

Report of the Head of Regeneration

Report to Chief Planning Officer

Date: January 2019

Subject: Affordable Housing Commuted Sums Investment: Bespoke Properties - Back Lane, Armley

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): Armley	<input checked="" type="checkbox"/> Yes	<input 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: 10.4(3) Appendix number: 1	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Summary of main issues

1. The provision of new housing is a priority for the Council and is outlined within the Best Council Plan; housing of the right quality, type, tenure and affordability in the right places. Furthermore, there is a requirement to ensure that housing growth is delivered to meet the needs of the city, which is articulated in the Core Strategy.
2. On 21st September 2016, Executive Board approved a report titled 'Investment of Affordable Housing Planning Obligation Funding'. This report gave authority to utilise Affordable Housing Commuted Sums monies to support the development of a number of schemes for the provision of above policy level new supply affordable housing.
3. The report to Executive Board outlined a Bespoke Property, to provide homes for families with specific requirements. The Executive Board approved £500,000 to be utilised towards the development costs of 10 new such properties. This report provides details of a site specific scheme and seeks approval to utilise Affordable Housing Commuted Sums as part of the funding delivery package, details of which are outlined within Confidential Appendix 1.

Recommendations

4. The Chief Planning Officer endorses the use of Affordable Housing Commuted Sums into a Bespoke Property scheme of 2 units at Back Lane, Armley to be

delivered by Habinteg Housing Association, details of which are contained Confidential Appendix 1.

5. To be noted that on 21st September 2016, the Executive Board provided the Key Decision to allocate Affordable Housing Commuted Sums for this use and granted authority to spend for investment into the delivery of a Bespoke Property programme.

1 Purpose of this report

- 1.1 The purpose of the report is to seek endorsement for the investment of Affordable Housing Commuted Sums into a site specific Bespoke Property scheme of 2 units at Back Lane, Armley, to be delivered by Habinteg Housing Association, details of which are contained in Confidential Appendix 1.

2 Background information

- 2.1 On 21st September 2016, Executive Board approved a report titled 'Investment of Affordable Housing Planning Obligation Funding'. This report and associated Key Decision granted approval to utilise Affordable Housing Commuted Sums to support the development of a number of affordable housing schemes across the city.
- 2.2 In order to access Affordable Housing Commuted Sum, the following specific criteria must be met:
- To provide additional affordable housing units;
 - Proposals must fall within the definition of affordable housing;
 - The housing must remain affordable in perpetuity;
 - Sums should not be used to fulfil any of the roles which RPs and the local Housing Authority should be fulfilling anyway;
 - On some occasions, there are restrictions in terms of spatial location on where the monies should be committed these will need to be factored into the process.
- 2.3 The report to Executive Board outlined a Bespoke Property programme, to initially develop 10 new units, tailored to meet specific needs of families. The utilisation of £500,000 was approved, which is equivalent to £50,000 per property. This will ensure scheme viability due to the significantly larger footprint of a bespoke property and the internal adaptations required.
- 2.4 Prior to the Executive Board approval, the Council's Property Panel approved a report to utilise the Back Lane site, specifically for the development of bespoke properties, as the land was located in an area of need for such provision. Following an invitation to Affordable Housing Providers to submit their proposals for delivery, Habinteg Housing Association, a national specialist in the provision of accessible dwellings, was selected as preferred partner.
- 2.5 In addition to the approval of Affordable Housing Commuted Sums, on 19th April 2017, the Executive Board agreed to the allocation of Right to Buy Grant Replacement funding, supporting 30% total scheme costs, with the remainder coming from the Affordable Housing Commuted Sums and Habinteg's own resources.

3 Main Issues

- 3.1 The Council has identified a lack of housing for families with specific needs, where a family member has a disability and requires a property built to Part M Accessibility Building Regulations with specific additions made to meet their requirements.

- 3.2 Habinteg Housing Association are to develop two properties with bespoke designs for families with specific needs. This is the first such scheme being delivered in the city following collaboration with Health & Housing to develop a template for such and will address an unmet housing need in the city. The units will be fully wheelchair accessible and are being constructed in areas of identified demand.
- 3.3 A planning application was submitted and approved and Habinteg have commenced the scheme on site. To justify the injection of the Affordable Housing Commuted Sums, a financial appraisal has been submitted demonstrating the need for the funding to ensure the scheme is viable and deliverable.
- 3.4 As part of the terms for disposal, a condition was for the Council to receive 100% nomination rights on first allocations and 75% nomination rights on subsequent lets of the properties. Habinteg have signed up to a nominations agreement reflecting this.
- 3.5 In addition to the nominations agreement, Habinteg will also be required to sign a Legal Agreement before any funding is issued. Furthermore, quarterly monitoring reports will be required to be produced to ensure that delivery timescales and quality targets are being met. Should the agreed timescales or quality targets not be achieved, the Council will be able to clawback the funding.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Executive Members for Regeneration, Transport & Planning and Communities were consulted on the 21st September 2016 Executive Board and were supportive of the investment proposals outlined. Furthermore, regular updates have been provided via the Housing Growth Member Development Group which takes place on a bi-monthly basis.
- 4.1.2 Ward Member consultation as part of the land disposal and planning, with Members being in full support of the use of the land for the provision of bespoke properties.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 The Equality and Diversity/Cohesion and Integration screening document has been completed to ensure due regard to equality issues. This is attached for reference at Appendix 2.
- 4.2.2 The recommendations in this report have a number of positive equality outcomes. The primary focus is to provide additional Affordable Housing which will have a beneficial impact for socio-economic equality groups. Alongside this, investment into specialist housing will have positive impacts for people with disabilities and carers.

4.3 Council policies and Best Council Plan

- 4.3.1 The delivery of new supply Affordable Housing in Leeds underpins the Council ambition for Leeds of a Strong Economy and a Compassionate City.

- 4.3.2 The proposals outlined within the report supports the delivery of the 2018/19 – 2020/21 Best Council Plan priority of Housing: Housing of the right quality, type, tenure and affordability in the right places.
- 4.3.3 The development of new supply Affordable Housing funding through Commuted Sums contributes towards the achievement of the housing targets for the city, as outlined within the Core Strategy. At present, the Affordable Housing target stands at 1,158 units per annum. As part of the Core Strategy Selective Review, once recommendations have been adopted, the target will increase to 1,230 per annum.
- 4.3.4 Furthermore, the additional units directly contribute towards the Leeds Housing Strategy housing priority of Affordable Housing Growth.

4.4 Legal Implications, Access to Information and Call In

- 4.4.1 The recommendations in this report are classified as an Admin Decision and therefore is not subject to Call In.
- 4.4.2 The use of planning obligation funding monies will be in accordance with the National Planning Policy Framework and can only be used for affordable housing purpose, and in line with the requirements set out in the section 106 agreements.
- 4.4.3 The information contained in the Confidential Appendix 1 to this report relates to the financial or business affairs of a particular person, and of the Council. This information is not publicly available from the statutory registers of information kept in respect of certain companies and charities. It is considered that since this information was obtained through grant application forms then it is not in the public interest to disclose this information at this point in time. It is therefore considered that this element of the report should be treated as exempt under Access to Information Procedure Rule 10.4 (3).
- 4.4.4 It is to be noted the utilisation of Affordable Housing Commuted Sums for the provision of Bespoke Properties was previous subject to a Key Decision made by Executive Board on 21st September 2016.

4.5 Resources and value for money

- 4.5.1 Additional New Homes Bonus payments will be generated through the construction of the new supply housing Affordable Housing (NHB uplift) housing which Affordable Housing Commuted Sums funding will be supporting.

5 Risk Management

- 5.1 It is considered that the recommendations in this report will have no adverse risks to the Council as all schemes that will benefit from the investment of planning obligation funding be compliant with the criteria for spend outlined at 2.2.
- 5.2 Habinteg Housing Association will be obliged to enter into funding agreements with the Council before any grant payments are released. Habinteg Housing Association will be monitored and asked to report progress on a quarterly basis against agreed milestones. If they do not meet the defined and agreed milestones, the funding agreement gives the Council the opportunity to enforce the clawback of the Commuted Sums grant funding.

6 Conclusions

- 6.1 This scheme will help the Council to increase the number of new Affordable Homes within the city as well as meeting a number of Council priorities set out in 4.3 of this report.

7 Recommendations

- 7.1 The Chief Planning Officer endorses the use of Affordable Housing Commuted Sums into a Bespoke Property scheme of 2 units at Back Lane, Armley to be delivered by Habinteg Housing Association, details of which are contained Confidential Appendix 1.
- 7.2 To be noted that on 21st September 2016, the Executive Board provided the Key Decision to allocate Affordable Housing Commuted Sums for this use and granted authority to spend for investment into the delivery of a Bespoke Property programme.

8 Background documents¹

- 8.1 None

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.