

Committee Name and Date of Committee Meeting

Cabinet – 16 October 2023

Report Title

Maltby Sites Housing Development

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

Yes

Strategic Director Approving Submission of the Report

Ian Spicer, Strategic Director of Adult Care, Housing and Public Health

Report Author(s)

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Ward(s) Affected

Hellaby and Maltby West

Report Summary

This report seeks approval from Cabinet to develop the council-owned Addison Road and Larch Road sites in Maltby to build a projected 43 new homes for council rent.

Appendix 2 identifies the specific areas of land which will be appropriated from the General Fund to the Housing Revenue Account, to support development of the new dwellings.

Recommendations

That Cabinet:

1. Approves development of the Addison Road and Larch Road sites in Maltby to build a projected 43 new homes for council rent.
2. Delegates authority to the Assistant Director of Housing in consultation with the Cabinet Member for Housing to make amendments to the scheme design, where this is necessary to comply with Planning and other statutory consultee requirements, or where site conditions otherwise prescribe a design alteration.

List of Appendices Included

Appendix 1 Indicative Site Plans
Appendix 2 Land to be Appropriated for Housing
Appendix 3 Initial Equalities Screening (Part A)

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

Background Papers

Rotherham Housing Strategy 2022-25

Cabinet Report - Housing Development Programme 2023/24

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

No

Exempt from the Press and Public

No

Maltby Sites Housing Development

1. Background

- 1.1 The Addison Road and Larch Road sites are council-owned land assets held in the General Fund. Both are situated within a large Housing Revenue Account (HRA) managed housing estate.
- 1.2 The sites form part of the HRA-funded Housing Delivery Programme, having first been introduced to the Programme via the Housing Development Programme Report – 2023/24, approved by Cabinet in January 2023, with a mid-year update subsequently presented to Cabinet July 2023.
- 1.3 Addison Road is projected to deliver 27 new homes, whilst Larch Road will deliver a projected 16 new homes, resulting in 43 homes combined.
- 1.4 Programme reports have identified that there is a clear and continuing need for more affordable homes across the Borough, an issue further exacerbated by the current cost-of-living crisis. The Council is continuing to address this need through delivery of the Housing Delivery Programme, with a target to deliver hundreds of new homes between January 2018 and March 2026.

2. Key Issues

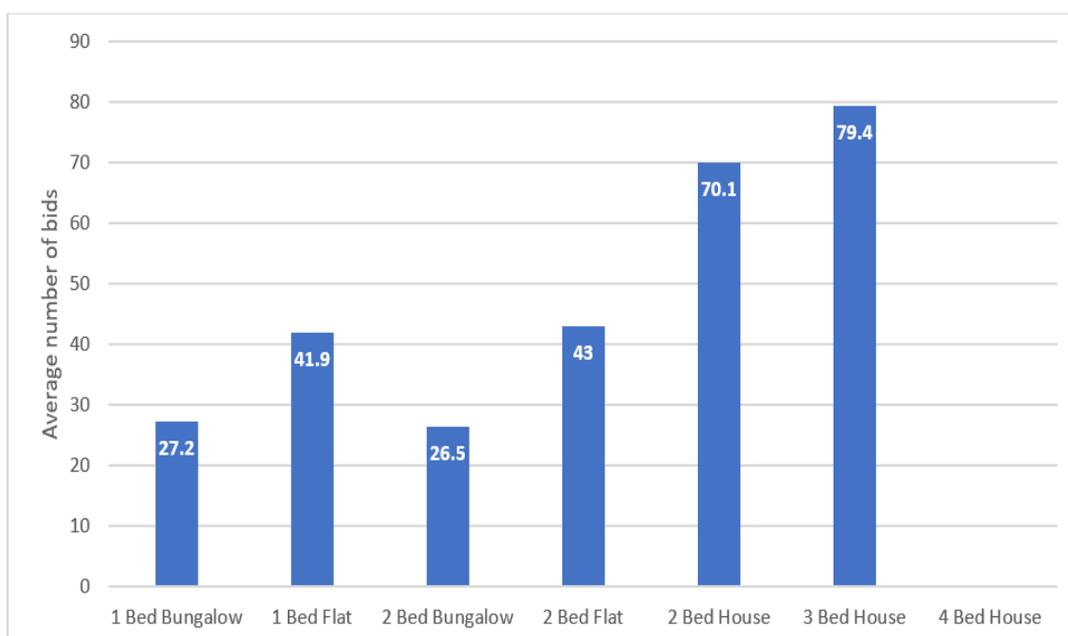
Approvals

- 2.1 Both Addison Road and Larch Road have been included in previous Housing Delivery Programme reports to Cabinet, as set out 1.2, meaning that release of the sites for the purpose of new housing development has been approved.
- 2.2 The Housing Delivery Programme was first presented to Cabinet in September 2020, and has been refreshed on an annual basis since. Recommendation two of the original September 2020 report stated:

2. That Cabinet note that proposals to deliver more than ten homes on any individual site, will continue to require a separate Cabinet report.
- 2.3 This report therefore seeks approval from Cabinet to build a projected 27 and 16 new council homes respectively, across the 2 sites. Indicative plans are provided in Appendix 1. The final designs are subject to change in line with recommendation 2 of this report.
- 2.4 Both the Addison Road and Larch Road sites are currently held on the Council's General Fund asset register and the land area proposed for delivery of new council homes will need to be appropriated to the HRA. Approval to appropriate the sites has already been established via the Housing Delivery Programme – 2023/24 Cabinet report and formal appropriation will take place once a planning permission has been secured. Appendix 2 identifies the specific areas of land which are to be appropriated from the General Fund to the HRA.

Local needs

- 2.5 Maltby is a well-established neighbourhood extending across two wards, Hellaby and Maltby West and Maltby East, and comprising over 800 existing council homes in total. All three sites referenced within this report are situated within the Hellaby and Maltby West ward specifically, within which there are 285 council homes.
- 2.6 There is a good mix of homes in the area, comprising bungalows, apartments, and family housing, although there is very limited availability for larger family housing (4-bed or larger). Over a quarter of the 285 council homes within the ward are bungalows, whilst circa 19% of the council homes in the neighbouring Maltby East ward are also bungalows.
- 2.7 There is significant local demand for family accommodation as demonstrated by the average number of bids received for both 2 and 3-bed houses. No 4-bedroomed homes have become available to let in Maltby since 2020.



- 2.8 Evidence also points to a demand for specialist needs accommodation with nine families able to consider Maltby as their next home if their needs are catered for. Larger properties are needed for these families including 3-bed, 4-bed, and possibly 5-bed accommodation.
- 2.9 The Maltby Neighbourhood Plan further identifies a preference for new housing developments in the area to provide smaller, affordable family homes.

Council housing delivery proposals

- 2.10 In view of the prevalent need and feedback from key stakeholders, proposals for the two sites are focused on the delivery of family homes along with some specialised accommodation for households with acute needs. Family

accommodation will comprise both smaller homes in the form of 2-bed apartments and houses, along with larger 3 and 4-bed houses for which there is particular demand.

- 2.11 Addison Road is projected to deliver:
- 1, 4-bed wheelchair user dwelling.
 - 3, 3-bed wheelchair user dwellings.
 - 4, 2-bed houses.
 - 13, 4-bed houses.
 - 6, 2-bed apartments.
- 2.12 Larch Road is projected to deliver:
- 10, 2-bed apartments.
 - 6, 2-bed houses.
- 2.13 Specialised accommodation will be provided in the form of 3, 3-bed and 1, 4-bed wheelchair user dwellings. These will be designed to achieve the enhanced 'Category M4(3) Wheelchair User Dwelling' standard defined under Building Regulations. This standard is sometimes referred to a Disabled Persons Unit. Utilising a 'dormer' bungalow construction which has been successfully employed in a previous scheme, this design allows the flexibility to support households with one or two members who have particularly acute housing needs whilst also providing for other household members or carers who have more general requirements but need to live together.
- 2.14 In view of the Council's net zero-carbon ambitions, all council homes will also be constructed to the Government's Future Homes Standard (full technical specification pending), which means:
- No fossil fuel heating (gas).
 - Future-proofed with low carbon heating and high levels of thermal efficiency.
 - No further energy efficiency retrofit work will be necessary to enable them to become zero-carbon as the electricity grid continues to decarbonise.
- 2.15 Original forecasts indicated potential for up to 50 new homes across the two sites; however, this has since been revised down to 43 homes. This is because:
- Inclusion of larger property types on the Addison Road site, particularly 4-bed houses and specialised wheelchair user bungalows, has reduced the overall number of homes which can be delivered on the site. A significant amount of 'green' buffering and landscaping will also be retained on the site.
 - The Larch Road site has very challenging topography and cost efficiency will be maximised by developing broadly within the footprints of the existing structures – the site has potential to deliver more homes, but this would require extensive, costly groundworks.

- 2.16 The indicative layouts for both sites have had informal planning and highways comments and at this time no major concerns have been raised. However, development of the sites is still subject to a formal planning application and neither have received formal planning approval.

3. Options considered and recommended proposal

- 3.1 Option 1: Development of the Addison Road site for an estimated 27 new council homes the Larch Road site for an estimated 16 new council homes

This option is recommended. This option will meet a range of identified needs for the Council and make a significant contribution toward the Council's ambition to deliver 1,000 new homes by March 2026, while bringing vacant sites back into use.

Option 2: Do not develop the sites for new council homes

This option is not recommended. Following the sites being declared as surplus to existing service requirements in 2022, they were formally brought into the Housing Delivery Programme in January 2023 to help contribute toward the Council's strategic aspiration to deliver hundreds of new homes by March 2026. Whilst the sites could be sold to generate a capital receipt, this would prevent a sizeable number of new council homes from being delivered.

4. Consultation on proposal

- 4.1 Hellaby and Maltby West ward members have been consulted on scheme proposals.
- 4.2 Subject to Cabinet approval of these proposals, residents will be formally consulted via the planning process along with all statutory consultees. A formal planning application is being prepared in parallel with this report and is due to be submitted before the end of the calendar year.
- 4.3 Occupational Therapist advice has been taken on the specification of the council homes.
- 4.4 Earlier design proposals included the potential for some older people's apartments; however, these have subsequently been omitted following engagement with key stakeholders.

5. Timetable and Accountability for Implementing this Decision

- 5.1 The Assistant Director of Housing will have responsibility for implementing the project. The Assistant Director, Legal Services will have responsibility for the negotiating, approving, and completing of all applicable legal documentation necessary to deliver the scheme, including contracts.
- 5.2 To help expedite potential delivery, a planning application is being prepared in parallel with this report. However, neither submission of a planning

application or planning approval infer any obligations upon the Council to proceed. A planning decision is currently anticipated spring 2024.

- 5.3 Procurement activity is anticipated to begin before the end of the calendar year, with the intention being to have a construction contractor identified or in place as soon as planning permission is secured. This will then allow the technical design to be refined with the contractor before build activity begins.
- 5.4 The latest project Programme forecasts that a start on site should take place Summer-Autumn 2023, with completion of all dwellings by Spring 2026.

6. Financial and Procurement Advice and Implications

- 6.1 The 43 new council homes will be funded using HRA resources. Current assumptions indicate that the average cost per unit is £255k. Based on this, the total cost for 43 units is anticipated to be in the region of £10.965m. Final costs will be dependent upon scheme design which could be impacted by planning requirements.
- 6.2 The final costs will be presented in a business case and assessed for affordability within the context of the assumptions in the Housing Revenue Account (HRA) Business Plan and specific scheme resources approved via the Council's capital governance route.
- 6.3 The HRA Business Plan model further assumes that social housing properties supported by grant funding will be let on Affordable Rent values, rather than Social Rent. However, this will be determined on a scheme-by-scheme basis, once full costs are known and with a preference for Social Rent to be applied, subject to an assessment of the financial viability of the proposed development. Affordable Rent is higher than Social Rent.
- 6.4 Whilst the primary source of funding for the scheme will be HRA resources, additional sources of subsidy will be pursued to improve the overall viability and affordability of the scheme. This may include Right to Buy (RTB) 'one-for-one' receipts, which are an internal form of subsidy, and/or external grant funding through Homes England and the South Yorkshire Mayoral Combined Authority, along with other providers as and where suitable opportunities arise. All grant funding applications will be subject to the Council's grant funding authorisation process. The precise combination of resources utilised will be based on the most appropriate source available for this scheme.
- 6.5 The area of general fund land identified in Appendix 2 will be appropriated to the HRA. This will result in an increase in the HRA capital financing requirement (CFR) value and a corresponding decrease to the general fund CFR of the same amount. This will increase the annual HRA revenue charge for capital.
- 6.6 Procurement activity is detailed within the main body of this report, and it is essential that this activity is 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

- 7.1 The delegations sought under this report are consistent with the Council's Constitution and allow for timely and flexible decisions to be made in respect of potential housing delivery.
- 7.2 There are no direct legal implications arising from this report other than those detailed in the body of the report.

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 new family houses will further opportunities for more children to be housing in good quality, safe, and thermally efficient homes.

10. Equalities and Human Rights Advice and Implications

- 10.1 Through its wider Programme, the Council will increase the local supply of high quality, affordable homes to meet a range of needs. The Council holds a wide range of data which is used to determine the different needs and influence the types of homes being acquired.
- 10.2 The Council's Housing Delivery Programme is critical to supporting families who are on the Housing Register, 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.
- 10.3 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 The Council has the ability to ensure that new council homes are high quality and energy efficient, which will contribute to reducing domestic carbon emissions in the longer-term.

11.3 New council housing will ultimately increase emissions. Whilst mitigations are in place, with an explicit aim to exceed Building Regulations Part L requirements where feasible, the overall net carbon emissions status of Rotherham's social housing stock will increase in the short term. Homes brought forward with electrically sourced heating and hot water provision, however, should become effectively carbon neutral once the electricity grid itself achieves zero-carbon. In addition to delivering new homes, the Council continues to improve and sustain its existing homes, including investment to maintain the Decent Homes Standard and improve energy and thermal efficiency.

12. Implications for Partners

12.1. Once built, the new homes will be added into the Council's Repairs & Maintenance contract.

13. Risks and Mitigation

13.1 The key risks are summarised in the table below. A detailed risk assessment will be provided alongside the business case for individual schemes as they are brought forward.

13.2	Risk	Mitigation
	Pressure on construction labour and materials (both in terms of supply and costs) resulting from the Covid pandemic, EU Exit and invasion of Ukraine.	Risks recorded and monitored for all individual schemes, advance ordering, and storage of materials where appropriate/ possible. Schemes fully designed and planning approved before committing to contractor costs.
	Site suitability - even at a late stage in the process, sites can be found to be unsuitable (for example due to severe contamination or high flood risk) or need to be restricted in terms of the type and numbers of new housing which can ultimately be achieved.	Scheme procurement is likely to take place via a two-stage 'design and build' process which will allow sites to be appraised and suitable designs to be determined in advance of the Council entering into build contracts. This will help ensure that particularly problematic sites are dealt with and potentially removed from the Programme before the Council is contractually committed to build. Grant funding will also help the Council to mitigate against the cost of ground remediation works, but where a site is ultimately unsuitable for development, it will not be brought forward.
	Delays to housing development schemes resulting from utilities connections and other statutory undertakings.	Early engagement with relevant organisations and internal services, and robust project management processes in place with realistic contingencies for costs and delays.

Internal staff capacity – Housing, Legal, Procurement, Asset Management, etc.	Ongoing dialogue between services regarding forward planning and resource requirements, and continued HRA contributions to staffing costs in key supporting services.
Community opposition.	Early and regular consultation with Ward Members, communication strategy to provide information on the schemes and explain the rationale. Formal consultation also takes place as part of the Planning process.
Funding availability / eligibility.	Continual dialogue with external funding bodies. Investment of time in robust business case preparation to ensure overall costs remain within approved HRA Business Plan affordability modelling and Capital Programme approvals. Regular meetings with Finance colleagues to monitor Programme.

14. Accountable Officers

James Clark, Assistant Director of Housing

Approvals obtained on behalf of Statutory Officers: -

	Named Officer	Date
Chief Executive	Sharon Kemp	02/10/23
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	28/09/23
Assistant Director, Legal Services (Monitoring Officer)	Phil Horsfield	28/09/23

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