

Report of the Director of City Development

Report to Scrutiny Board (Housing and Regeneration)

Date: 26th February 2013

Subject: Council Approach to Brownfield Development

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

This report and associated appendices provide an update on matters raised in previous Scrutiny Board meetings in relation to the development of brownfield sites in the city.

Recommendations

Members are asked to note the report and offer comment on the issues raised.

1. Purpose of this report

1.1 This report provides Scrutiny Board with an update on the Council's revised strategy for bringing forward brownfield sites in the city.

2. Background information

2.1 At its meetings since July 2012, Scrutiny Board has considered issues relating to the viability of brownfield sites in the city and how development can be brought forward on these. The Board has considered the issues in relation to both private and Council owned land.

2.2 A series of reports have set out the recent history of development, ownership and development interests, the role of Planning and future prospects for development (July); details of Council-owned brownfield sites and work undertaken to secure their development (September); and details of third-party owned brownfield sites that have not been developed (November). At its meeting in December, the Board

requested an update on the Council's strategy for bringing forward brownfield sites in the city, including those in east and south east Leeds.

2.3 This report provides further details in response to this latter request.

3. Main issues

3.1 The Council's strategy for securing development on brownfield land is spread across a range of activities, principally within the City Development Directorate. There is joint work across the Planning, Asset Management and Regeneration services on:

- City-wide Brownfield Land Programme;
- Capital Receipts disposal programme;
- Affordable and Older People's Housing Programmes
- Local Development Framework and Planning Applications
- Partnership work with landowners in regeneration programme areas.

Brownfield Land Programme

3.2 At its meeting on 9th January, the Executive Board approved a new Brownfield Land Programme through which 29 Council-owned sites will be subject to a range of measures to stimulate and support development interest towards sale for new housing.

3.3 The sites within the programme cover 45 ha in total with an indicative total capacity of up to 1100 homes (assuming an average development density of around 30 units per ha and allowing for existing open space on some sites). The majority of the sites are located in East or North East Leeds (17) and South Leeds (8), with a small number in West Leeds (4). The main concentrations are in Seacroft, Middleton and Halton Moor. Appendix 1 provides a list of the sites.

3.4 These are all sites that have not previously been earmarked for the Council's Capital Receipts programme and which for the most part are in challenging locations where there is limited recent history of market development interest.

3.5 The Brownfield Land Programme aims to secure housing development on these sites, where there is an indicative housing capacity of up to 1100 homes. It establishes a ringfence within which any receipts through the sale of sites will be retained, enabling these monies to be recycled into measures that will support an ongoing process of disposal and development on other sites in the programme. Such measures could include:

- Remediation of sites prior to disposal;
- Provision of infrastructure or servicing on sites prior to disposal;
- Funding for the Council to directly purchase units on a completed development, for social rent or rent-to-mortgage, to offer some certainty to a development partner on sales or to mitigate development risk
- Funding to offer equity share loans to prospective purchasers.

- 3.6 As has been described in previous reports the majority of these sites are unlikely to be immediately attractive to house builders that favour normal market conditions for development and sales. The programme has been set up to specifically address these issues and to offer a means of dialogue and support with any development interests that may be able to offer solutions that are more bespoke than those of the mainstream volume house builders.
- 3.7 Some initial informal discussions have taken place with developers that have expressed interest in some sites in the programme and which may be able to work with the Council on mixed tenure schemes, bringing external funding, particularly if some certainty could be offered in a pipeline of sites being available over time.
- 3.8 There will be a number of approaches to disposal and development. Some sites may offer better value to the overall programme by selling in standalone deals to generate receipts to support other site preparation or marketing activities. Others may lend themselves to a packaging approach, where more profitable sites are paired with less viable sites and development is controlled to guarantee housing delivery across the two. There may also be scope to align disposal or development with other funded programmes such as those supported by the Homes and Communities Agency (including the affordable housing programme) and the Council itself (such as the Council house build programme).
- 3.9 Initial activity will take place in Seacroft and Gipton. The Askets in North Seacroft is a split site of 3.4 ha with outline planning permission in place for 120 homes. Its location at the edge of the estate on the A58 Wetherby Road offers some expectation of a land value to be derived from a disposal. Marketing activity will take place within the next two months with a view to securing development interest and progressing reserved matters planning approvals within the next 12 months. Disposal and development would follow shortly thereafter pending the confirmation of a development agreement and programme.
- 3.10 In Gipton part of a site allocated to development under the East and South East Leeds (EASEL) project has been identified for the location of a new GP surgery. The sale of this, subject to negotiation and contract, will give rise to a land receipt that can be used to support activities within the Brownfield Programme.
- 3.11 Four further sites allocated to the EASEL project in Gipton and Seacroft (Amberton Terrace, Thorn Tree Walk, Oak Tree Drive and Old York Road) will continue to be subject to development proposals by Bellway Homes, though any sale receipts from these will be used to support the remainder of the Brownfield Programme. The remaining sites in East Leeds that are set out in Appendix 1 are those that had been provisionally allocated to the longer term EASEL project but which are no longer to be taken forward with Bellway and will be available for marketing and disposal to other developers.
- 3.12 The nature of the sites allocated to the programme and the challenges they pose suggest that disposal and development of the full list will take some time. It is to be expected that in current housing market and lending conditions it may be as long as 10 years before they could all be tested with developers, remediated, prepared, planning permissions obtained, disposals made and development started. It may also be the case that if current market conditions prevail, some of these sites may

not ever become viable or attractive for development without significant public subsidy.

Capital Receipts Programme

- 3.13 Alongside the Brownfield Programme, the Council's Capital Receipts activities continue to seek sales to secure income for the Council and the development of those unused or cleared sites that are in more marketable condition and locations.
- 3.14 The Council has disposed of a number of residential development sites over the last 12 months, which will deliver approximately 200 new dwellings in the city. Depending upon the site and location, there is normally a development agreement contained within the disposal contract, to ensure construction takes place within a reasonable period of time to prevent sites being sold to a third party and not subsequently developed.

Affordable and Older People's Housing Programmes

- 3.15 The Council manages the delivery of an affordable housing programme through work with the HCA as grant provider and with a range of Registered Providers in the city. The programme often utilises Council owned sites and nomination rights are secured for applicants on the Council's waiting list. Work is underway to identify additional sites, including smaller infill sites and how to streamline the disposals process .
- 3.16 The Council is also developing a shortlist of sites for the development of new Council homes to be funded through the Housing Revenue Account and s106 funds. Feasibility on 5 sites is underway, which have the potential for around 200 new 1 and 2 bedroom flats, which will aimed at meeting the needs of older people, and smaller households who will be affected by welfare reforms, with a view to freeing up family housing wherever possible. It is anticipated that these homes could be under construction from November 2013.
- 3.17 Specialist older people's accommodation is the subject of a report to Executive Board in February. It is proposed that in order to develop new housing for elderly people, focussing initially on those areas of the city with the highest needs, a range of delivery routes will be used including support for Registered Providers in delivering specialist schemes on cleared land, a bid for specialist Dept of Health funding to develop former sheltered housing sites, the HRA Council house build programme (as described above) and marketing of sites for specialist development in Seacroft, Kippax, Woodlesford and Yeadon.
- 3.18 Support for this specialist development may be required by the Council in the form of disposal at less than best consideration (subject to relevant approvals), land contribution/deferred purchase or direct acquisition of units on sites to defer developer risk and stimulate market interest.

Local Development Framework and Planning Applications

- 3.19 The Board received a separate report on the Strategic Housing Land Availability Assessment (SHLAA) process and its 2012 update at its meeting in October 2012.

- 3.20 The SHLAA is a technical database of land. Information on sites includes estimates of how many dwellings could be delivered and when. It is evidence designed to inform the preparation of plans, including Leeds' Core Strategy and Site Allocations Plan and to inform the requirement for a 5 year supply of housing sites. The SHLAA sites are a pool of sites which will be assessed to determine which should be allocated in the future Site Allocations plan. First published in 2010, the SHLAA is updated annually, comprising refreshed details of existing sites where new information is available and consideration of new sites. The 2012 update resulted in over 100 submissions of new housing land.
- 3.21 Part of the vision of the draft Core Strategy is to ensure the use of brownfield land as part of an overall framework promoting development in sustainable locations; the spatial policies of the draft Core Strategy set out a preference for delivery of the city's housing targets on brownfield sites.
- 3.22 The Council seeks to work flexibly with planning applicants for development on brownfield sites where there are issues of commercial viability that may prevent a standard approach to implementation of policy. This includes extensions of time, reduction of section 106 contributions, phased viability clauses, reduction of affordable housing percentages and negotiations on the content of scheme.
- 3.23 The Local Planning Authority is also working with the government's Advisory Team on Large Applications (ATLAS) and with the developers of a small number of key sites to seek ways in which viability issues can be addressed. Although this work does not bring additional funding it seeks to take advantage of third party expertise to broker negotiations on s106 requirements to enable significant developments to be brought forward. The four sites being addressed through this approach – Monksbridge, Holbeck (City & Hunslet), Royds Lane (Farnley & Wortley), Kirkstall Forge (Kirkstall) and Woodside Quarry (Horsforth) – would in themselves deliver up to 3000 housing units.

Partnership Work with Landowners in Regeneration Areas

- 3.24 The Council seeks to work in partnership with land interests in those parts of the city that are a focus of regeneration activities, with a view to securing development that will contribute to both economic and housing growth. Key areas for this are the Holbeck Urban Village and Aire Valley Leeds programme areas.
- 3.25 The Aire Valley has been identified in the Draft Core Strategy as one of the city region's four Urban Eco Settlements capable of providing between 6,500 and 9,000 new homes on mostly brownfield land. A review of existing allocations, commitments, and other opportunities in the area is being undertaken through the Aire Valley Leeds Area Action Plan and co-ordinated measures are being put in place to address any infrastructure and other physical constraints to development of the land. The Council has working relationships with the landowners in the Aire Valley in seeking to realise this potential.
- 3.26 In the Holbeck Urban Village there are 20 significant brownfield sites in a mix of private and public ownership that have capacity for up to 3500 new homes based on historic planning permissions. These were generally secured at a time when high density apartment developments were being brought forward in a buoyant sales market.

3.27 The Council and Homes & Communities Agency has land holdings in this area and discussions are taking place across with private interests to establish a co-ordinated approach to development of adjoining sites that will address complex commercial and land value issues with the aim of unlocking mixed use development, to include an element of residential, but possibly at lower density and in lower numbers than has previously been envisaged.

4.0 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 There has been no specific consultation on this report, which presents information for discussion by the Scrutiny Board.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 There has been no specific Equality Impact screening undertaken for this report, which presents details of service activities already undertaken and screened.

4.3 Council Policies and City Priorities

4.3.1 The development of brownfield sites relates strongly to a range of objectives within the City Priority Plans, supporting neighbourhood regeneration and housing growth.

4.4 Resources and Value for Money

4.4.1 There are no specific resource implications related to this report.

4.5 Legal Implications, Access to Information and Call In

4.5.1 There are no specific legal implications related to this report.

4.6 Risk Management

4.6.1 There are no specific risks related to this report.

5. Conclusions

5.1 The report presents an updated position on the Council's strategy for securing the development of brownfield land in the city, in response to previous queries raised by the Scrutiny Board.

6. Recommendations

6.1 Members are asked to note the report and offer comment on the issues raised.

7. Background documents¹

¹ The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing

7.1 There are no unpublished background documents.

exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.