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**Report to:** Place Panel

**Date:** 30 January 2020

**Subject:** **Enabling Housing Growth**

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## **1. Purpose of this report**

- 1.1 This report summarises work undertaken to date and proposed next steps on the Enabling Housing Growth project. The project is funded through a £250k allocation of the Business Rates Pool and aims to identify opportunities and understand barriers to accelerating housing delivery across the region.
- 1.2 Place Panel members are asked to note the progress made to date and provide comment on the proposed next steps.

## **2. Information**

### **2.1 Background**

The Leeds City Region Strategic Sites Pipeline has been developed between the Combined Authority, Local Authorities and Homes England. The pipeline does not include all sites but rather identifies those sites requiring additional investment or resource to move them forward into a delivery position. These are generally large sites with complex issues, meaning that delivery is time consuming and can take several years to produce outputs.

The total number of homes with planning in place across the region in 2018/19 was approximately 85,417. Almost 44,000 of these homes are on brownfield sites. Continuous delivery of small to medium sites within this wider pipeline, alongside work to bring forward larger strategic sites, is required to maintain and grow the new supply of housing in the region.

To develop our understanding of the wider delivery pipeline (including the strategic sites pipeline and the wider extant planning permissions), the

Enabling Housing Growth project has been set up to identify opportunities and understand the barriers to accelerating housing delivery. The first stage has involved a scoping exercise, working with districts, to identify sites where an injection of support is most likely to deliver accelerated or increased housing outputs.

## 2.2 Findings

Through desktop analysis and workshops with districts, some common issues have emerged across the region;

- Additional planning and housing growth capacity, particularly in terms of staff resource, is required to tackle stalled planning permissions. This issue was raised across most districts. Current planning resource is focussed on larger strategic sites and, to achieve central government performance targets, processing planning applications. This has restricted resource to broker delivery, monitor and proactively encourage owners and/or support developers to deliver smaller sites with planning permissions in place, which is contributing to stalling of sites.
- Lack of viability is a barrier to delivery, particularly in lower value areas and specifically in relation to brownfield sites that have complex and costly issues. Within the overall figures, there is a need to identify the actual number of stalled sites and the cost required to unlock development.
- Further support is required to better understand the individual financial and technical dynamics of sites across the City Region strategic housing site pipeline. Limited resources and skills to assess technical issues and viability constrains discussions with site owners/promoters /developers.
- Resource to bring forward public land is a common issue, particularly in relation to limited capacity for carrying out feasibility work and bid preparation prior to release to the market to maximise capital receipts.
- Linked to the above point is the limited availability of external funding to de-risk challenging sites. Preparing bids to access external funding stretches resources further and reduces the focus on delivery.

Research currently being undertaken by the Northern Housing Consortium (NHC) to understand housing and planning capacity across the North supports the issues raised by districts in Leeds City Region. Nationally, the NHC's figures highlight that local authority planning services have seen an 80% reduction in spending since 2010/11. Local authorities in the North have experienced the largest decrease in expenditure, with districts along the M62 corridor particularly impacted.

Evidence across the Leeds City Region shows the number of sites with extant planning permission has steadily increased over the last 5 years. Further work is required to understand the dynamics that move sites into delivery,

especially where Local Authorities are focussed on processing permissions with little capacity to analyse and broker delivery of sites, and to understand the quantum of sites truly stalled without further intervention.

### 2.3 Next steps

It is proposed that stage 2 of the project seeks to;

- 1) Provide additional resource to fully understand, within the extant City Region planning permissions figures of 85,000, how many units are 'stalled' with significant barriers to delivery and unlikely to move forward without significant investment. This support would be provided through additional planning brokerage capacity with partner councils, directly addressing planning capacity issues reported by most districts. Any additional capacity would be funded from the Business Rates Fund allocation for this project.
- 2) Develop a deeper, more in-depth understanding of the technical and financial constraints as well as viability issues across the strategic site pipelines. Local Partnerships (LGA/Treasury-owned consultancy) has offered the Combined Authority grant funding to provide 35 free days of consultancy aimed at providing a detailed profile of support asks to move sites forward to investment/bid readiness.

Building on site intelligence with partners and identifying gaps in knowledge will quantify and provide the evidence base to improve our intelligence across the pipeline as well as provide a robust evidence base for further asks to support delivery. Work with Local Partnerships commenced in January 2020 beginning with a series of workshops with each of the districts to begin a site by site analysis of the pipeline.

### 2.4 Collaboration with Homes England

Homes England have been supportive of the work undertaken to refine the Strategic Housing Pipeline to move to a more collaborative approach between Homes England and the Combined Authority with partner councils.

Homes England and the Combined Authority have been discussing a joint high-level Statement of Intent to underpin our collaboration moving forward. This is currently being refined through ongoing meetings with Homes England based on the following principles;

- collective intent to work in partnership to increase the pace, scale and quality of housing delivery
- align our resources and investment to maximise the quality, pace and number of homes being built of the right types & tenures where they are needed

- collaborate to improve construction productivity by supporting the uptake, development and skills of Modern Methods of Construction.
- build an intelligence led evidence base together to ensure our housing offer supports our economic growth aspirations and meets housing needs

### **3. Clean Growth Implications**

- 3.1 Enabling brownfield development will bring forward sustainable and generally well-connected development as most brownfield sites are within the urban centres of the City Region. Greenfield development generally requires additional infrastructure to open up sites and where car ownership is a dominant form of mobility.

### **4. Financial Implications**

- 4.1 Costs of providing a central planning brokerage resource will be funded through Business Rates Funding, remaining budget for this project of £220k.

### **5. Legal Implications**

- 5.1 There are no legal implications directly arising from this report.

### **6. Staffing Implications**

- 6.1 The proposal to provide additional capacity support may require additional staffing resources once this approach has been further explored.

### **7. External Consultees**

- 7.1 No external consultations have been undertaken.

### **8. Recommendations**

- 8.1 It is recommended that Place Panel consider the contents of the report and provide comments on the progress to date and next steps of the project.

### **8. Background Documents**

None.

### **9. Appendices**

None.