

Committee Name and Date of Committee Meeting

Cabinet – 22 November 2021

Report Title

Mid-year Housing Development Update Report – 2021/22

Is this a Key Decision and has it been included on the Forward Plan?

No, but it has been included on the Forward Plan

Strategic Director Approving Submission of the Report

Anne Marie Lubanski, Strategic Director of Adult Care, Housing and Public Health

Report Author(s)

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Ward(s) Affected

Various

Report Summary

In March 2021, Cabinet approved the 2021/22 Housing Development Programme which listed a range of Housing Revenue Account (HRA) sites to be developed for housing, along with potential strategic acquisitions. It was agreed that a half-year update report would be presented to Cabinet, setting out progress.

The Covid 19 pandemic has presented unprecedented challenges in terms of the availability of construction materials and labour. Despite this, coupled with the additional challenge posed by the nature of the sites in the Council's housing growth programme (typically more difficult and expensive to develop), good progress has been made with all projects, excellent quality is being achieved, and the Council continues to make a significant contribution to Rotherham's overall affordable housing requirement.

Recommendations

1. That progress made with the 2021/22 housing development programme be noted.

List of Appendices Included

- Appendix 1 Photographic Summary
- Appendix 2 Summary of Progress Against Previous Recommendations
- Appendix 3 Initial Equality Screening (Part A)

Appendix 4 Equality Analysis (Part B)
Appendix 5 Carbon Impact Assessment

Background Papers

Housing Strategy 2019-22:

<https://www.rotherham.gov.uk/downloads/download/96/rotherham-housing-strategy>

HRA Business Plan 2021-22

Cabinet report: [Annual Housing Development Report - 2021/22](#)

The Inequality of Poverty: [The-Inequality-of-Poverty-Full-Report.pdf \(fairbydesign.com\)](#)

Consideration by any other Council Committee, Scrutiny or Advisory Panel

None

Council Approval Required

No

Exempt from the Press and Public

No

Mid-year housing development update report

1. Background

- 1.1 The Annual Housing Development Report – 2021/22 was the second annual report on the programme to be presented to Cabinet and restated the importance of housing growth and the various approaches the Council will take. It included a list of HRA sites to be progressed in 2021/22 either through Council build or development by housing associations, and potential strategic acquisitions.
- 1.2 Housing development schemes are highly complex and naturally take time to bring forward from inception to actual delivery, often two to three years. However good progress continues to be made in a very challenging environment.
- 1.3 The Council is purposely intervening in the housing market to bring forward much needed new homes on challenging sites, whilst also aspiring to provide homes which are most needed and wanted by our residents. This includes homes that directly address local needs, are highly energy efficient and offer excellent space and quality standards.
- 1.4 This is also taking place within the wider context of the EU Exit and Covid-19 pandemic which, combined, are serving to severely constrain the supply chain; this being the availability and cost of materials and labour, resulting in an industry-wide slowdown in the rate of new housing delivery which has directly impacted on the Council's own programme and corporate delivery targets.
- 1.5 Ongoing development of the Council's Green Housing Strategy, which is a climate change focussed subsidiary of the Housing Strategy, has highlighted the need for low carbon requirements to be built into schemes which are currently in development.
- 1.6 Each of these factors increase the complexity and cost implications for the schemes under development. The programme therefore continues to be highly reliant on grant funding to ensure that schemes are affordable and continue to demonstrate value for money in the context of not just cost to the Council versus value and income generation potential, but also the broader strategic aims which the new homes achieve or contribute toward.
- 1.7 The Council is maintaining regular dialogue with Homes England following the successful delivery of the Shared Ownership and Affordable Homes Programme (SOAHP) which helped to bring forward over 200 new homes across borough and is further enabling the delivery of over 170 in the town centre. The Council remain confident that Homes England will continue to provide significant grant funding support to the Council.
- 1.8 The Council also continues to engage with the Brownfield Housing Programme, administered by the South Yorkshire Mayoral Combined Authority, and overall the Council remains in a good position to deliver

against aspirations, but retains a prudent stance in respect of expectations around delivery timescales and overall scheme costs.

1.9 The table in Appendix 2 tracks progress against the previous recommendations in the September 20, January 21 and March 21 Cabinet reports. The recommendations from the March 2021 Cabinet report were as follows:

1. That Cabinet approves the release of the Council owned sites listed in Appendix 3 for residential development, subject to written confirmation of agreement by the relevant Ward Members.
2. That Cabinet approves the programme of strategic acquisition opportunities listed in Exempt Appendix 4, and that authority is delegated to the Assistant Director of Planning, Regeneration and Transport to purchase homes from private developers or the open market to add to the Council's stock with the agreement of the Assistant Director of Housing, Section 151 Officer and Cabinet Member for Housing. This is subject to the budget parameters as set out in the Council's approved Capital Programme. This delegation is proposed to apply until April 2022 when the next annual programme will be reported to Cabinet.
3. That authority be delegated to the Assistant Director of Housing, in consultation with the Cabinet Member for Housing and the Section 151 Officer, to enter into an Affordable Homes Programme grant funding agreement with Homes England, for all eligible sites listed in Appendix 3.

1.10 Progress on recommendation 1:

Eastwood Housing Development sites

- Commissioned Local Partnerships to undertake a "mini master-planning" exercise for the two sites which comprise this scheme – recently concluded
- Submitted an indicative bid to Sheffield City Region Brownfield Housing Fund for grant funding support to deliver the scheme – final business case to follow at a later date
- Internal Strategic Outline Business Case and Procurement Business Case drafted
- Separate Cabinet report to be presented in early 2022

Kiveton Park, Thurcroft and West Melton small site assemblies

- Additional consultation carried out with Ward Members
- Currently assessing the delivery and procurement routes
- Submitted an indicative bid to Sheffield City Region Brownfield Housing Fund for grant funding support to deliver these schemes – final business case to follow at a later date

Miscellaneous sites

- No specific progress to report at this time.

1.11 Progress on recommendation 2:

The Council is continuing to progress all but one of the newly proposed acquisition opportunities as set out within Appendix 4 of the March 2021 Cabinet report. The one scheme no longer being progressed relates to the proposed acquisition of a single home and is no longer proceeding because a suitable agreement could not be reached with the owner.

1.12 Progress on recommendation 3:

Grant applications to Homes England are made via a 'Continuous Market Engagement' (CME) process and discussions are currently underway with Homes England regarding the Council's housing development pipeline.

1.13 The sites identified in the 2020/21 development programme are ongoing and a summary of progress follows:

- SOAHP Small Sites (14 bungalows on Arundel Avenue, Treeton and Braithwell Road, Ravenfield): Work commenced in February 2021 and the bungalows are expected to be completed by March 22.
- East Herringthorpe Site Assembly (estimated 13 homes): Currently working with a construction partner selected from the Efficiency North framework to work up detailed proposals and enable the Council to enter into a formal contractual agreement. Start on site is expected in Summer 22.
- Thrybergh Site Assembly (estimated four homes): Negotiations are currently underway with the Council's repairs and maintenance contractors, to build four homes on these sites. Start on site is anticipated in Summer 22.
- Wingfield Site Assembly (estimated 14 homes): Continuing dialogue with housing associations regarding delivery.
- Strategic Acquisitions: Completed the acquisition of six bungalows on the Highfield Farm development in West Melton, all of which are now allocated. Entered into contract to purchase 22 new homes from the Wentworth View development in Thorpe Hesley, the first three homes of which are due to be handed over in the near future. Negotiations are continuing on other sites previously identified.

1.14 Other highlights since the March 21 Cabinet report include:

- Excellent progress has been made with the town centre housing schemes and the first homes will be completed towards the end of the year.

- Started on sites at Chesterhill Avenue and Whinney Hill (Dalton and Thrybergh) for the construction of 237 new homes, with the first homes due for completion by March 22.
- Completion of Broom Hayes development (44 homes for council rent and council shared ownership).
- Completion of ten bungalows on various small sites in Wickersley and Bramley by Arches housing association, with nomination rights for the Council from the Housing Register.
- Cabinet approval in August 21 to sell the Eldertree Road garage site to enable a private development of 24 new homes on an adjacent Local Plan site.
- Successful virtual Housing Developer Summit held in June 21.

Further detail is attached at Appendix 1 – photographic summary.

2. Key Issues

- 2.1 The key issues associated with the annual programme are detailed in the Cabinet report 22nd March 2021.

3. Options considered and recommended proposal

- 3.1 N/A as this is an update report.

4. Consultation on proposal

- 4.1 Residents will be consulted via the Planning process along with all statutory consultees, but the Strategic Housing and Development Service has also worked with the Neighbourhood Service to assist with disseminating information about development in localities, identifying alignment with ward priorities. Regular articles about housing development are also included in the tenants' newsletter, Home Matters.
- 4.2 Ward Members have received specific briefings on potential sites in their wards and their feedback has been taken into account.
- 4.3 Regular engagement is undertaken with developers, housing associations, Homes England and the Sheffield City Region.

5. Timetable and Accountability for Implementing this Decision

- 5.1 The Assistant Director for Housing has overall responsibility for implementing the housing development programme.

6. Financial and Procurement Advice and Implications (to be written by the relevant Head of Finance and the Head of Procurement on behalf of s151 Officer)

- 6.1 There are no direct financial implications due to the recommendations in the report. However, issues highlighted such as supply chain pressures on the cost of materials and labour, and potential increased costs to meet low

carbon requirements, are likely to have an impact on the overall outcomes of the Housing Growth programme. The total resources available are determined by the affordability of the cost of borrowing (alongside available grant funding). If unit costs increase its likely fewer new properties will be able to be delivered.

Some of these pressures have impacted the current capital programme although most live schemes are not forecast to overspend.

6.2 Procurement activity is detailed within the main body of this report. Housing Services are engaging with the Procurement Team to ensure procurement activity is being undertaken in compliance with the Public Contracts Regulations 2015 (as amended) and the Council's own Financial and Procurement Procedure Rules.

7. Legal Advice and Implications (to be written by Legal Officer on behalf of Assistant Director Legal Services)

7.1 There are no substantive legal issues arising from this report. Legal Services recommends early engagement with them where any legal work is required, for example entering into and completing any external grant funding agreements, purchasing any properties or entering into any legal contracts.

8. Human Resources Advice and Implications

8.1 There are no Human Resources implications arising from this report.

9. Implications for Children and Young People and Vulnerable Adults

9.1 The development programme includes two, three and four bedroom homes which will allow families with children to access high quality, affordable homes, thus contributing to improving children's health, wellbeing and opportunity.

9.2 The programme includes bungalows which will allow older and disabled people to live in safe, suitable accommodation that meets their needs and allows them to live independently for longer.

10. Equalities and Human Rights Advice and Implications

10.1 The current Housing Strategy was approved by Cabinet in April 2019. The Strategy outlines how the Council will increase the local supply of high quality, affordable homes to meet a wide range of needs, through the housing development programme. The Council holds a wide range of data which is used to determine the different needs and influence the types of homes being built. For example, of Rotherham's 263,400 residents, 25% are aged 60 years or over and 8.5% are aged 75 years or over and the housing development programme includes bungalows that are suitable for older people, as well as people with disabilities.

10.2 As at 31st March 2021 there were 7,200 households on the Council's housing

register, who are likely to currently be in homes unsuitable for their needs, such as homes which are too small, affected by issues such as damp and disrepair, or inappropriate for someone who is elderly or has a disability. The Council's ambitious development programme is critical to supporting these families into high quality and affordable accommodation. Any new homes offered for rent by the Council are managed through the Council's Allocations Policy to ensure a fair and transparent approach to helping people in the greatest housing need to gain access to suitable and appropriate accommodation. A full Equality Analysis has been carried out for both the Housing Development Programme 2021/22 and the Allocations Policy which was approved by Cabinet in February 2021.

- 10.3 There is evidence to suggest that a higher proportion of people within protected characteristic groups, such as age and disability, will be reliant on welfare benefits and therefore more likely to require access to affordable housing (for example as described in "Inequality of Poverty" research report. The Programme's aim is to increase overall housing supply and in turn bring forward more affordable housing to assist such groups.
- 10.4 Surveys will be carried out with the occupants of new homes, and equality and diversity results analysed and compared with other relevant data sets such as the Housing Register. This will allow the Council to understand whether any protected characteristic groups are over or under-represented in new build homes and take appropriate action if required.

11. Implications for CO2 Emissions and Climate Change

- 11.1 Climate change poses a significant threat to environments, individuals, communities, and economies on local, national, and international scales. In recognition of this the Council has aimed to be net carbon neutral as an organisation by 2030, and for Rotherham as a whole to achieve the same position by 2040.
- 11.2 Through its own delivery programme, the Council has the ability to ensure that the new homes are high quality, energy efficient and able to meet the challenge of climate change, irrespective of tenure. The use of modern methods of construction will be considered for all new schemes, where value for money can be demonstrated as well as carbon reduction.

12. Implications for Partners

- 12.1 As a blended programme with no 'one size fits all' approach to procurement and delivery, there will be opportunities for both large and small (SME) private sector construction companies and Registered Providers (housing associations) to work with the Council. This will help to both support and diversify the local construction industry.
- 12.2 Housing associations continue to play an important role in delivering affordable housing in Rotherham. The Council has a successful track record of working with housing associations to bring land forward for development and maintains strong relationships with many of the largest and most well-

established organisations through the Rotherham Strategic Housing Forum. The programme makes provision for the transfer of land to housing associations for which the Council would receive nomination rights to help address demand from the Council's Housing Register.

13. Risks and Mitigation

- 13.1. Risks and mitigation measures associated with the annual programme are detailed in the Cabinet report 22 March 2021.

14. Accountable Officers

Anne Marie Lubanski, Strategic Director of Adult Care, Housing and Public Health

Paul Walsh, Interim Assistant Director of Housing

Jane Davies, Head of Strategic Housing and Development

David Bagnall, Housing Development Manager

Approvals obtained on behalf of Statutory Officers:-

	Named Officer	Date
Chief Executive	Sharon Kemp	07/11/21
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	04/11/21
Head of Legal Services (Monitoring Officer)	Bal Nahal	04/11/21

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This report is published on the Council's [website](#).