

Report of the Director of City Strategy

LDF Core Strategy

Summary

1. This report follows on from the report considered by Members on the 4th October which highlighted a series of issues relating to the Core Strategy arising from the changing policy context, specifically seeking Members' views on potential alterations to the spatial strategy component of the LDF Core Strategy. At the meeting Members raised questions relating to the potential impact of different approaches on affordable housing levels. Questions were also raised relating to the levels identified on some potential housing sites and the likely 'soundness' of the plan. This report considers these points and requests a view from Members on the most appropriate way forward.

Background

2. The report presented on the 4th October considered the issues below. Each of which is then considered further in light of the issues arising at the meeting.
 - The level of future housing
 - The level of future employment land provision
 - Options for identifying the extent of York's Green Belt

The Level of Future Housing

3. As previously reported Arup were commissioned to consider the level of population and household growth that should form the basis of future housing provision in York and its wider area. They considered a wide variety of factors and concluded that an appropriate annual average would be 780 – 800 dwellings a year. These figures compare to an average level of completions of 741 per annum over the last 10 years, and a five year average of 637 pa reflecting the more recent effects of the recession. Since the UK recession started in 2008 completion levels have been 493 pa. Completion levels could be considered to provide an alternative way of considering future housing requirements; based on the actual level of house building activity that has taken place.

4. The potential supply of housing to meet future housing need arises from sites with consent, allocations without consent and sites identified through the Strategic Housing Land Availability Assessment (SHLAA). Potential sites falling into the latter two categories were reported to Members at the 4th October LDF Working Group. During the meeting concern was expressed regarding the potential capacity of some of the sites particularly former school sites. These have now been reconsidered to effectively provide a range and are highlighted in Annex A attached.
5. The housing figures included in Annex A are calculated with the overall aim of providing 70% houses and 30% flats on identified sites. This figure is taken from the SHMA and reflects the current position. Nevertheless this could change over the plan period to reflect emerging needs.
6. A number of changes form the basis of the low site assumptions set out in Annex A. The amended assumptions for Manor and Lowfield school sites are based on the building footprint and any hard standing, instead of 80% of the gross site area previously used. Similarly the capacity of the site to the north east of Nestle (Mille Crux) has been reduced to respond to Member's comments. The number of dwellings is now based on developing 30% of the site, rather than 50% as previously.
7. In addition, in producing a low scenario further consideration had been given to the densities applied to local service centres. In the previous report the figures used reflected the densities appropriate to suburban locations in the main urban area. Views expressed by parish councils suggest that densities closer to those used in the villages around York are more appropriate. In response to this the density rates at The Tannery, The Brecks and Princess Road in Strensall; and on the two sites at Mill Lane in Wigginton have been amended to 30 densities per hectare reflecting the rural density rates rather than 47 dph. Other sites in the local service centres remain unchanged as they have already been lowered to reflect specific site characteristics.
8. A number of other potential housing sites were commented on by Members on 4th October meeting, including Peel Street/Margaret Street Car Park; York Central; Askham Bar Park and Ride Car Park; Millfield Industrial Estate; and Monks Cross North. These have currently not changed and continue to be identified as housing sites in both scenarios. With regard to the park and ride site, this is identified in the ongoing work on the SHLAA as only being available in the medium to long term subject to the relocation of the park and ride facility in line with LTP3 and funding becoming available. It will be phased accordingly. It is important to stress that Members are not being asked to make decisions on the allocation of sites at this point. The information on sites is included to demonstrate the broad levels of growth that could be accommodated under different scenarios. In addition it is important that any approach taken builds in a level of flexibility.
9. The list of potential housing sites (Annex A) includes the reallocation of North of Monks Cross and Millfield Industrial Estate Wheldrake from employment to housing. Members may wish to consider the reallocation of other potential

employment sites (Annex B) subject to not compromising the overall supply of employment land.

10. Another element of the housing supply is windfalls. National guidance indicates that the inclusion of windfalls would not generally be considered appropriate; their inclusion in the land supply is therefore at risk. Following previous comments by Members and citywide consultation responses a potential approach to windfalls could be to include an allowance that reflects historic rates of completions on very small windfall sites (less than 0.2ha) and changes of use or conversions. Both of these sources are too small to be picked up in the SHLAA, but nevertheless are characteristic of the types of sites that have come forward in York in the past. Reflecting the spatial strategy settlement hierarchy and the focus of development on the main urban area and local service centres this allowance would equate to 169 windfalls a year (based on a 10 year trend in these areas).
11. Table 1 below summarises the overall housing supply position including its various component parts.

Table 1: Housing Supply

	High Scenario	Low Scenario
	Number of Dwellings	Number of dwellings
Allocated sites with permission	2436	2436
Unallocated sites with permission	1122	1122
Future Allocations	6844	6409

12. If the approach to windfalls set out in paragraph 10 were taken, then an allowance of 169 dwellings a year could be added to the housing supply. Any windfall allowance would be phased in over 18 months from 2012/13, to ensure adequate time for existing consents to be built out and thus avoiding the risk of double counting. At this level, windfalls would add 2282 dwellings to the supply over 15 years and 3127 dwellings over 20 years. Using the scenarios outlined in table 1 above, windfalls would form between 25% and 26% of the future supply (excluding sites with consent) over 15 years and between 31% and 33% over 20 years.

The Level of Future Employment Land Provision

13. As previously reported Arup were commissioned to consider the level of employment growth that should form the basis of future employment land provision in York and its wider area. The work undertaken by Arup considered whether previous growth predictions were right in light of the recession and public sector cuts. They concluded that 960 additional jobs per annum was a realistic average figure for the LDF period. Given the view expressed in Arup's work it seems appropriate to continue to use the previous forecasts of 1,000 jobs pa from the Employment Land Review. Table 2 below highlights the

comparison of demand and supply in terms of quantity. A full list of employment sites making up these figures is provided for information as Annex B.

Table 2: A comparison of need and supply

Use Class	Net Land Requirements 2010 - 2026 ¹	Identified Supply
Offices B1(a)	9.03	25.2
Research and Development B1(b)	1.03	25
B1(c) , B2 & B8	17.74	21.06
Total	27.8	71.26

14. Although in purely quantitative terms the table highlights a potential over supply it was suggested by officers at the 4th October meeting that Members may consider allocating further land for employment as illustrated in Figure 1:

Figure 1: Additional Employment Land



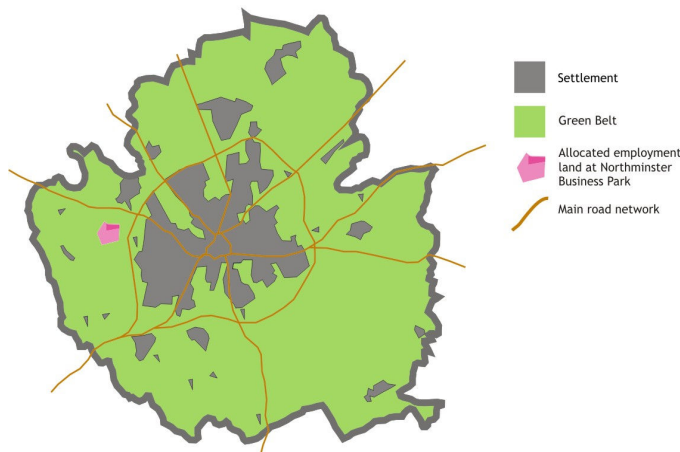
15. At the October meeting some Members expressed concern regarding the possibility of using the North Selby Mine site for the development of green technologies, for example the development of renewable energy. It was stated that the site was not suitable for general employment and concerns were expressed that if it were to be used for green technologies this could potentially lead to other employment developments.

¹ The Net figure includes an allowance for completions between 2006 and 2009.

16. In respect of Northminster (Area of Search I), Members stated that this is a very large area of 'reserved' land and that it might be prudent to retain some of that designation, but some questioned whether the whole of that area was needed. With regard to the Land to the North of Hull Road (Area of Search C) it was highlighted that the area exhibits evidence of 'medieval ridge and furrow' farming and provides separation between the main urban area and Murton. It was suggested that it should therefore be removed.

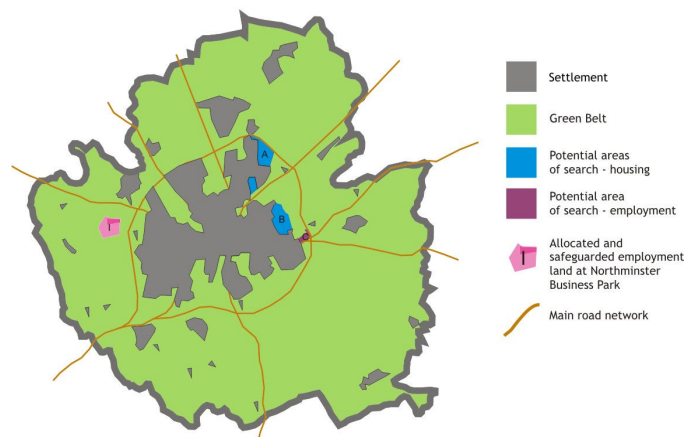
Options for identifying the extent of York's Green Belt

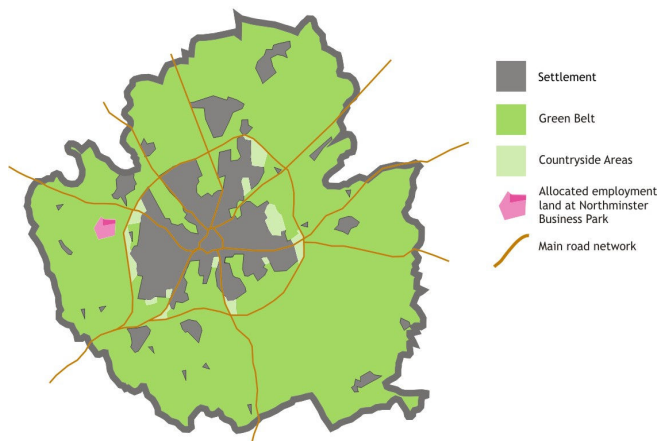
17. Four potential options were previously identified with regard to the future strategic approach to York's Green Belt. These are summarised briefly below.



Option 1: Retaining the existing draft Green Belt in line with citywide consultation responses

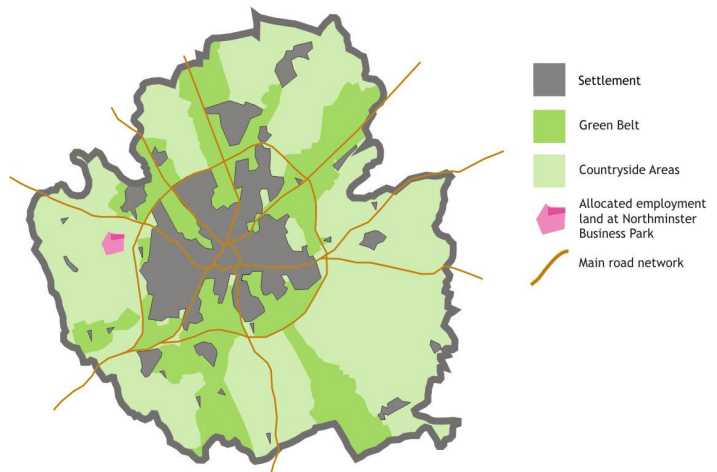
Option 2: Identify sufficient housing and employment land for at least 20 years, including areas of search as required (dependent on the responses to the issues highlighted above). Designating the remaining open land outside the built up areas as Green Belt.





Option 3: Identify sufficient housing and employment land for 15 years. Undertake to keep all land outside the built up areas open for at least the duration of the plan, using Green Belt for those areas outside the ring road, but designating areas that don't contribute to the historic character and setting of York within the ring road as Countryside Areas.

Option 4: Identify sufficient housing and employment land for 15 years. Undertake to keep all land outside the built up areas open for at least the duration of the plan i.e. 15 years. Recognising the Historic Character & Setting of York as the key objective of York's Green Belt, designate those areas identified as performing that role as Green Belt and the remainder as Countryside Areas.



Further Considerations

18. Options 1 and 2 above would effectively require the identification of at least a 20 year land supply for housing and employment to create a permanent Green Belt. Clearly in terms of Option 2 this could include land identified as potential areas of search for urban extension as part of an overall approach.
19. Option 3 and 4 would require the identification of a 15 year land supply for housing and employment. The Countryside Areas would effectively provide flexibility in terms of the land supply to ensure that Green Belt boundaries were permanent. It should be noted however that any decisions to re-designate Countryside Areas would require the support of Members in light of prevailing evidence at that time, a review of the plan, consultation and public examination.
20. Options 2, 3 and 4 could effectively provide for the level of housing identified by Arup and the additional employment land highlighted if Members were minded to follow that approach. Option 1, however, would effectively limit the housing levels to the currently identified supply. In considering this it is important flexibility is built into this process for non-delivery or lower delivery

on identified sites. Assuming that around two years supply is required to create flexibility and that York's Green Belt should endure at least 20 years following the adoption of the plan the average annual targets would be as set out in Table 3.

Table 3: Future Housing Supply

	Total Identified Supply	Average 20 years post adoption	Potential Annual Figure Building in 2 Years Flexibility
Scenario 1 (high)	13,529	644	588
Scenario 2 (low)	13,094	624	569

21. Paragraph 3 above highlights the historic average levels of completions on housing sites. The figures included in the final column of table 3 above could lead to the following delivery scenarios.

- The supply level included in scenario 1(high) would broadly equate to 8 years at 493 dwellings per annum (3 year average completion rate) followed by 13 years at 637 dwellings per annum (5 year average completion rate).
- The supply level included in scenario 2 (low) would broadly equate to 10 years at 493 dwellings per annum (3 year average completion rate) followed by 11 years at 637 dwellings per annum (5 year average completion rate).

Affordable Housing

22. At the LDF Working Group on the 4th October Members requested further information on affordable housing levels as they relate to different growth scenarios. The proposed approach to affordable housing was the subject of a report to the LDF Working Group in July. At the meeting the overall approach utilising a dynamic model was endorsed but the need for further discussions with the developer community about the assumptions within it was highlighted. This will form the basis of a report to the LDF Working Group in November if we agree any changes to the assumptions and therefore percentage targets.

23. To allow the relative comparison of the different growth scenarios for housing, the assumptions included within the July report on affordable housing have been used.

24. These assumptions have been used to consider the last 5 years of consents. This has enabled officers to gain an understanding of the type and size of sites that could come forward in the future which could then be used to estimate a potential future level of affordable housing provision based on the following targets:

- 5 - 10 dwellings: 20%
- 11-14 dwellings: 25%

- 15 + dwellings (greenfield): 40%
- 15 + dwellings (brownfield): 25%

25. Using these targets, of the 4843 net additional dwellings given consent over the last 5 years, 1261 would be affordable housing units equating to 26% of the supply. On sites of less than 5 dwellings affordable housing would be provided through off site contributions and thus these have not been included within this calculation. However, it follows that there will be more financial contributions to affordable housing on small sites if more housing in general is built. To provide a means of relative comparison the overall percentage has then been applied to each of the future potential levels of housing minus the existing consents to allow the calculation of the net potential increase in affordable housing. The results of this comparison are set out in Table 4 below.

Table 4 – Net Potential Affordable Housing Provision

Average Annual Housing Target 2010/11 – 2030/31	Total Housing Provision 2010/11 – 2030/31	Additional Housing**	Net potential increase in affordable housing at 26%
800 (Arup high figure)	16,800	13,242	3,443
780 (Arup low figure)	16,380	12,822	3,334
588 (high scenario)*	12,348	8,790	2,285
569 (low scenario)*	11,949	8,391	2,182

* Relate to the levels of growth linked to Green Belt Option 1.

** Additional housing is total housing provision minus existing consents

Soundness

26. At the LDF Working Group issues were raised regarding whether the plan would be considered 'sound' by an inspector at examination. Potential challenges relating to the 'soundness' of the plan could be made relating to a range of factors, but the issues of 'Localism', 'Windfalls' and 'Permanence' of the Green Belt are most pertinent to Members consideration of this report. These are considered in more detail below.

Localism

27. As previously reported 'Localism' is a key feature of the newly formed Coalition Government's policy agenda. This policy approach essentially commits the Government to implementing an approach that is underpinned by the principles of localism providing for a '...fundamental shift of power from Westminster to people...giving new powers to local councils, communities,

neighbourhoods and individuals². In terms of planning, this has led to the abolition of Regional Spatial Strategies (RSS's) returning decision making powers on housing and planning to local authorities. There remains uncertainty however regarding the application of localism and what this means for decision making. The draft Decentralisation & Localism Bill introduced in the Queen's speech in May is likely to be published in Autumn 2010 and is scheduled to be passed in November 2011.

28. A range of views have been expressed through consultation that are relevant to the issues highlighted within this paper as reported to the LDF Working Groups in January and April 2010. In summary the views expressed during the citywide consultation on the Core Strategy Preferred Options document included the following relevant points:

- 90% of respondents supported the key constraints used to help shape the spatial strategy relating to green infrastructure, flood risk and historic character and setting, whilst 10% did not;
- 43% of respondents felt that York's economy should grow by 1000 jobs per year and 9% by more than this amount. 48% felt the number of jobs should be lower;
- 58% of respondents felt that we should be building less than 850 new homes a year, 33% agreed that 850 new homes per year should be built, whilst 9% felt it should be higher;
- around 60% of respondents felt that land should not be identified in the draft green belt for housing or employment. However, if we had to identify land in the draft green belt for housing, 67% of respondents felt that Areas A and B would be most suitable. 58% of respondents believed that Area C was suitable for industrial and distribution employment, whilst 41% agreed that Area I was suitable; and
- 77% of respondents agreed that we should be allowed to include a higher level of windfalls in the plan, whilst 23% disagreed.

29. The relative weight to be given to 'Localism' has yet to be established through public inquiry and in case law. It is clearly a key aspect of national policy although changes have yet to be made to planning guidance and statute. The revocation of RSS is currently the subject of legal challenge and the Communities and Local Government Select Committee has launched an inquiry into the abolition of RSSs. The Committee will be focussing particularly on the implications for house building in the absence of regional targets. The inquiry is expected to take place during the Autumn.

Windfalls

30. National guidance states that as part of the 15 year supply local authorities should identify specific deliverable sites to deliver housing in the first 10 years of the plan, and where possible for years 11-15. As highlighted in paragraph 10 above the inclusion of windfalls in the land supply is therefore at risk. It is however likely that windfalls of all sizes will continue to come forward in York

² The Coalition: Our Programme for Government, HM Government, May 2010, Page 11

over the plan period. Also the approach described above would involve the inclusion of an allowance for small windfalls only i.e. sites below the thresholds for the inclusion as allocations and in the SHLAA. Nevertheless there remains a risk that an inspector will not allow the inclusion of windfalls when the plan is considered at examination, reducing the potential housing supply. As a fundamental element of the strategic plan, an Inspector could consider such a strategy to be 'unsound'.

Permanence

31. An essential characteristic of Green Belts is their permanence. Once the general extent of a Green Belt has been approved it should only be altered in exceptional circumstances. It is therefore of key importance there is sufficient land outside the Green Belt to meet York's long term planned needs for housing and employment. It is therefore essential that sufficient flexibility is built into the plan to allow for unforeseen changes.
32. With regard to this issue the Inspector for the City of York Local Plan Inquiry (1999) indicated support for a Green Belt life of at least 20 – 25 years. In addition, Government Office for Yorkshire and the Humber comments on the Core Strategy Preferred Options document highlighted that, when local planning authorities prepare new local plans, any proposals affecting Green Belts should be related to a time-scale which is longer than that normally adopted for other aspects of the plan. They should satisfy themselves that Green Belt boundaries will not need to be altered at the end of the plan period. In planning for 20 years this is potentially the minimum interpretation of 'Permanence' and could be open to challenge particularly if the level of proposed flexibility is considered inadequate.

Options

33. The recommendations of the LDF Working Group are sought on the issues highlighted below in light of the 4th October report and the additional information included within this report.

Issue 1: The level of future housing

- What should the LDF Core Strategy use as a target for future housing?
- Should an allowance for small windfalls be included in the housing supply?

Issue 2: The level of future employment land provision

- Should the LDF Core Strategy include the target of approximately 1,000 jobs a year?
- Should the LDF allocate Areas C, I and North Selby Mine for employment?

Issue 3: Options for identifying the extent of York's Green Belt

- Option 1: Retaining the existing draft Green Belt in line with citywide consultation responses;

- Option 2: Identify sufficient housing and employment land for at least 20 years including areas of search as required (dependent on the responses to the issues highlighted above). Designating the remaining open land outside the built up areas as Green Belt;
 - Option 3: Identify sufficient housing and employment land for 15 years. Undertake to keep all land outside the built up areas open for at least the duration of the plan using Green Belt for those areas outside the outer ring road but designating areas that don't contribute to the historic character and setting of York within the ring road as Countryside Areas; or
 - Option 4: Identify sufficient housing and employment land for 15 years. Undertake to keep all land outside the built up areas open for the at least the duration of the plan i.e. 15 years. Recognising the Historic Character & Setting of York as its key objective of York Green Belt, designate those areas identified as performing that role as Green Belt and the remainder as countryside.
34. With regard to the issue of 'soundness' highlighted above a further potential option for Members to consider would be the benefits of seeking legal advice prior to the submission of the Core Strategy. This could include the future role of the plan as the basis for making development control decisions. It may also be possible to approach the Planning Inspectorate for an informal view on the plan.

Next Steps

35. Members' recommendations on the issues set out in this report will be used as a basis for finalising the LDF Core Strategy pre-submission document. This will involve discussions with key consultees, such as the Highways Agency and English Heritage.
36. Officers will then prepare a final report for the Working Group to consider. This will include the full Core Strategy pre-submission document as well as the Sustainability Appraisal and other supporting documents.

Corporate Priorities

37. The Core Strategy has the potential to contribute towards the delivery of all the Corporate Priorities through its policies and actions. It will aim to make York a:
- Sustainable City
 - Thriving City
 - Safer City
 - Learning City
 - Inclusive City
 - City of Culture
 - Healthy City

Implications

38. The following implications have been assessed:

- **Financial** – None
- **Human Resources (HR)** - None
- **Equalities** - None
- **Legal** - None
- **Crime and Disorder** - None
- **Information Technology (IT)** - None
- **Property** - None
- **Other** – None

Risk Management

39. In compliance with the Council's Risk Management Strategy, there are no risks associated with the recommendations of this report.

Recommendations

40. That Members:

(i) Instruct Officers on the future approach to be taken through the LDF Core Strategy relating to the following issues:

- The level of future housing
- The level of future employment land provision
- The options for identifying the extent of York's Green Belt:

Reason: To help progress the LDF Core Strategy to its next stage of development.

(ii) Instruct Officers to seek legal advice with regard to the issue of the 'Soundness' of any proposed future approach for the LDF Core Strategy.

Reason: To help progress the LDF Core Strategy to its next stage of development.

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Report
Approved



Date

22/10/10

Wards Affected: *List wards or tick box to indicate all*

All

For further information please contact the author of the report

Annexes

Annex A: Known Sites and Potential Sites Identified through the SHLAA High and Low Scenarios

Annex B: Employment Sites