

**Capital Scheme No:**  
**13150**

Parent Scheme No:

**DCR Clearance No.**  
*19034*

**Design & Cost Report**

**REPORT OF DIRECTOR OF DEVELOPMENT**

**REPORT TO: EXECUTIVE BOARD**  
**DATE: 20<sup>TH</sup> SEPTEMBER 2006**

**SUBJECT :** REGENT COURT, CALL LANE; AFFORDABLE HOUSING SUBSIDY USING SECTION 106 COMMUTED SUMS

<b>Electoral Wards Affected :</b>		<b>Specific Implications For :</b>	
City & Hunslet		Equality and Diversity	<input type="checkbox"/>
		Community Cohesion	<input type="checkbox"/>
		Narrowing the Gap	<input type="checkbox"/>
Executive Function	X	Eligible for Call In	X
		Not eligible for Call In	<input type="checkbox"/>
<i>(details contained within the report)</i>			

**EXECUTIVE SUMMARY**

The purpose of this report is to obtain authority to spend £705,000 of Section 106 monies on an affordable housing subsidy at the proposed Regent Court housing scheme at Call Lane in the city centre. This will enable Yorkshire Housing Association to construct 12 one-bedroom apartments upon land they currently possess, aiding the provision of affordable rented property for households in need. This is fully funded from section 106 monies.

**1.0. BACKGROUND**

- 1.1 The City Council has available over £2.5m of Section 106 commuted sum money to use towards the provision of affordable housing in Leeds. An opportunity has arisen for Yorkshire Housing Association to provide 12 affordable rented properties through development of land owned for almost 20 years at the site on Call Lane. Leeds City Council has worked successfully with Yorkshire Housing Association in the past, delivering affordable housing in the City Centre through providing commuted sums at locations including City Island and Mill Hill/Boar Lane.
- 1.2 To make the homes genuinely affordable at an economic weekly level of rent, a subsidy of £700,000 would be required to ensure the schemes viability. Additionally, there will be legal costs in connection with this that should be no more than £5,000 (see sections 6 & 9).

<b>ORIGINATORS NAME:</b> Robin Coghlan	<b>DATE:</b> 17 <sup>th</sup> July 2006
<b>TELEPHONE NUMBER:</b> 247 8131	<b>FAX NUMBER:</b>

- 1.3 It is proposed that money generated through the granting of planning permissions for the following housing developments be used:

<b>Application No.</b>	<b>Location</b>	<b>Amount</b>
20/440/00	10-12 Park Row	£179,067.00
20/559/99	Dock Street	£277,500.00
20/646/99	Wellesley Hotel	£182,500.00
20/65/01/FU	Lovell Park Road	£65,933.00
	<b>TOTAL</b>	<b>£705,000.00</b>

- 1.3 These commuted sums arise from S106 Agreements which state that money may be spent in the city centre on provision of affordable housing.

## **2.0 DESIGN PROPOSALS / SCHEME DESCRIPTION**

- 2.1 The development at Call Lane is being led directly by the Yorkshire Housing Association who have existing ownership of the site in question. The project has already obtained detailed Planning Permission and Building Regulation Approval. The scheme comprises 12 newly built one-bedroom apartments in a new build element known as "Regent Court", to be built to a 'cube' design, and located at the busy Calls district of the city centre.
- 2.2 The 12 dwellings proposed for construction by Yorkshire Housing Association are designed to alleviate potential problems of city living, including sound insulation and ventilation solutions. Additional problems to overcome have included poor ground conditions. While land costs are nil, this has led to relatively high overall costs of £1.59m and hence necessary provision of the £700,000 commuted sum. Yorkshire Housing Associations aim to thus make all 12 properties in the development affordable dwellings; this would allow provision of 6 apartments at £67.50 per week social rent levels and 6 apartments at the intermediate rent level of £95.00 per week as opposed to market rents of £165 per week. The affordable rents would be allowed to increase by an annual factor to account for inflation in accordance with Housing Corporation standard guidance applicable at the time.
- 2.3 The intermediate units will be available for people who are on low incomes and are workers key to the economy of Leeds, residing in Leeds, or who have a local connection to Leeds. The social rented units will be available for those people on the Leeds Housing Register. These properties will be advertised in the Leeds Homes magazine and applicants will be able to bid for the units through the Choice Based Lettings system.

## **3.0. CONSULTATIONS**

- 3.1 The proposal has been considered by officers of both the Development Dept and Neighbourhoods & Housing Dept who deal with affordable housing schemes on a regular basis. The scheme is considered to make good value for money as Yorkshire Housing are providing the land at no cost, allowing the dwellings to be provided at affordable rather than market rent levels.

## **4.0 COMMUNITY SAFETY**

- 4.1 There are no direct implications for community safety arising from the contents of this report. Certain subjects, such as the availability of residential parking and building security, or the lack thereof, were not discussed in the report.



## **8.0. REVENUE EFFECTS**

8.1. The proposals in this report are for capital works only. There are no revenue implications arising.

## **9.0. RISK ASSESSMENTS**

9.1. There are limited risks associated with the payment of this subsidy. Given the direct control of Yorkshire Housing Association over the development, monitoring should ensure the proposal is carried out to the criteria determined. A grant agreement will be agreed to ensure the council can recover the sum or seek appropriate redress should the Housing Association fail to provide & maintain the housing at affordable levels to households in need. The safety nets shall comprise of a legal charge of the grant value on the title of the land.

## **10.0. COMPLIANCE WITH COUNCIL POLICIES**

10.1. By introducing opportunity for a wider mix of people to live in Leeds city centre, the scheme would help fulfil the objective of the Corporate Plan 2005-08 to make all Leeds' communities thriving and harmonious where people are happy to live and help "narrow the gap" between different parts of Leeds.

10.2 The scheme would also comply with Policy H9 of the Unitary Development Plan which states that the City Council will seek to ensure a "balanced provision" of size & types of dwellings, including for households on low incomes and students to whom the property in question should appeal.

## **11.0 COUNCIL CONSTITUTION**

11.1 The scheme is eligible for call-in.

## **12.0. RECOMMENDATIONS**

12.1 Executive Board :-

- Are requested to approve the release and injection of £705,000 section 106 monies into the Capital Programme at scheme 13150 to fund the grant for affordable rented housing and legal costs, as outlined above.
- Grant authority to spend £705,000 of section 106 monies on scheme 13150 which is to be fully funded from section 106 monies.

On Land	CPRH (1)
On Construction	CPRH (3)
On Furniture & equipment	CPRH (5)
On Internal Fees	CPRH (6)
£705,000 On Other Costs	CPRH (7)

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**£705,000 TOTAL**

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