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# Executive Decision Report

Proposed Retention of New Build  
Apartment Block  
Containing Plots 281 to 288  
41 Grand Union Embankment  
Leicester, LE3 5DF

Decision to be taken by: City Mayor  
Decision to be taken on: 2 June 2025  
Lead director(s): Chris Burgin  
Matthew Wallace

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## Useful information

- Ward(s) affected: Abbey
- Report authors: Hiren Vaitha MRICS, RICS Registered Valuer – Senior Estates Valuation Surveyor  
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- Checked by: Kathryn Ellis FIRRV, Head of Strategic Property
- Report version number: FINAL

### 1 Summary

- 1.1 An opportunity has arisen to retain ownership of one of the new build apartment blocks on the Waterside Development currently under construction.
- 1.2 The subject property comprises one newly built apartment block consisting of eight two-bedroom flats, situated over four floors. It is centrally located within Leicester, benefitting from excellent transport links, proximity to the city centre and access to a range of other local amenities.
- 1.3 This block could directly support the Council's target to deliver 1,500 new affordable homes by 2027. This single strategic property would be a significant contribution towards that target.
- 1.4 The Council is the freehold owner of the land on which the Block was constructed. The site forms part of the Leicester City Council (Leicester Waterside) Compulsory Purchase Order 2016.
- 1.5 The Council entered into a Development Agreement with Keepmoat to construct the residential development and to thereafter market the properties for sale. That Agreement then contractually requires the Council to transfer ownership of the constructed properties to Keepmoat.

### 2 Recommendation

- 2.1 To approve the retention of the New Build Apartment Block Containing Plots 281 to 288, 41 Grand Union Embankment Leicester, LE3 5DF as agreed in the confidential Appendix A. This would be financed from the £45m budget approved by Full Council on 21 March 2024 to be retained by the General Fund.
- 2.2 The retention of the apartment block will increase the supply of new Affordable Housing temporary accommodation within the General Fund for an amount as

set out in Appendix A, plus Stamp Duty Land Tax and additional costs of £30k for curtains and flooring, surveys and professional fees. This will be financed through prudential borrowing from the £45m budget approved by Council for property acquisitions in the General Fund in March 2024.

- 2.3 To approve the internal appropriation from the Regeneration portfolio to the Corporate Landlord portfolio.

### **3 Supporting information including options considered:**

#### **3.1 Housing Need**

Leicester has identified the need for additional new units of affordable housing each year through the Leicester City Local Housing Need Assessment (LCLHNA) 2022. To seek to address this need, the Council has an ambitious target of achieving an additional 1,500 new council, social and extra care/supported living homes by 2027. Work has continued on existing delivery routes for new affordable housing and in exploring a wide range of new opportunities to secure more new affordable homes. The city has experienced growing levels of homelessness and this, in turn, has led to a growing number of households in hotels and bed and breakfast accommodation.

The Council is currently under pressure to reduce the number of single people and families in temporary hotel and bed and breakfast accommodation. There is a significant need for additional affordable two and three-bedroomed family dwellings (LCLHNA), and the retention of this block of eight two-bedroomed three-person flats will have a positive impact on reducing the number of small families in short-term accommodation. The retention of this block will contribute towards alleviating some of the pressures on temporary accommodation.

#### **3.2 The Building and Proposed Use**

This block of eight flats (Lambert House) is located in the Waterside Development off Northgate Street, as shown in the plan in Appendix B. The building is in an attractive location, part of a well-designed new neighbourhood, and is adjacent to the site of the proposed East Midlands Housing Supported Living Accommodation. Planning consent has been granted for the larger development of 367 residential units (Plan Number 20182255), forming part of a large-scale regeneration scheme.

The building, which is four storeys high, consists of eight two-bedroomed flats with two flats per floor accessed via a communal lobby/stairwell, with stairs only (i.e. no lifts within the 4-storey block). All flats have fully-fitted kitchens with integrated appliances. Each flat, on the first, second and third floors have a balcony accessible off the living space. The building also has secure bike storage, and each flat is allocated one car parking space within an adjacent communal car parking area. The Waterside Development has a large number

of communal landscaped areas across the whole development which need to be maintained by a Management Company, so there will be an annual estate wide management charge of £163.65 per annum for each flat which has been accepted as a reasonable cost.

The retention of this block of eight flats would enable them to be used for temporary accommodation for homeless households and would enable families to move on from hotel and bed and breakfast accommodation to a much more suitable temporary home while they continue to receive priority to bid for suitable accommodation to secure a permanent home. They will be for temporary accommodation for homeless households and will not be let through the Housing Register.

The flats do not adhere to Nationally Described Space Standards (NDSS) and due to their compact size, they can accommodate up to three persons and are typically designed for permanent dwelling. All other blocks in the scheme have been sold to private purchasers as permanent living accommodation. The flats are new build, attractive and are considered to be of a very high modern standard intended for open market sale. There are no wheelchair accessible dwellings in this block of flats and no lifts are provided to the upper floors as they are not required under Building Regulations.

### 3.3 Valuation

The subject property has been valued by both our internal RICS Registered Valuer and an external RICS Registered Valuer. Full valuation details are included in the confidential **Appendix A** and **Appendix C** attached.

The valuation includes all fixtures, fittings, white goods and appliances. This valuation is based on an open market transaction at the time of inspection and is valued on the specification provided by the developer.

The proposed valuation range in the confidential **Appendix A** (attached) represents good value for money for the General Fund and is in line with the average cost of comparable new build two-bedroom acquisitions currently being made in Leicester and Leicestershire.

### 3.4 Retention Process

The Council would be able to take back the premises once practical completion (PC) has been achieved, technical inspections by the Housing Division is conducted, and National House Building Council requirements have been met. The Heads of Terms include provisions such as a 24-month defect liability period, NHBC warranty and additional warranties/guarantees to satisfy the Council prior to finalising the transaction.

### 3.5 Funding

The eight flats will contribute to the General Fund programme of acquiring properties for temporary accommodation. The programme supports families and people facing homelessness in Leicester and helps to address very challenging and increasing homelessness pressures and the financial

pressures of the cost of bed and breakfast and hotel accommodation, as reported in the Exceptional Homelessness Pressures on Housing report presented to Full Council on 21 March 2024.

#### **4 Details of Scrutiny**

**Please see 'other implications' below.**

#### **5 Financial, legal and other implications**

##### **5.1 Financial implications**

The total cost to the Council is set out in Appendix A, including the payment to Keepmoat, Stamp Duty Land Tax, cost of flooring and window coverings etc., plus professional fees. The budget for the purchase is already approved within the General Fund capital programme, following the report on exceptional homelessness pressures which added £45m through the Council meeting on 21 March 2024. All associated costs would be financed using prudential borrowing over a 50-year period. Through the addition of 8 units of accommodation, it is anticipated that there will be financial benefits to the General Fund through reduced expenditure on hotels and bed and breakfasts.

Stuart McAvoy – Head of Finance

Date: 19 March 2025

##### **5.2 Legal implications**

The Council is the freehold owner of the land and therefore the proposal within the report is, essentially, to appropriate the land from the regeneration/development portfolio to the corporate landlord portfolio to enable the properties to be used for temporary accommodation purposes. However, in order to enable that use, the Council also needs to deal with the requirements of the Development Agreement. Discussions are ongoing as to how best to achieve that with the developer. Legal advice and support will continue should the proposal progress.

Zoe Iliffe, Principal Lawyer (Property, Highways & Planning)

Date: 19 March 2025

##### **5.3 Climate Change and Carbon Reduction implications**

Housing is one of the largest sources of carbon emissions in Leicester, responsible for 33% of emissions. Following the City Council's declaration of a Climate Emergency in 2019, and its aim to achieve carbon neutrality, addressing the

emissions from housing is vital to the Council's efforts to reduce carbon emissions. This is particularly important within the Council's own housing stock where it has the greatest level of control.

The recommendation in this report to retain this new-build block for affordable housing will provide additional units which meet the energy efficiency and carbon reduction standards required by the Building Regulations and Planning Policies in place at the time – providing accommodation which should be relatively affordable to heat. The recommendation has no direct carbon implications for the city as a whole, because it doesn't alter the carbon performance of any dwellings.

Duncan Bell, Change Manager (Climate Emergency)

Date: 20 March 2025

#### 5.4 Equalities Implications

Under the Equality Act 2010, public authorities have a Public Sector Equality Duty (PSED) which means that, in carrying out their functions, they have a statutory duty to pay due regard to the need to eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

The report seeks approval for the retention of 8 two-bedroom flats, situated over four floors. This will support the Council's target to achieve new Council homes and help meet the city's evidenced need for more affordable housing. Provision of new affordable homes will impact positively on people from across all protected characteristics by helping to help meet evidenced housing needs in the city.

The impact of the lack of decent, affordable and secure housing goes far beyond reducing the amount of money households have to live on; this also has a wider social impact. The cost of housing is directly related to housing quality and standards.

For many, being unable to afford decent housing means having to live in poor quality homes unfit for habitation or overcrowded conditions to reduce costs, to the detriment of physical and mental health. There is increasingly strong evidence to show housing problems being linked to broader social issues such as family breakdown, low productivity, chronic ill-health, disrupted child development, poor educational outcomes, and problem debt. It is important that new housing is well designed and can contribute to a good quality of life and meet the diverse needs of residents. Accessible and inclusive design will support the general aims of the PSED. An Equality impact assessment has been completed.

Surinder Singh, Equalities Officer

Date: 19 March 2025

5.5 Other Implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

None

**Background information and other papers:**

**6 Summary of Appendices:**

**Not for Publication – Appendix A** – Confidential financial information

**Appendix B** – Location Plan

**Not for Publication – Appendix C** – Confidential Internal/External Valuations

**Appendix D** – Equality Impact Assessment

**7 Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?**

Yes. The decision report is a public report, but Appendix A is marked “Not for Publication” because it contains exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 as amended: i.e., “Information relating to the financial or business affairs of any particular person (including the Authority holding that information)”. Appendix A will be published on the decision page of the Council’s website once the retention has completed.

**8 Is this a “key decision”?**

Yes.

**9 If a key decision, please explain reason**

Appropriation of an individual site as part of the General Fund programme of property acquisitions which exceeds £1m.

# Appendix B – Location Plan

## BLOCK 6 REDLINE PLAN

