

## Leeds Affordable Housing Growth Partnership Action Plan

Date: 8 September 2022

### ATTENDEES

#### Board Members

Cllr Alderson	Cllr Lay
Cllr Buckley	Cllr Sharpe
Cllr Foster	Cllr Truswell (Chair)
Cllr Garvani	Cllr Wilson
Cllr Hamilton	

#### External Guests

Tamsin Hart-Jones	Homes England
Andy Gamble	Yorkshire Housing
Steve Ellis	Leeds Federated Housing

#### Leeds City Council Officers

Martin Elliot	Head of Strategic Planning
Angela Barnicle	Chief Officer, Asset Management & Regeneration
Christa Jolley	Executive Manager Regeneration
Rebecca Atherton	Principal Scrutiny Advisor

Apologies: Cllrs Hayden, Hussain, Kidger, Lennox, Shahzad

## **SUMMARY NOTE**

1. Cllr Truswell introduced the session, noting the timetable for progressing the draft Leeds Affordable Housing Growth Partnership Action Plan (AHGPAP).

### **Context for the Action Plan**

2. Officers emphasised the positive trajectory of affordable housing delivery in Leeds, while also stressing the importance of ensuring the city utilises all available tools to maximise affordable housing delivery.
3. The context for the draft plan includes the three pillars of the recently adopted Best City Ambition and the affordable housing need set out in the Leeds Housing Strategy. A partnership approach will be essential to unlock delivery, drive growth and meet the city's housing needs.
4. The target of delivering 1,230 affordable homes each year was highlighted – made up of 434 new homes per annum and a further 796 homes to address a historic backlog. Officers committed to provide further information about the impact of recently constructed student accommodation on housing targets, including affordable housing delivery targets. It was clarified that very few Local Authorities seek affordable student housing but that this could be explored as part of the Local Plan Update 2.
5. Members were presented with Leeds 5-year affordable housing supply by tenure as compared to other local authorities.
6. Members also considered the affordable housing pipeline for the next three years. The strengths of the Council Housing Growth Programme were welcomed, and the Homes England Strategic Partnerships discussed.

### **Challenge of Securing Land**

7. The challenge of securing land at the right price was discussed. Representatives from registered providers outlined their experiences of operating within a competitive land market.
8. Steve Ellis agreed that a competitive market makes securing land for affordable housing challenging. However, he also suggested that some developers are increasingly willing to work in partnership to enable the delivery of affordable homes on their sites.
9. The Council is seeking to adopt a range of methods to achieve its ambitions for mixed communities in the city centre. This includes ring-fencing disposal sites for Registered Providers to deliver 100% social housing schemes. Members also explored the potential to unlock delivery by using commuted sums, right to buy receipts and the Brownfield Housing Fund.

10. Martin Elliot provided additional information about the Local Plan Update 2.

### **Viability**

11. Members were informed that the current economic environment is increasing the pressure of viability on affordable housing schemes.

12. Members queried the extent to which plans panel could influence the levels of affordable housing within individual sites and were advised that affordable housing targets in different localities are dependent on a combined assessment of housing needs and viability.

13. Members were advised that lower market values in city centre and inner area communities means that only 7% of affordable housing can be sought. However, in some areas and for some types it is still a struggle to meet the 7% threshold, which is why the build-to-rent model is being looked at in the city centre.

### **Partnership Working in Local Communities**

14. Cllr Lay outlined a successful partnership approach to delivering affordable housing on a difficult site in Otley. The local community welcomed the delivery of affordable housing and it was suggested that a higher proportion of affordable housing in large scale developments offered the potential to reduce community resistance to such projects.

15. Andy Gamble explained how a mixed tenure approach enabled the delivery of affordable housing in Otley, with Homes England helping to unlock the challenging site by providing funding to tackle site abnormalities.

### **Achieving 'Best Consideration'**

16. Members questioned how portions of council owned land within large development projects could be better utilised to maximise affordable housing delivery. Clarification was sought about the extent to which the Council is required to seek to achieve financial 'best consideration' from such land.

17. In response, officers confirmed that the Council is legally required to achieve 'best consideration' and that this supports the Council's medium term budget position. However, this is set within the context of much broader efforts to take a more innovative approach to securing delivery in different ways on sites in varied communities, and where circumstances allow there are opportunities to consider less than best disposals.

18. Further information was sought about discussions with government to seek funding flexibilities to allow the Housing Revenue Account to acquire land from the general fund. In response, officers confirmed that there had been positive dialogue in the early part of this year and it is hoped discussions can resume.

### **Demand for Affordable Housing**

19. Members expressed concern about the increased affordable housing need in Leeds, noting that there are over 26,000 people on the Leeds Homes Register and applicants for Band A/A+ have almost doubled since 2016.
20. Members requested clarity about whether the Council House allocation process included any consideration of the length of time people may have been registered – and, if so, whether this might be reviewed in light of high demand.
21. Further information was sought about the practical implications of proposals to refresh the nominations process, with a view to maximising nominations from the Leeds Homes Register and supporting the delivery of specialist provision.
22. Representatives from registered providers reassured members that they “actively embrace” 100% nominations on all new lets. Officers are working with colleagues from Housing Leeds to assess whether there are ways to refine the current process.

### **Ambition to be Carbon Neutral**

23. Attendees considered how housing growth schemes could contribute to the city’s ambition to be carbon neutral by 2030.
24. Members welcomed the low carbon measures being included in council housing growth schemes and queried whether similar measures are required in other affordable homes. The Council and registered providers often exceed the standards set out in the core strategy policy relating to operational energy.

### **Modern Methods of Construction**

25. Andy Gamble provided further information about the experience of Yorkshire Housing in using modular buildings in a neighbouring authority. He highlighted the potential carbon savings that could be delivered if such housing could be delivered at scale. The importance of sharing best practice was discussed.
26. It was noted that modern methods of construction are not yet proving to be more cost effective. Particular challenges have been identified with the bases for modular homes. Tamsin Hart-Jones set out the work of Homes England in supporting the development of modern methods of construction and stronger supply chains.

## FOLLOW UP

Officers agreed to provide further information in response to the following issues:

<b>Council Housing Allocation Process</b>	Members sought to clarify whether an element of the allocation process considered the length of time people had been registered – and, if so, whether this might be reviewed in light of the increased demand.
<b>Student Accommodation</b>	Members requested clarity about the impact of recently constructed student accommodation on KPI's relating to new homes delivered and affordable housing delivered. Detail about the impact on these KPIs over the last three years was requested.
<b>KPI Affordable Housing</b>	Written clarification was requested of the KPI for affordable housing and the split between targets relating to in-year targets and those relating to a historic backlog.
<b>Homes England Funding</b>	Members asked for confirmation of the value of Homes England grant funding for developers in Leeds.