

**COUNCIL SEMINAR**  
**21st June, 2017**

Present:- Councillor Beck (in the Chair); Councillors Atkin, Beaumont, Buckley, D. Cutts, Jarvis, McNeely, Marriott, Pitchley, Reeder and Simpson.

Apologies for absence were received from Councillors Clark, Cowles, Cusworth, Mallinder, Sheppard and Williams.

**ROTHERHAM SITE CLUSTER PROGRAMME**

Councillor Beck, Cabinet Member Housing and Chairman, welcomed Tom Bell, Assistant Director of Housing and Neighbourhood Services, who gave a brief overview of Rotherham's Site Cluster Programme.

With the aid of powerpoint the presentation highlighted:-

**Concept**

- A programme of housebuilding across 7 sites
- The sites were all Council and owned by the Housing Revenue Account
- Only one site was viable if delivered separately
- Works managed by one company, Wates
- Developer Agent Model so Wates designed, built and sold homes
- The Council funds all the works, receives revenue from the sales and the new social housing
- A new and innovative delivery route to maximise the value of assets and deliver more high quality new homes

**Background**

- 12<sup>th</sup> September, 2016 Cabinet accepted tender from Wates Construction Ltd. to deliver 185 new homes – design reviewed and now to be 217 properties developed
- Approval of the pre-development works budget for enabling works
- All sites now had planning permission with ground investigations completed
- RLB appointed by the Council to act as Employers Agent
- Developer agreement and works contracts prepared
- Pioneering approach – use of sales receipts from the OMS units (along HRA resources) to build new Council homes

**Proposed Scheme**

- Planning permission granted for 217 new homes
- Sites:-
  - Braithwell Road, Maltby
  - Gaitskell Close, Maltby
  - Shakespeare Drive, Dinnington
  - Conway Crescent, East Herringthorpe

Farnsworth Road, East Herringthorpe  
Rotherview Road, Canklow (2 sites)

#### Range of New Homes

- 83 homes for open market sale
- 93 new general need Council homes
- 5 new specialist Council homes
- 36 new Shared Ownership and Rent to Buy homes

#### The Key Benefits

- 217 new homes – more than double the numbers if delivered without the cluster approach
- Wide-ranging economic benefits
- New homes for specialist housing provision
- The Council retains ownership of the land
- 90% of overage generated from increased sales values/cost reductions retained by RMBC
- The Council retains control and influence over:-
  - Design and quality
  - Pace of delivery
  - Wider community benefits/investment
  - Tenure split
  - Local labour (subject to demonstrating best value)

#### Financial Implications

- Overall developments costs - £29M
- Funded from HRA reserves, unallocated HRA Capital Receipts, Strategic Acquisition Budget and use of sales receipts from open market sales
- 83 Open Market Sale
- 98 homes built for Council housing
- 21 homes for shared ownership and rent to buy – part funded by SOAHP grant
- 15 shared ownership apartments – part of Section 106 contribution

#### Specialist Housing

- 5 specialist housing units:-
  - 2 homes for people with learning difficulties
  - 2 homes for young vulnerable people
  - One for a foster care family

#### Next Steps

- Cabinet decision – 10<sup>th</sup> July
- Start on site – September, 2017
- First homes completed – March, 2018
- Scheme complete – May, 2020

Discussion ensued with the following issues raised/clarified:-

## REPORT FOR INFORMATION - 21/06/17

- Shared ownership had been slow within South Yorkshire, however, was becoming more attractive for first time buyers given the increase in property prices
- The Council owned the freehold title on the sites. A decision had not been made as yet but believed that the properties would be sold as freehold
- Work had taken place with Children and Young Peoples' Services and Adult Social Care with regard to the design, appropriateness and location of the specialist housing units
- It had been made clear within the contract that the Council was in control of the pace of the Programme
- Work would take place with the Canklow neighbourhood and community as to the possible impact of the development on Rotherview Road on the local primary school and community facilities
- The Council was not reliant on Government funding for the Programme
- External legal support had been sought due to the innovative Programme in developing the contracts and legal framework to ensure clarity regarding timetabling and sequencing of works
- Most of the sites were brownfield sites
- Tenants of the new properties would have the same rights with regard to Right to Buy, however, there would be a cost floor evaluation of the properties as part of a sale which included not only bricks and mortar but also the land capital cost. This would make the properties much more expensive
- Wates had been selected not only on cost and value but they had an architect that designed bespoke properties for the specific site
- Where exclusively building social homes there was no obligation to contribute to Section 106 monies

The Chairman thanked Members for their attendance and Tom for his presentation.