
DEVELOPMENT DEPARTMENT

5 YEAR HOUSING LAND SUPPLY 2008-13 & 2009-14

Matter for consideration

1. This report estimates the number of dwellings that could be completed on specific identified sites over the two 5 year periods April 2008 – March 2013, and April 2009 – March 2014. It fulfils the obligation placed upon planning authorities by paragraph 7 of PPS3 to undertake assessments of the extent to which existing plans are able to provide a 5 year supply, before the results of a full scale Strategic Housing Land Availability Assessment (SHLAA) are available. It has been prepared in line with the CLG Advice to Government Offices and the Planning Inspectorate on the preparation of such interim assessments (“Demonstrating a 5 year supply of deliverable sites”, March 2007). It will be an input to the formal SHLAA which began in September 2008, and will eventually be superseded by it.

Scope of assessment

2. The CLG Advice defines the categories of land that can be considered for inclusion in the 5 year supply:
 - Outstanding planning permissions
 - Sites allocated for housing in development plans
 - Other unallocated brownfield sites identified as suitable for housing by the planning authority that have made sufficient progress through the planning process to be regarded as potentially deliverable.
3. Within these categories, this assessment considers sites capable of accommodating 5 or more dwellings. This is the site threshold that has been used for several decades for housing land monitoring purposes in Leeds. In each category, the following sites have been considered:
 - Sites with outstanding planning permission at 31/3/08.
 - Phase 1 housing allocations from the Leeds UDP Review. Phase 2 and 3 sites, which have capacity for an additional 7600 dwellings have not been considered as they are currently being held in reserve. Although some or all of these may in fact be released within the assessment period, it is not possible to put a date on this at present. Proposals in emerging Area Action Plans have not generally been considered either, unless they qualify under one of the other two categories.
 - Identifiable sites further up the development pipeline – effectively future windfall sites. Three broad groups of sites are included. Firstly, sites on which planning applications for housing had been refused, returned or withdrawn in the year preceding the study base date. These rejections are not necessarily final – it is often the case that schemes can be re-designed or re-structured to make them acceptable in planning terms, once the planning authority’s requirements are known. Second, sites which were the subject of undetermined planning applications or pre-application enquiries for housing. Again, some of these will fail, but many are the windfall sites of the future. Sites notified up to 30 June

2008 have been considered. Third, a miscellaneous group of sites being promoted for disposal or development under City Council initiatives. These include sites in the Council's Capital Receipts programme, in the Affordable Housing Strategic Partnership programme, and in the Beeston Hill & Holbeck and Little London Private Finance Initiative schemes.

4. Although this assessment does not include windfall allowances generally, an allowance is made for future development on sites for less than 5 dwellings which would otherwise be excluded. Without this, the assessment would be incomplete.
5. The total number of sites within scope, and the approximate dwelling capacity eligible for consideration is summarised below. In this table allocated sites are included in that category even if they have planning permission (as many do). It can be seen that the assessment has involved individual consideration of nearly 900 sites.

	Sites	Capacity
Planning permissions	443	20400
Allocations	36	4700
Other sites	410	18000
Total	889	43100

Filtering the sites in scope

6. Sites within the scope of the search criteria do not automatically qualify for inclusion in the 5 year supply. They have to undergo further tests of suitability, availability and achievability.
7. The CLG advice has very little to say about **suitability**, other than that sites with permission or allocated for housing can normally be considered to be suitable. However, it is clear from the Practice Guidance on SHLAAs (published some months after the Advice) that the criterion refers to the suitability of the site in planning terms – that is, in relation to planning policy designations, physical constraints and amenity impact (paras 37-38). It means testing whether a site would pass the type of planning constraints sieving process normally applied through development control procedures.
8. The concept of **availability** also receives little elaboration in the CLG Advice, but the SHLAA Practice Guidance indicates that this is about intent. To pass this test, it is necessary to be satisfied that controllers of sites either intend to develop or sell them for housing, and that there are no legal or ownership problems capable of thwarting these intentions (Practice Guidance, para 39).
9. As for **achievability**, the CLG Advice says that this test is satisfied if there is “a reasonable prospect” that housing will be delivered on the site within 5 years. According to the SHLAA Practice Guidance, “this is essentially a judgement about the economic viability of a site” (para 40) – whether there is likely to be a market for the housing product at a price sufficient to cover the costs of development and an adequate profit margin for the developer.
10. How are these tests to be applied? The CLG Advice suggests that “information supporting” allocations or planning permissions will often answer questions about

availability and achievability – if not, discussions with developers/landowners may be necessary. However, it seems clear from the tone of the Advice that detailed consideration of the kind advocated for SHLAAs is not envisaged, since these interim assessments are essentially stop-gaps, intended to fill the void before SHLAAs are completed.

Application of criteria

Suitability

11. The suitability test is the one most readily applied by the planning authority, since it is directly responsible for determining whether development proposals are acceptable in planning terms. For the purpose of this assessment, extant planning permissions and allocations are deemed already to have passed the suitability test. Sites in the Affordable Housing Strategic Partnership and PFI programmes are also deemed suitable. The suitability of other sites – those subject to refused, withdrawn or undetermined applications, or pre-application enquiries – has been established by means of a questionnaire (Appendix 1) completed by the Planning Services section of City Development Department and reference to Plans Panel reports.

Availability and Achievability

12. Except for a minority of sites that it owns or plans to develop itself, the Council has little direct control over the availability and achievability of development. Whether and when to develop a site are decisions made by numerous third parties with stakes in the land – landowners, developers, financiers, providers of services – all operating in a wider economic environment outside their direct control but which conditions their scope for action. The planning authority cannot hope to gain access to these complex decision-making processes.

13. Even in simple logistical terms, it is a formidable task to identify a lead player for each site, establish contact with a source in a position to supply information, and finally obtain a meaningful response. With nearly 900 individual sites to consider, this was certainly a task beyond the scope of the current interim assessment.

14. Furthermore, development decisions are not set in stone, but are under almost continuous review, in response to changing perceptions of market conditions and risk. A developer assessment of availability and achievability made this week might be revised radically next month and developers themselves will often have no very clear idea of how to proceed beyond the short term. Yet it is a view of the medium term prospects of development over the 5/6 year assessment period that is wanted.

15. The inaccessibility and instability of information about availability and achievability means that performance against these tests has necessarily to be a matter of judgement or probability rather than fact. Judgements have been made in relation to the following indicators:

- Construction progress
- Planning status
- Developer involvement
- Alternative proposals
- Site use
- Competing sites
- Site location

- Market area

16. Table 1 shows how these indicators can be interpreted to judge the likely availability and achievability of sites. These are intended to provide a broad framework of fairly readily available information against which to evaluate each site - rather than a rigid checklist of factors to be scored and then mechanically weighted. As well as being time consuming, such scoring systems tend only to impart a spurious air of objectivity to what is at bottom a subjective exercise.
17. The information on which to base the judgements comes partly from the Planning services questionnaire referred to earlier (Appendix 1). But in addition, aerial photos of all the potential emerging housing sites, as well as some with existing permission, have been viewed on Microsoft's Live Search website. Although not precisely dated, the photos in this collection appear mainly to have been taken in the last year or so and are invaluable for evaluating site location and often site use. The planning histories of these sites have also been checked from the Council's own computerised planning register – reports and decisions here amplify information about both site characteristics and the policy position. The Non Domestic and Council Tax Rates files have also been consulted for information about site use and occupancy. Taken together, these sources usually provide sufficient information to judge whether there is a “reasonable prospect” of site delivery.

TABLE 1 FACTORS AFFECTING DEVELOPMENT PROSPECTS			
	Probability of development		
Indicator	High	Medium	Low
Construction progress	Site under construction	Building Regulations approval but no start	No Building Regulations approval
Planning status	Full planning approval	Outline approval or full approval in principle	Pre application enquiry, withdrawn or refused application requiring revision
Developer involvement	Housebuilder or development company controls site	Site being marketed to development industry	Proposed by private individual with no developer involvement
Alternative proposals	Housing is only development proposal	Mixed use proposal subject to change in mix	Non-housing development alternative proposed or permitted
Site use	Site clear and ready for development	Site occupied by buildings substantially vacant or derelict	Site in active use which may not be easy to end
Competing sites	No other housing sites in immediate area	Other housing sites nearby, but aimed at different markets	Other housing sites nearby aimed at same market
Site location	No negative features – good residential or open area	Mixed use area with mixed tenure housing, non residential uses, some bad neighbour features	Low status social housing or largely non residential environment with many bad neighbour features
Market area	Above average house prices	Average house prices	Below average house prices

Treatment of market factors

18. Achievability is the most difficult aspect of the assessment to deal with, because it merges demand with supply side considerations. It is important not to lose sight of the fact that the prime purpose of these assessments is to estimate the extent to which local **housing land supply** constraints might limit housebuilding - and to identify supply side remedies, in the event of a shortfall. While variations in the marketability of sites clearly exist, and have a legitimate part to play in assessing deliverability, there is uncertainty about how far pure demand considerations should be taken in evaluating supply. A particular issue is the extent to which general economic conditions, both nationally and globally, should be allowed to influence local assessments of land delivery.
19. This is of particular importance at present, when as is widely known a shortage of housing finance and buyers has propelled the housebuilding industry into its worst slump since the early 1990s. In the real world, this crisis is bound to depress housebuilding over the next year or two at least, not merely in Leeds, but throughout the country. But this is a world-wide demand problem, unrelated to the land supply position in Leeds or any other particular locality and incapable of resolution to any significant extent by local action in the land market. Is it right that external market conditions over which Local Authorities have no control should be allowed to disqualify from the 5 year supply sites otherwise suitable and available for development?
20. If this were simply an academic question, it would not especially matter. But 5 year supply assessments are part of a regulatory regime (PPS3) designed to facilitate the release of additional sites in areas adjudged to lack an adequate supply. A supply rendered inadequate because of the exclusion of sites due to lack of general housing demand could therefore be topped up by the release of further sites likely to be equally undeliverable because of these same demand deficiencies. As a supply side response to a demand problem, this does not seem sensible.
21. A way round the demand issue is considered to be to distinguish between endogenous and exogenous market constraints. Endogenous market constraints are those that stem directly from the characteristics of particular sites in the local land supply – in a real sense, they are intrinsic to the local supply and are capable of resolution by substitution or addition of other sites. Exogenous market constraints are those stemming from conditions in the economy at large which are independent of the local housing market and not susceptible to remedy by local supply side action.
22. Three sets of circumstances leading to endogenous constraints can be identified:
 - The existence of numbers of competing sites offering much the same product within a restricted geographical location, with a capacity likely, on any reasonable estimate, to be significantly greater than that of the local housing market within the relevant timescale. In Leeds, the City Centre market fits this description, but it also probably applies to some fringe city centre locations and perhaps to some regeneration areas. The impact of this constraint can be moderated by differentiation of product.
 - Sites of such poor quality in terms of specific characteristics and general location as to cast severe doubt upon the viability of development even in the most favourable of market conditions. Some of the proposals encouraged by the brownfield priority of recent years tend to fit this bill.

- Very large sites where the rate of construction is restricted by market capacity, resulting in deliverable supply being spread over several years. The Sharp Lane and Kirkstall Forge sites are local examples.

23. This assessment of the 5 year supply aims to take account of all of these endogenous market constraints.
24. By contrast, current market difficulties are treated as an exogenous constraint which should not influence assessment of the potential deliverability of the local housing land supply. In broad terms, the assessment aims to estimate how many dwellings **could be** built given favourable market conditions, as opposed to numbers that will be built given the actual conditions that might obtain. Of course, application of this approach remains a matter of judgement, since there is no mechanical or objective way in which even a broad market view can be translated into individual site assessments.
25. The need to take a favourable view of general market conditions is emphasised by the fact that the housing requirement figures that Leeds is expected to meet are predicated on the existence of optimum market conditions. From 2008, Leeds is supposed to plan for a net average increase of 4300 dwellings a year. The sheer magnitude of this figure can be illustrated in a number of ways. It is two and a half times as great as the previous Leeds target; the highest in the Region; twice as high as Sheffield's target; higher than the national target to be reached in 2016; and nearly twice the size of the best rate of increase achieved in Leeds at any time since the 1930s (Appendix 2). It can reasonably be concluded that the requirement could only conceivably be met in a sustained bull housing market.

Detailed aspects of the assessment

Timing and Site capacity

26. Assessments are required to give estimates of deliverable supply in each year of the 5 year period. In reality, such precision is unattainable, but the aim has been to model a pattern of delivery that would be possible given the apparent position of individual sites within the development pipeline. Broadly speaking, sites with permission have been assigned to the earlier years of the period, and emerging sites to later years.
27. Site capacities are taken whenever possible from planning permissions or other reported figures. In a few cases, capacities on sites with planning permission have been adjusted to reflect later information, so that totals may not always agree with figures given in the March 2008 Housing Land Monitor. When estimation has been necessary, it has been based on site location and PPS3 density guidelines. A cautious view has been adopted, and in cases of extreme uncertainty – such as draft proposals for city centre or fringe sites – notional figures have been used that are likely to be well below actual attainable capacities should detailed schemes be developed.

Permissions outside the City Centre

28. 11224 dwellings in permissions on windfall sites outside the City Centre were eligible for inclusion in the 5 year supply. These sites have been assessed using the general approach outlined above, but this has been done within the context of an overall control based on windfall site leakage rates. It is considered that this wider perspective brings useful additional intelligence to the estimation process.
29. Outside the City Centre, windfall leakage rates have historically been very low. The table below shows the percentages of windfall permissions first given in years since 1991-2 which had lapsed unimplemented by 31/3/08.

Mid Year	% lapsed
1991-2	6.2
1992-3	13.3
1993-4	5.5
1994-5	9.1
1995-6	8.0
1996-7	2.2
1997-8	6.2
1998-9	2.5
1999-2000	0.0
2000-1	5.0
2001-2	2.4
2002-3	3.1
2003-4	3.3
2004-5	1.7
2005-6	0.0
2006-7	0.6
2007-8	0.0
Grand Total	2.7
1991-2003	4.5

30. Until the 2005 planning application reforms, most planning permissions had a life of 5 years, so the life history of permissions is only relatively complete for those granted up to about mid 2003. The table shows that only 4.5% of capacity first given approval in 1991-2003 had lapsed – that is to say, had not been developed for housing (the vast majority) or did not still have a live housing permission in 2008. Application of this leakage rate to the current stock of permissions would result in the loss of about 500 units.
31. However, it is recognised that windfall permissions have been granted in much greater numbers in recent years, and are likely to include rather more marginal sites than had previously been the case. For this reason, it is prudent to assume a rate of leakage significantly above the historical average. A rate of 15% is considered appropriate.
32. At this rate, the stock of eligible permissions drops from 11224 to around 9540 deliverable dwellings . The schedule of sites has been filtered, using the broad assessment criteria, to identify individual sites summing approximately to this total. Not all of these sites are necessarily deliverable in the 5 year periods of interest. Totals of 8712 for 2008-13 and 6966 for 2009-14 are assessed to be deliverable.

City Centre housing

33. The assessment has identified capacity for around 15000 dwellings on sites in the City Centre as defined in the Leeds UDP Review. Of these, about 9200 are on sites with planning permission, 1000 on allocations also with planning permission, and another 4600 on other potentially emerging sites. 1958 of these dwellings were under construction at the study base date.

34. Although most of this capacity is suitable for housing, the Council has long recognised (Housing Land Monitors, passim) that much of it is unlikely to be available or achievable in either the short or medium term. In essence, the possible supply greatly exceeds the ability of the city centre housing market to absorb it. It is a classic case of too many sites in too small an area chasing the same market.
35. These conditions create a difficult estimation problem which cannot be resolved by examining individual site characteristics. Realistically, the only solution is to adopt a capacity approach based on past trends. In Leeds, the practice for many years has been to estimate future delivery on the basis of trends here and in Manchester. Over the last 10 years, city centre output has averaged about 840 units a year in Manchester and 730 in Leeds. This 10 year period covers both nascent and boom years for city centre housing and should thus be a reasonable guide to the ability of city centre markets to consume new housing.
36. On this basis, it is assumed for the purposes of this assessment that the 1958 units on sites under construction at the base date will be completed in the first two years, and that thereafter completions will run at 700 units a year. This gives a total of 4760 completions over the six years 2008-14, with 3800 falling in 2008-13 and 3600 in 2009-14. This represents about a third of the total capacity potentially available.
37. The deliverable capacity has been assigned to individual sites, but it should be recognised that with the exception of sites already under construction, assignment is little more than guesswork. There is no reliable way of telling which out of many competing and largely interchangeable sites will be developed first. Any of those earmarked which fail to come forward could easily be replaced by other sites drawn from the large "reserve" stock of sites.

Affordable Housing

38. It is now Government policy to increase the provision of Affordable Housing by direct funding of development, as well as via provision secured through the planning system. This is reflected in enhanced funding available to the National Affordable Homes Agency (formerly the Housing Corporation) which underpins the Agency's 2008-11 development programme. Within regions, Local Authority's and providers bid for shares of this finance in both formal bidding rounds and as part of a continuous submission process.
39. In March 2007, the City Council established the Affordable Housing Strategic Partnership in order to take advantage of this enhanced funding. The partnership was endowed with a portfolio of development sites totalling 31 hectares of land. Sites are transferred into (and occasionally out of) this portfolio on an ongoing basis. Development schemes are then worked up with development partners for submission to the NAHA.
40. A number of sites brought forward through the partnership have already secured NAHA funding, and these are listed on the NAHA website, together with one or two other schemes which have secured funding via different routes. These amount to schemes for about 400 dwellings which are to be developed over the period 2009-11. They will provide a mixture of rented and low cost housing.
41. At the time of writing, over half the NAHA's 2008-11 regional budget remains unallocated to schemes, and the City Council is to submit a second round of schemes in the coming months. These provide for about a further 450 dwellings and it is expected that these will be fundable from the 2008-11 programme and developable well within the timeframe of this assessment. Subsequent funding streams may well

support further schemes capable of delivery within this timescale, but these cannot be identified yet and so cannot be allowed for.

42. In addition, the Council is to embark on a pilot scheme to provide new Council housing on three sites in west Leeds. These will be financed by a mixture of foregone land value, capital receipts and recycled s106 monies. Around 80 dwellings are expected to be provided, of which 27 would be Council accommodation.
43. In total affordable housing initiatives are expected to generate about 900 dwellings in the six years to 2014.

Council Land sales

44. The City Council has a programme of surplus land and building sales designed to generate capital receipts needed to help fund new projects. Receipts from this source have been a significant source of capital funding in recent years – for example, the programme generated £62.7 million in 2005-6 alone. The Council is committed to maintaining a significant level of receipts, and average annual yields of £25 million are targeted for the period to 2009-10 (Capital Strategy & Asset Management Plan 2007-8).
45. The council maintains a loosely prioritised portfolio of land and property considered suitable for disposal. Priorities in this portfolio are in a state of constant flux due to changing internal pressures and market uncertainties. Even before the current difficulties in the land market, conclusion of sales was often a lengthy process, and individual transactions were at high risk of breaking down before becoming legally binding, thus necessitating re-marketing or deferment of a particular sale in favour of an alternative option. Thus although it is reasonable to conclude that a significant amount of land will be sold over the assessment period - because of the importance of generating capital receipts - it is difficult to pin down precisely which sites will actually be disposed of.
46. For the purposes of this assessment, a number of sites earmarked in Capital receipts schedules for possible disposal in the next 2-3 years have been treated as potentially deliverable housing sites. Of a potential capacity of around 800 units, it has been cautiously assumed that about 360 could be developed in the assessment period. Selection has been based largely on the relative attractiveness of site locations.

Private Finance Initiative

47. The City Council has received Treasury approval for a PFI and related schemes to regenerate housing in the Beeston Hill, Holbeck and Little London areas of Leeds. The scheme is currently out to tender, and the Council is working with three bidders with the aim of selecting a preferred partner by late summer 2009. The PFI is expected to start early in 2010.
48. The PFI scheme is to be combined with a development agreement designed together to generate about 475 new Council dwellings and around 700 private dwellings. The precise location, tenure split and timescale for delivery of this housing will be finalised in legal agreements to be signed next year, but an indicative list of sites has been identified for the purpose of the bidding process, and planning applications seeking approval of dwelling numbers have been submitted for these sites.
49. As with other aspects of this assessment, it is not possible to say at this stage which PFI sites will be developed first, but there seems no serious question that the initiative will yield development in the approximate volumes envisaged. Assuming that the PFI gets underway early in 2010 as planned, it would not be unreasonable to assume the first completions in financial year 2011-12. Applying a very conservative 10 year

delivery timescale, the PFI would generate about 120 dwellings a year from that time, giving a contribution of 360 units between 2011-14.

Infill

50. Development on sites for fewer than 5 dwellings is not considered in the site specific assessments, but this will contribute to output in the 5 year supply periods and needs to be allowed for. The allowance is based on trends over the 10 years 1998-2008, in which period an average of 186 dwellings a year were completed on infill sites. This gives an infill contribution of 930 dwellings in each of the 5 year periods.

Clearance

51. The assessment of supply is required to be net, and therefore has to take account of dwellings likely to be lost to the stock as a result of clearance, redevelopment and conversion to non-residential use. In the assessment period, dwelling losses associated with the Affordable Housing and PFI Initiatives are likely to occur and later the Easel AAP will generate clearance.

52. However, there are no formally timed and specified programmes of clearance, and as a result it is not feasible to project it on an individual site basis. Instead, an allowance is made, based on the average rate of loss in the last 5 years (this is also the approach used in RSS). In the 5 years 2003-8, 255 dwellings were lost annually on average, and this rate gives prospective losses of 1275 dwellings in each 5 year supply period.

5 year supply summary

53. The table below summarises the number and eligible capacity of sites in the three categories identified in the CLG Advice, together with the 5 year supplies for 2008-13 and 2009-14, and the separate infill and clearance assumptions.

54. The table shows that a large part of the potentially eligible supply has been assessed to be undeliverable in either 5 year period. There are various broad reasons for this. Most of the discounting of planning permissions stems from the assumption that the stock of permissions in the City Centre is greatly in excess of what the market could

Category	Eligible sites		5 year supply	
	Number	Capacity	2008-13	2009-14
Planning permissions	443	20400	12421	10279
Allocations	36	4700	2557	2766
Emerging sites	410	16900	3055	4890
Infill	-	-	930	930
GROSS Supply	889	42000	18963	18865
Clearance	-	-	1275	1275
NET Supply			17688	17590

develop in the study timescale, but there is also capacity elsewhere that is likely to be undeliverable. The Kirkstall Forge site can only be partly developed in the next 5-6 years. Phase 1 allocations also include City Centre sites subject to the same over capacity problem, large sites only partly deliverable and others where the chances of

development seem very low. Emerging sites again include a lot of highly speculative sites in or near the city centre, as well as many suburban sites either of very low quality or in active uses where the prospects for delivery are too uncertain to allow them reasonably to be included.

55. While 5 year supply estimates are subject to considerable uncertainty, the 2009 based estimate faces the additional disadvantage of being prepared 9 months in advance of the base date. This means that it cannot take account of actual completions in 2008-9 – which will not necessarily be as assumed in the 2008 based figure – or of additional information and sites which will emerge over coming months about site supply and circumstances. These are significant disadvantages which are not recognised in the assessment regime.
56. Individual site assumptions and information supporting these are in spreadsheets available electronically – they are too unwieldy to be provided on paper.

5 Year Housing Land Requirement

57. The adequacy of the 5 year land supply is determined by reference to the corresponding 5 year requirement. CLG documents are surprisingly vague about how this requirement should be calculated. There is no specific advice in either PPS3 or the SHLAA Practice Guidance, and although 5 year supply is part of the National Indicator set (NI159), the definitions for this do not specify a method for calculating the requirement.
58. However, the PINs Advice says that the requirement should be derived from figures in adopted development plans, “adjusted to reflect the level of housing that has already been delivered (within the lifetime of the current plan)”. This is taken to be a reference to the residual method of calculation, and this seems to be borne out by audit criteria for NI159 proposed in a CLG letter to Chief Planning Officers dated 14 August 2008, which says that assessments should be based on the current development plan “adjusted for historic over or under performance”.
59. The residual method involves calculating the total requirement over the life of the plan, deducting dwellings actually built in the plan period to date, and dividing the remaining figure by the number of years remaining in the policy in order to establish the residual annual need. This figure is multiplied by five to give the 5 year requirement. The residual need will be lower than the original requirement if output has been exceeding this, but higher if it has been falling short.
60. For the purpose of the residual calculation, the relevant development plan policy is policy H1 of the Yorkshire & Humber Plan RSS Review adopted in May 2008. In Leeds, this calls for average annual net additions of 2260 dwellings in 2004-8 and 4300 in 2008-26. These targets carry through to the Leeds UDP Review, which pegs requirements to the level specified in RSS.
61. Residual 5 year requirements based on these figures are calculated below for both 2008-13 and 2009-14. For the 2009 based calculation, an assumption about net housing stock change this year (2008-9) is necessary. Land supply trajectory figures are used for this purpose.

Net Residual 5 Year Requirements		
	2008-13	2009-14

A	Net additional dwellings 2004-8 (2260*4)	9040	9040
B	Net additional dwellings 2008-26 (4300*18)	77400	77400
C	Total Net RSS requirement (A+B)	86440	86440
D	Actual/projected net change 2004 -2008/2009	12972	16499
E	Net residual requirement 2008/2009 – 2026 (C-D)	73468	69941
F	Annual residual requirement (E/18 or E/17)	4082	4114
G	5 Year requirement ((F*5)	20410	20570

62. The following table compares these requirements with the 5 year supplies summarised earlier. It can be seen that there are prospective deficits of 2722 or 13.6% 2008-13 and 2980 or 15% in 2009-14.

	2008-13	2009-14
Requirement	20410	20570
Supply	17688	17590
Deficit	2722	2980

63. It has already been indicated above in the discussion of market factors and in Appendix 1 that the post 2008 requirement represents a massive increase in output. In the residual method of calculation, this greatly increased rate (albeit modified to reflect past over performance), is assumed to come into operation straightaway in 2008. However, RSS recognises that a period of adjustment will be necessary before output can be expected to reach the enhanced level.
64. Policy H1B of RSS makes it plain that the growth from 2008 should be achieved “taking account of indicative timing” given in Table 12.2. Table 12.2 shows that Leeds is one of a number of areas where “annual net housing growth (is) likely to rise from below the 2008-2026 average to above it”. It is considered that this can only mean that a lower level of output will in fact be acceptable in the first years after 2008, presumably to allow time for the LDF process to set in place measures to enable production to be expanded.
65. Unfortunately, RSS does not quantify this period of grace, which makes it difficult to translate the intent of the dispensation into a calculation of the 5 year requirement. However, the Local Area Agreement concluded this summer between the City Council and CLG is of some assistance in this matter. NI154 – which relates to net additions to the housing stock – is included in the formal LAA for Leeds, and this sets a target for an average annual net increase of 3400 dwellings over the three years 2008-11, 900 p.a. below the average RSS requirement.
66. The acceptance of this reduced target by CLG implies that they regard it as consistent with RSS policy. Clarification of this point has been sought in discussions with CLG, and they have recently confirmed that Leeds’ “LAA target can be used for land supply purposes”. It is also relevant to note that CLG has just awarded the Council Housing & Planning Delivery Grant for possessing an adequate 5 year housing land supply in 2007-12. This award appears to have been based on acceptance of the use of LAA targets to calculate the 5 year requirement. Taken together, these considerations lend

considerable weight to the use of LAA targets as proxies for the transitional housing figures implicit in RSS policy H1B and table 12.2.

67. In a further development, revised Core Indicators for housing were introduced in a review of the content of LDF Annual Monitoring Reports in July 2008 (RSS & LDF Core Output Indicators – CLG Update 2/2008). These include a new indicator H2(d), described as a managed delivery target. CLG’s definition of this indicator is somewhat opaque, but after close reading and verbal advice from CLG, it appears to be intended as an alternative delivery profile over the life of the plan that sits alongside the specific plan based requirement, and acts as a supplementary yardstick against which to assess the adequacy of land supply. Like a standard residual calculation, it takes account of past performance, but “should not be presented as an annualised average but as a meaningful reflection of how housing is expected to come forward over the remaining plan period taking into account the identification and provision of deliverable sites and any other influence on housing delivery including market trends” (definition in document cited above). In essence, it is an alternative route-map towards the RSS target.
68. As already seen, a fundamental factor affecting future housing delivery is the need to allow time for the step change in output required to meet RSS requirements. A possible requirements profile that reflects this need has been outlined as an H2(d) managed delivery trajectory in the LDF AMR. This takes as its starting point the annual average target of 3400 for 2008-11 included in the LAA, and gradually raises this to a figure of 4500 p.a. from 2017-8 almost to the end of the RSS period. This profile meets the overall RSS requirement by 2026 without calling for vastly inflated output in later years, but also gives time for the LDF to increase the supply of land to enable these later targets to be achieved.
69. The table below compares the prospective 5 year land supplies with requirements derived from this managed delivery profile. It shows that when measured in this way, requirement and supply are broadly in balance in both 2008-13 and 2009-14. On this basis of measurement, the 5 year supply can be considered to be adequate.

	2008-13	2009-14
Managed Delivery target	17300	17600
Supply	17688	17590
Supply minus target	388	-10

70. In the light of RSS policy H1B and Table 12.2 – which seem clear in intent if not in detailed application - it is considered that there is much to commend the use of LAA targets and the new H2(d) indicator in the LDF AMR as a basis for assessing the adequacy of supply.

Appendix 1 Site Deliverability – Survey Form

5 YEAR HOUSING LAND SUPPLY ASSESSMENT March 2008 Unallocated Brownfield Sites

Plan
Status
Proposal
Location
Applicant
Area
Officer

		For coding use
1	What was the last or current active use of the site?	
2	Is the site now (tick whichever applies): - cleared & ready for development? - occupied by buildings substantially vacant or derelict? - substantially in use?	
3	If substantially in use, is this use known to be ending or would it be easy to end? Give brief details.	
4	Applicant/enquirer if not named above.	
5	Landowner if known and different from applicant/enquirer.	
6	Does a housing developer have an interest in this site? Please name.	
7	Give brief details of any policy or other constraints that could pose a serious obstacle to the development of the site. Planning policy Ownership/legal Flood risk Topography Ground conditions Access Landscape/conservation Residential amenity	

	Other Not known	
8	On the constraints information available, do you consider the site to be suitable for housing in principle (i.e. not necessarily the current proposal)? Y/N	
9	If no, which constraint(s) rule it out? Please specify.	
10	What housing capacity, density or form of development might be appropriate?	
11	Is there a permission, application or enquiry for an alternative non housing use on the site? Give plan number or brief details.	
12	Is the site being actively marketed for housing? State how.	
13	Have you any information to suggest that the controller of the site does not seriously intend to sell or develop it for housing? If so, give brief details.	

Appendix 2 The Scale of the Leeds Housing Requirement

The RSS Review adopted in May 2008 sets a requirement for a net housing increase of 4300 dwellings a year in Leeds between 2008 and 2026. By any standard, this is a very challenging target. In gross terms, it is about two and a half times as high as the previous target.

It is also very high in relation to targets for other areas. A good way of comparing housing targets spatially is to express the annual requirements as a rate per 1000 population. Some calculations have been done on this basis using the ONS 2006 Mid Year Population Estimates. These show that Leeds has the highest requirement in the Region, and one that is twice as big as that of Sheffield – a startling disparity given that Sheffield is the second city in the region and one for which there are similar planning ambitions. The rate which Leeds is supposed to meet from 2008 is also significantly higher in relative terms than the annual target of 240,000 completions which the Government has set for England by 2016.

Even more tellingly, Leeds' target is also enormously higher than the rates of increase achieved at any time in Leeds since the 1930s. Decennial rates of housing stock growth have been calculated from Census County Reports for periods since 1931, using Census dwelling or household space counts, and compiling values for the current Leeds District from constituent former local authorities. There are minor discontinuities in these figures resulting from changes in definitions etc, but the general picture is clear:

Period	Average annual housing stock increase
1931-51	2200
1951-61	2600
1961-71	2600
1971-81	1300
1981-91	1000
1991-2001	1700

The required rate of increase is 65% higher than the best previous rates of increase in the two post war decades – a period, incidentally, when there were far higher rates of social housebuilding than can be hoped for now, when market housebuilders will be expected to shoulder the vast majority of the burden. The proposed rates of increase have not been approached in the last 70 years.

It is apparent from these comparisons that the RSS target implies a massive improvement in construction performance, which could only conceivably be achieved in highly favourable market conditions. It is no exaggeration to suggest that achievement of the target is predicated on the existence of optimum market conditions over a sustained period of 18 years (2008-26).