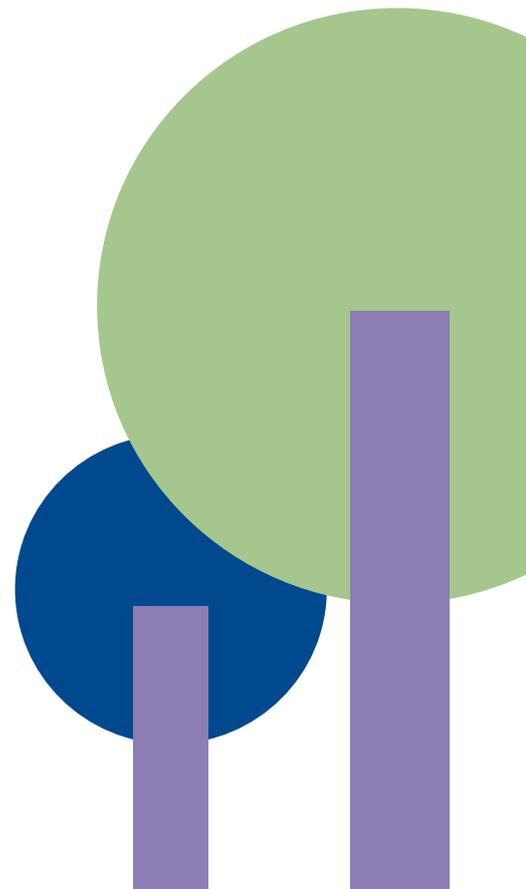
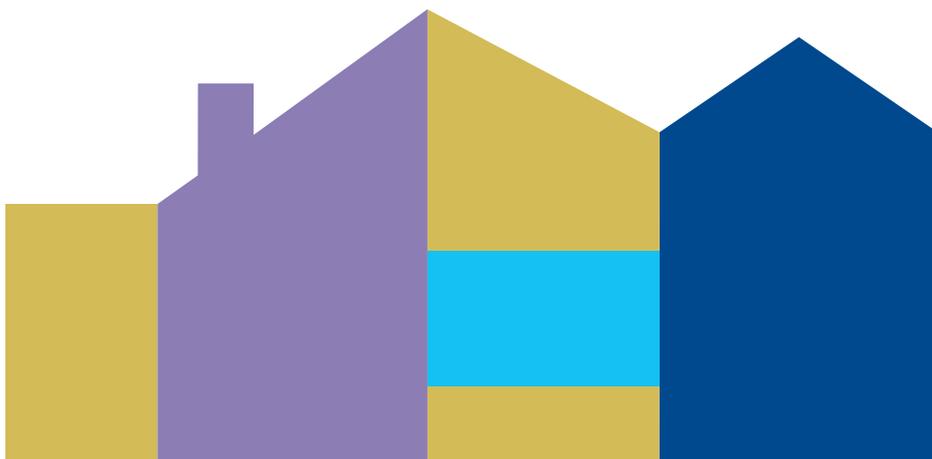


Mistress Lane

Responding positively to an offer of land where there is no existing local community led housing group





At a glance

- Mistress Lane is a “developer led” community led housing scheme in Armley Leeds and is led by Leeds Community Homes (LCH)
 - LCH is the community led housing hub for the Leeds City Region. Its formation is discussed in the Climate Innovation District case study
 - Leeds City Council asked LCH if it might be able to develop a community led housing scheme on the site – a challenging site in an area with low land values. Armley has been the subject of many programmes over the years with limited success in tackling the problems in the area
 - LCH carried out consultation work with a view to assembling a community led housing group, but, whilst the proposals were received favourably by the local community, a sustainable group did not coalesce.
- LCH chose to develop the scheme and community and resident involvement as the scheme develops
- Mistress Lane will consist of 28 flats in four storey blocks and six houses. About half the homes will be for rental and half for shared ownership
 - Build costs are c. £5m to be financed through £2.5m from grant; £1m from sales and a share issue; and the remainder through loan funding
 - A design and build contract is planned to be used for the development with a “mass bespoke” element for the houses
 - LCH are in the process of registering a charitable Registered Provider to enable grant funding with the current LCH becoming a non-charitable subsidiary



Photos





Overview

In 2017, dialogue took place between Leeds City Council and the fledgling Leeds Community Homes (LCH) about a site that had been vacant for some years in the Armley area of Leeds. The local authority had not been able to stack up a scheme due to the sloping nature of the site and their desire to primarily build houses and more houses than the site could provide.

An emerging partnership between the local authority and community led housing stakeholders had developed out of the council's desire to inject challenge into the Leeds provider market, and they made a commitment to find sites for community led housing and to identify methods of funding. They particularly backed the nascent LCH giving it an option on the Mistress Lane site. LCH reduced the difficulties caused by the abnormality of the land by concentrating development on the least difficult areas of the site and by predominantly building flats rather than houses, the resulting proposed numbers being 28 flats in four storey blocks and six houses.

Close to the city centre, but cut off by road design, the Neighbourhood Index for Leeds shows Armley as one of its least successful areas, suffering from high levels of crime, low educational attainment, poor health, low income levels and high levels of worklessness. However, its location makes Armley popular for some. Whilst a local lettings agency identifies the area as having "a reputation for being a little rough round the edges, it is a great place to live and very much true to itself in a way that other gentrified areas are not". With a strong local community identity, a recent growth in numbers of eastern Europeans has created some community tensions.

Initial attempts were made by LCH in 2017 to engage the local community in designing the scheme, with generally well received surgeries and Planning for Real events, however consistent

community involvement did not coalesce. With the local authority seeking progress on the site in 2019, LCH determined to pursue the scheme as a developer-led programme.

Feasibility work was done in 2019, with pre-planning identifying issues relating to the scale of the blocks of flats, distances to local tower blocks, parking and access to amenities as being issues to resolve. Despite the slope of the site, there are large spaces that can be designed by an emergent local community. The resultant design has been input into planning in March 2020.

Build costs are planned at c. £5m to be financed through £2.5m from Affordable Housing Grant; £1m from a mix of shared ownership sales and a share issue; and the remainder through loan funding from a community sector lender. It may also be possible that the local authority may give access to low cost loan funding through their public sector works board funding arrangements to enable better scheme viability. Long term loans are currently projected to be around £1.5m for 25 years at 4% (which may be reduced) with an arrangement fee of 1%. A 4% development loan of £3m is projected.

It is intended to provide a half and half mix of 'affordable rent' (80% of market rent will be well within Local Housing Allowance in the Armley area) and shared ownership homes (to be marketed in accordance with Affordable Housing Programme requirements for shared ownership).

The local authority has indicated flexibility to initial enquiries about pre-allocations of rental homes to enable the development of a community led housing organisation. It is anticipated that augmenting the rental homes with shared ownership homes will not only bring in equity, but also lead to a more diverse community. Scheme development for the flats will be through a standard design and build contract in order to ensure certainty, manage risk and control price. The houses are also being developed on a design and build contract, but with a potential "mass bespoke" element, a method of local system build pioneered by LCH's architect that might enable self-build or use of local labour. It was intended (and potentially still is intended) to be on site in the first quarter of 2021 with a 12 to 15 month build programme. Discussions are taking place regarding the development of the community led housing organisation with current ongoing engagement focussing on community landscaping and public realm (a community building is intended as part of the scheme), and longer term engagement through resident management of the scheme.

LCH is going through the Registered Provider registration process to enable grant funding. Consideration has been given to a range of options for structure, but it is now proposed that LCH's current engagements (including the community-led housing hub) will be transferred to a profit-making subsidiary with a charitable Registered Provider parent.



Quotes

“There were potential ways to get the community involved, but the expectation of them stepping up and being the driver of this scheme was asking too much. So, we thought we should take the driving seat, moving forward along the lines we consulted on. The shape of the scheme is led by the topography of the site, so there is a limited involvement that people can have anyway. So we will take the site through planning, involve people along the way and when we get to identify residents, we will aim to involve people in how the scheme is run and people can be involved as much as they want to be.”

“Within the Council there were people at officer and member level who got what we were trying to do and wanted to support different ways of delivering housing. It wasn’t universal. There was, and still is, suspicion that we might end up delivering affordable housing for people who aren’t in as much housing need as others. But there is a recognition that the traditional approaches – the private sector and housing associations – aren’t delivering enough of the right homes in the right places to meet the needs of people.”

“Most affordable housing contracts are now procured on a design and build basis. Groups without a long history of development and borrowing experience, lenders will be keen to see control of development price built into contracts. Everyone has watched Grand Designs where the spec continues to change, the problems continue to develop, and the price continues to rise – design and build aims to get rid of most of that risk.”

“You are never working with a blank sheet of paper in urban development. It is defined by restrictions as to what you can and can’t do, particularly in relation to the size of the site, what has been there before, and what is around it. Urban sites also usually require greater density which is an opportunity for community led housing to play an important role to make greater density work. Urban development also lends itself to low car ownership – an area that community led schemes can build in from day one.”

Jimm Reed

Leeds Community Homes



Learning points

- **Where a local authority (or someone else) offers a land opportunity to community led housing stakeholders to develop a scheme, it may be expecting too much of local people to necessarily participate in the development of a scheme. It is possible to use a developer led approach where future residents are brought into the scheme as it develops. In these circumstances it is still desirable to consult with local people and to bring in residents at the earliest possible stage. Residents need to be enabled to get involved with the scheme as it progresses and its future management to the level of their choosing.**
- **Local authorities can particularly support community led housing organisations by identifying sites, sometimes those that they may not be able to use themselves.**
- **Local authorities can also support community led housing by helping to identifying funding routes – which may include access to local authority public sector works board loans.**
- **Design and build contracts are used in the majority of affordable housing developments. Lenders may not support schemes using other build models where there aren’t people governing the build programme with significant knowledge and experience of development processes.**
- **Urban development is never a blank sheet of paper. There are numerous restrictions about what can and can’t be built.**
- **Community led housing can offer the best approach to achieving the greater density required in urban developments.**
- **Community led housing also offers the opportunity to establish low car use developments, which planners traditionally have had difficulties with, but which can be built into community led schemes from the outset.**