructure and community facilities. Families recently moved into some of the first new council homes built in the city for 20 years in Gipton east Leeds. Yet there is still plenty of scope for growth with 55 hectares of land available for development.

To the south an informal consultation on the **Aire Valley** area action plan has just finished. It includes promotion of the area as an Urban Eco Settlement (UES). The first 61 new homes have gone on sale in the UES by Miller Homes at Yarn Street in Hunslet. The full scheme includes 281 affordable housing units. Along with high eco standards of construction, the new homes will benefit from an on-site Combined Heat & Power plant which is currently under construction, supported with £1.7m funding from the Low Carbon Infrastructure Fund. When complete it is anticipated that 12,000 new homes and 27,000 new jobs will be provided.

To the west of the city is the £300m **Kirkstall Forge** scheme. A masterplan for the site by award-winning architects Feilden Clegg Bradley includes family homes and 300,000 sq ft of commercial office space on this 56-acre site. The development will be served with its own dedicated railway station with a direct link to the city centre in under six minutes.

Passenger numbers are projected to rise from 2.7m to 5m a year at **Leeds Bradford International Airport**. Permission was recently granted for a new terminal building. The Airport has received a welcome boost with airline KLM adding a fourth daily flight to its Amsterdam hub. Ryanair also open its new Leeds-Bradford base in March this year serving over a dozen destinations.

There are new proposals for investment in Leeds Station to cope with additional passenger growth and to open up access to the south of the City Centre and especially the Holbeck area.

An Investment Strategy for South Leeds aimed at delivering regeneration and growth, in the form of new homes, has recently been launched.

Before we can agree a way forward we need to understand the reasons for the low growth in new housing outside the city centre.

We need to look behind the headline figures to understand the real blockages to growth. Currently it depends on who you ask, a local councillor, a resident affected by development, a developer/landowner or a council officer.

A failure to deliver the right range of houses in the right locations will contribute to housing shortages, over-crowding and lack of affordable housing within the city. New housing development on greenfield sites must not be to the detriment of brownfield regeneration otherwise the gap between rich and poor communities will grow.

Some of our development partners in the city centre are already promoting Leeds as a great place for investment



Tackling the barriers to housing growth

We need to tackle the following growth challenges:

- Timing and adoption for the Core Strategy with a strategy for the release of housing land
- The need to foster better communication and understanding between the parties about the future development of the City
- A new understanding of the roles of the Council, local developers, communities and funders which will underpin delivery
- Examining new models of funding to support the delivery of homes

Timing and adoption process for the Core Strategy

The first step is to set a clear timetable for adopting our Core Strategy.

Work started on our Core Strategy some time ago, but with a new government in place and new planning legislation expected it has been necessary to take account of changes in legislation and in the economy and population growth.

The Core Strategy will aid all parties to have a better understanding and will crucially provide much needed confidence for investors.

| LDF Programme Timetable | | | | |
|--------------------------------------|---|--|---|---|
| DPD | Current Position | Publication | Submission | Examination |
| Core Strategy | Preparation of 'pre-publication document' for internal LCC consideration (April – May). 'Targeted' external informal consultation (June – July) | December (following consideration by Development Plans Panel & Executive Board in November cycle) | March 2012 (following consideration by Development Plans Panel & Executive Board & Full Council). | June 2012 (pending submission date). |
| Site Allocations | Need to 'scope' the content of the document in the light of the emerging Core Strategy. PPG 17 Audit, Employment Land Review update, SHLAA, Retail & Town Centres study – completed, as key inputs to sites issues | Subject to progress on CS, scope for initial consultation, concurrent with CS Publication. Formal Publication March/April 2012 (subject to progress on CS). | September 2012 (following consideration by Development Plans Panel & Executive Board & Full Council). | January 2013 (pending submission date). |
| Natural Resources & Waste | Submission material to be considered by Executive Board on 18 May & Full Council July | Completed | July (pending Full Council decision) | October (pending submission in July) |
| Aire Valley Leeds AAP | Review of responses to informal consultation (revised AAP boundary, February - March) | October (following consideration by Development Plans Panel & Executive Board in September cycle) | March 2012 (following consideration by Development Plans Panel & Executive Board & Full Council) | June 2012 (pending submission date) |

Confidence in the evidence for new housing growth

The second step to bring greater certainty to housing delivery is to review the evidence and secure agreement on the scale of housing growth the city needs to plan for until 2026.

Markets need accurate and up to date information to work effectively. Clearly, there have been difficulties in coming to a common consensus on the accuracy of key figures for the drivers for housing growth. The most significant of these has been the uncertainty surrounding projections for population growth, but these difficulties have been further exacerbated by revisions to national forecasts for economic growth.

We recognise that given this uncertainty clearer, more accurate forecasts are required. These need to be realistic and take account of relevant studies, market capacity and the need to achieve a realistic release of housing land. That is why we commissioned the Leeds Strategic Market Assessment (SHMA) to contribute to our robust evidence base. The SHMA was commissioned by the Council with the Leeds Housing Market Partnership (HMP).

Other Indicators and Factors

Government guidance advises that a wide range of information will influence the housing target. This can include demand as well as need, house building rates, affordable housing, the availability of suitable sites and infrastructure considerations amongst other things.

Clearly, the state of the housing market and the economy more generally is acting to dampen demand and there is general agreement that recovery to previous levels will take some time. Even at the height of the market, with a high proportion of flats, the best annual rate of completions achieved in Leeds was 3,800 units in 2009/10. Over a longer 10 year period, completions averaged 3,000 per year.

The need for a significant level of affordable housing is well established. 'Within the total requirement there is therefore a substantial proportion of households unable or unwilling to purchase or rent market housing. Even at the peak of the market output of affordable units fell well below what was required and well below the levels set in policy. Simply building more market housing will not meet affordable housing needs.

The Council has undertaken a Strategic Housing Land Availability Assessment (SHLAA). The vast majority of new sites identified in the process were on Greenfield land around the fringes of the main urban area, towns and villages, predominantly in the green belt. Such sites are generally in less sustainable locations than recycled land within the main built up areas of the District.

Significant growth brings important challenges. Public funding is likely to be limited for many years to come and excess expectations of the private sector are only likely to deter development.

Taken together, such factors might suggest that the Core Strategy should set a target below the level of need identified in the SHMA. Indeed within SHMA the consultants suggest that there is only a market for around 60% of the total need. This needs to be reflected in a realistic way when agreeing housing land releases.

Account also needs to be taken of the capacity of the house building industry and the availability of funding. This is in addition to potential impacts on the green belt and the need to deliver brownfield regeneration. We need to ensure that the ways in which we meet these demands reflects the character and distinctiveness of the City, that help to make Leeds such an attractive place to live, visit and invest.

The city desperately needs new affordable housing

According to the housing need study this in turn will drive the need for particular types of affordable housing within an overall figure of 1158 residential units per annum. The changing demographic and economic profile of the city means that the wider housing market will be affected in different ways. There will be specific need for housing to meet the needs of:

- An increasing population over 65 and over 85 years old creating pressure on supported housing and the need for different housing products
- Growth in employment and the student market continues to be important and issue of graduate retention
- 3,887 households in severe or priority need (including 807 homeless or in temporary accommodation)
- Continuing low income levels and a growing aging population will need to be recognised in securing housing delivery.

Principles governing future house building

It is clear to us that:

- Housing delivery will need to increase significantly beyond the interim target established in summer 2010 and above actual output during the recent housing boom;
- Some greenfield sites will be needed to accommodate a significant increase in housing delivery, including all the previously allocated Phase 2 and 3 sites from the UDP Review of 2006, taking into account the brownfield sites and intensification of development in appropriate locations.
- Some or all of the Protected Areas of Search are also likely to be needed alongside limited use of land currently in the green belt;
- long term housing development will need to be integrated with proposals for local economic growth in locations such as the City Centre, Aire Valley, East and South Leeds.

We are keen to promote a much wider debate on how the changes in the housing sector identified in the SHMA can be accommodated in the Planning system in practice. So to move the debate on concerning the level of growth that Leeds should accommodate we would like to consult both developers and communities and their representatives on the key issues such as;

- **What do you think the appropriate level of housing growth should be? Should delivery be phased over the life of the plan?**
- **How can balanced development of green and brownfield sites (especially in regeneration priority areas) across the city be best achieved and the character and identity of communities, towns and villages best be protected and enhanced?**
- **How can we ensure the infrastructure (eg jobs, schools, transport) are in place in both the right places and at the right time?**
- **Do we need new funding models to enable development of new affordable homes?**

We need to reconsider the use and form of Planning obligations and the role of the new Community Infrastructure Levy. The government is also promoting a localism agenda, giving communities more say in where and how they develop and seeking a situation in which those communities will support new housing and delivery.

A new understanding of the roles of the Council and developers in the future

The coalition government has indicated its intention to ensure planning authorities prioritise growth and jobs through their development plans and reconsidering planning obligations. The government is also promoting a localism agenda which aims to give communities more say in where and how development should take place and how they can benefit from growth to invest in local community facilities and infrastructure.

Taken together these proposals demand significant changes in the culture of planning and development within our city. Members, developers, the community and their representatives, funders and infrastructure providers will need to work in partnership to ensure these changes support rather than undermine the creation of sustainable communities in Leeds.

By placing these growth issues plainly and clearly on the table we want investors, developers and communities to look to the future prospects for the city rather than the past.

That is why we would like to supplement the formal process of producing a core strategy with an informal process of dialogue to ask these who care most about how our plans in Leeds can be grown sustainably how we can cooperate, collaborate and share in turn in the delivery of housing growth.

The focus will be very much on the 'how' we can work effectively together in the new environment.

- **How can we build the trust necessary between the Council, local communities, their representatives, and house builders to deliver the growth agenda for Leeds?**
- **How can we ensure housing growth delivers positive benefits for all the citizens of Leeds?**

We would welcome your view on the questions in this Prospectus. We will be explaining them through a series of workshops during the summer involving developers and Councillors, MPs and community representatives and funders to explore the new housing and planning environment as it might apply to Leeds.

The Coalition Government's Agenda for Growth

The Presumption in Favour

The government has confirmed a 'powerful new presumption in favour of sustainable development, so that the default answer to development is "Yes"

The Duty to Cooperate

Local authorities must demonstrate that they've planned for key sub-national infrastructure. This may also lead to businesses leading the production of strategic plans and facilitating decision making in complex decisions.

More Flexible Use Classes Order

The government has announced its intention to consult on proposals to allow changes of use from B Class to residential use. This may be consistent with our own Employment Land Review which indicates that in Leeds they may be scope to convert up to 23 hectares of land currently allocated in 'B' class employment to residential use.

Faster Planning Process

The government has announced its intention to introduce a 'planning service guarantee that will ensure that planning applications will not spend more than a year with key bodies.

Neighbourhood Plans for Businesses

The recent budget has confirmed that businesses will be able to bring forward their own plans and development orders for example in industrial areas or town centres. For Community plans the budget confirmed that these should be pro-growth investments, to shape developments but not oppose it.

Enterprise Zones

The Leeds City Region will host an enterprise zone; with the aims of attracting businesses to an area of offering simplified planning roles (using Local Development Orders) and tax breaks.

Community Land Auctions and New Homes Bonus

Both new initiatives will be designed to incentivise the bringing forward of possible land as a means of significantly increasing the supply of housing.

Community Infrastructure Levy

Ensuring that the benefits of new development to go local communities.

Localism

Identifying how local communities can prepare their examples in a way which reflect local needs and other strategic housing and employment objectives.