

Committee Name and Date of Committee Meeting

Cabinet – 29 July 2024

Report Title

Housing Delivery Programme – Development at Far Lane, East Dene

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

Rotherham East Ward

Report Summary

This report seeks approval from Cabinet to develop the Council-owned Far Lane site in East Dene. It is projected that the site will deliver up to 14 new homes.

Appendix 1 identifies the site location.

Recommendations

That Cabinet:

1. Approves development of the Far Lane site, to build up to an estimated 14 new Council homes.
2. Delegates authority to the Assistant Director of Housing, in consultation with the Cabinet Member for Housing, to optimise design of the sites according to strategic need, site constraints, and any requirements resulting from both stakeholder feedback and the planning application process.

List of Appendices Included

- Appendix 1 Site Plan
- Appendix 2 Indicative Site Layout
- 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 Delivery Programme Report – 2024/25

Cabinet Meeting: 22 January 2024

<https://moderngov.rotherham.gov.uk/documents/g15555/Public%20reports%20pack%20Monday%2023-Jan-2023%2010.00%20Cabinet.pdf?T=10>

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

No

Exempt from the Press and Public

No

Housing Delivery Programme – Development at Far Lane, East Dene

1. Background

- 1.1 Far Lane is a Council-owned land asset held in the Housing Revenue Account. The site was first approved for development by Cabinet in January 2023 as part of the 'Housing Development Programme Report – 2023/24'. The most recent version of the Programme was approved by Cabinet in January 2024 whilst a further Programme update is also being presented to Cabinet alongside this report.
- 1.2 The site is allocated for residential development within the Council's adopted Local Plan (site reference H28). The Sites and Policies document indicates an indicative capacity of 13 dwellings. The site is currently an unused garage plot site on which fly tipping is an issue, with high costs to clear and maintain the land.
- 1.3 Programme reports have identified that there is a clear and continuing need for more affordable homes across the Borough, and as the cost-of-living continues to affect communities, more people will turn to the Council for financial and housing support. The Council is continuing to address this need through delivery of the Programme, with a target to deliver hundreds of new homes by March 2026.

2. Key Issues

Approvals

- 2.1 The site has been included within the previous Programme report to Cabinet (as set out at 1.1), meaning that release of the site for the purpose of new housing development has been approved in principle.
- 2.2 The 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:
"That Cabinet note that proposals to deliver more than ten homes on any individual site, will continue to require a separate Cabinet report".

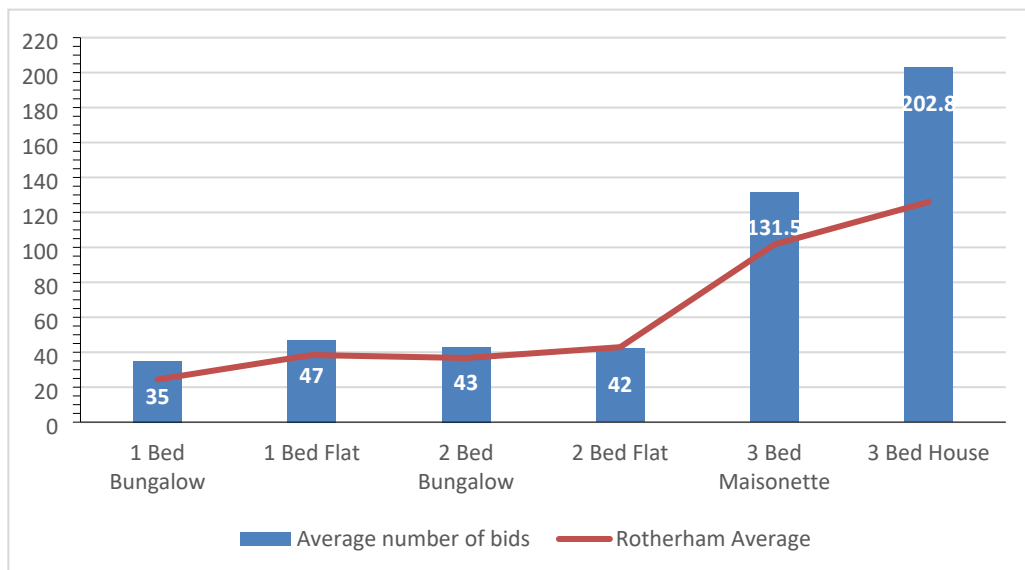
- 2.3 This report seeks approval from Cabinet to build an estimated 14 x 2-bed apartments on the site. Early surveys have been commissioned following which indicative plans have been produced. The final designs are subject to change in line with recommendation 2 of this report.

Local housing need and demand – East Dene

- 2.4 The East Dene locality is situated within the Rotherham East Ward. Rotherham East has the highest number of Council homes in Rotherham (1,989) with the highest number of three-bedroom houses (973), two-bed houses (293) and one-bed bungalows (257) of all wards in the Borough. These are also the most common house type within the ward. In comparison

to Rotherham’s overall split of house types, Rotherham East has a below average percentage of bungalows and flats.

2.5 Although Rotherham East has the highest number of Council homes of all wards, it is also losing the highest percentage of homes through the Right to Buy, therefore whilst the new homes will still be subject to Right to Buy, new housing delivery in this ward is key to helping meet continuing high levels of demand. The area is popular with a higher-than-average number of bids for all property types, with three-bed properties receiving over double the borough average. One- and two-bed flats also exceed Rotherham’s average bids and whilst the data doesn’t record the two-bed flats as the highest demand property type, they have the lowest turnover of any of the property types in the area for 2023.



Graph 1: Average number of bids for each property type in East Dene (blue bars) compared to the Rotherham average bids for these property types in 2023 (orange line).

2.6 The Council operates a choice-based lettings system. A single individual or a couple can rent a two-bedroom flat, as well as a family with children. There are 6,259 (as of today) active applications for households with one to three members on the Household Register.

Council housing delivery proposals

2.7 Housing intelligence and needs data identifies that there is a housing need for multiple property types in the area and any new homes are expected to be in high demand.

2.8 Original forecasts from the Council’s Local Plan indicated capacity for 13 homes. The current estimate of 14 homes is therefore broadly comparable to the Local Plan capacity projection, but this could reduce following detailed design work.

- 2.9 Two different indicative layouts have been produced for the site; the topography and overlooking issues significantly limit redevelopment potential of the site using standard house types. Both options have been considered through the pre-application process.
- 2.10 Indicative layout option 1 proposed a four dwelling development comprising a pair of two-bed houses along with two, one-bed detached bungalows. Significant concerns were identified including overshadowing and the lack of privacy for the existing properties on Sheridan Drive and it is noted that this option would fall well below the Local Plan capacity projection.
- 2.11 Indicative layout option 2 comprised 14 two-bed apartments in seven two storey semi-detached and detached buildings. These buildings are sited facing Far Lane with an access road between the new and the existing properties. Option 2 is considered more appropriate in terms of layout and scale, but further consideration will be required on the impact of retaining the existing trees, which may result in a loss of plots.
- 2.12 In view of the evidenced need, early input from key stakeholders and consideration of the most cost effective and suitable development option for the site, proposals for Far Lane are likely to focus on indicative layout option 2 – 14, two-bed apartments. Appendix 2 provides the indicative layout.
- 2.13 The apartments will be low-rise, with their own direct access via a front door. There will be no internal communal areas and they will be constructed to meet Secure by Design standards.
- 2.14 In view of the Council's net zero-carbon ambitions, all Council homes will be constructed to the Government's Future Homes Standard, which means:
- No fossil fuel heating (no gas, all electric).
 - 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.

Biodiversity Net Gain

- 2.15 From January 2024, new Biodiversity Net Gain (BNG) requirements apply to most development sites. Smaller sites, which deliver no more than 9 homes, or which are smaller than 0.5 hectares, became subject to the BNG requirement from April 2024.
- 2.16 The BNG requirement is to be enforced through the planning system and will necessitate a 10% gain from the development. This can be delivered on-site, off-site, or through the purchase of biodiversity credits.
- 2.17 On-site delivery is preferred, although this will affect scheme design and may reduce the number of homes which can be delivered, resulting in a likely impact on scheme viability. Off-site delivery and the purchase of credits

(considered to be the least cost-effective method of meeting BNG requirements) will alternatively incur more development costs, similarly affecting scheme viability. The BNG requirement will be addressed through the detailed design phase.

Appropriation for Planning Purposes

- 2.18 Having considered the matter in detail, including taking legal advice it has been decided that the appropriate course of action would be to formally appropriate the proposed development sites for planning purposes. This process would allow the Council to lawfully expunge any rights or covenants over the land which could hamper development. To apply, the Council must first secure planning permission, and appropriation for planning purposes would be considered at this stage, subject to further internal consultation.

3. Options considered and recommended proposal

3.1 Option 1: Development of the Far Lane site for an estimated 14 new homes

This will meet identified needs for Council homes and make a significant contribution toward the Council's ambition to deliver hundreds of new homes by March 2026.

This option is recommended.

3.2 Option 2: Do not develop the site for new Council homes

The site was formally brought into the Programme in January 2023 to help contribute towards the Council's strategic aspiration to deliver hundreds of new homes by March 2026. Whilst the site could be sold to generate a modest capital receipt, this would prevent a sizeable number of new council homes from being delivered.

This option is not recommended.

4. Consultation on the proposals

- 4.1 Rotherham East Ward members were engaged on early proposals for the site and following changes resulting from the recent Local Elections, all three Ward Members have been further informed about the proposals in their ward.
- 4.2 Informal community engagement will take place prior to planning applications being submitted. This is expected to comprise both online engagement questionnaires and community drop-in events.
- 4.3 Residents and statutory consultees will also be formally consulted as part of the planning application process.
- 4.4 Key internal stakeholders will be engaged throughout the design process.

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 Procurement activity is progressing in parallel with this report. This will enable timely delivery should the proposals in this report be approved. However, there will be no specific contract or legal binding activity ahead of any Cabinet decision. Subject to Cabinet approval, the aim is to secure planning permission during Winter 2024.
- 5.3 The latest forecast for construction activity to start on site by Summer 2025, with completion targeted for the new homes by Spring 2026.

6. Financial and Procurement Advice and Implications

- 6.1 The current HRA Business Plan assumes that the average cost per unit for this scheme is £251k. The Business Plan submission estimated 6 units for the site, at a cost of £1.504m.
- 6.2 Based on £251k per unit cost, the total cost for the indicative proposal of 14 units would be in the region of £3.514m. However, final costs will be dependent upon site specific conditions and scheme design which could be impacted by planning requirements.
- 6.3 The final costs will be presented in a business case and assessed for affordability against the financial and budget assumptions made in the current HRA Business Plan and approved capital programme. The final specific project funding will be approved via the Council's capital governance processes. The annual refresh of the HRA business plan in December 2024 will consider the affordability of the increased scheme unit numbers and costs and its potential impact on the wider housing growth programme.
- 6.4 Social housing properties supported by grant funding have been historically let on Affordable Rent values, rather than Social Rent (noting that Affordable Rent is higher than Social Rent). However, this is 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 developments.
- 6.5 Whilst the primary source of funding for the scheme will be HRA resources, from the housing growth programme, additional sources of subsidy will be pursued to improve the overall viability and affordability of the scheme and reduce the impact on the housing growth programme. This may include Right to Buy (RtB) 'one-for-one' receipts (an internal form of subsidy), and/or external grant funding through Homes England or the South Yorkshire Mayoral Combined Authority. Other sources of external funding may be considered where suitable opportunities arise. The precise combination of financial resources utilised will be based on the most appropriate funding

source(s) available at the time. All grant funding applications will be subject to the Council's grant funding governance process.

6.6 The scheme will incur pre-development costs which will become a charge to revenue should the scheme not progress to delivery stage. There is an annual budget of £100k within Strategic Housing and Development budgets to fund pre-scheme and abortive scheme costs.

6.7 All procurement activity required to deliver the recommendations set out in this report will be undertaken in compliance with the Public Contracts Regulations 2015 (as amended) or the Procurement Act 2023 (whichever is the applicable legislation at the time) and the Council's own Financial and Procurement Procedure Rules.

7. Legal Advice and Implications

7.1 The recommendations and delegations sought under this report are consistent with the Council's Constitution and previous Cabinet decisions and allow for timely and flexible decisions to be made in respect of potential housing delivery.

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 homes will further opportunities for both children and vulnerable adults to be housed 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 delivered.

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 aims to be net carbon neutral as an organisation by 2030, and for Rotherham as a whole to achieve this same position by 2040.
- 11.2 The Council can 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 homes will ultimately increase emissions. Whilst mitigations are in place, with an explicit aim to exceed Building Regulations Part L (conservation of fuel and power) 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 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 poor ground conditions), or need to be restricted in terms of the type and numbers of new housing	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 removed from the Programme before the Council is contractually committed to

which can ultimately be achieved.	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.
Volatility of the housing market and uncertainty of contractor interest and capabilities.	Early market engagement activity (December 2023 and March 2024) with contractors confirmed the procurement strategy was appropriate for all schemes; a direct award on challenging sites will allow early engagement with the contractor on known issues to help with mitigation.
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 developed and implemented to provide information on the proposals 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.
Higher development costs resulting from the introduction of Biodiversity Net Gain (BNG) requirements through the planning system.	The design process will consider opportunities to deliver against the new BNG requirement on-site. Where this isn't feasible, cost implications associated with meeting BNG requirements will be factored into grant funding bids.

14. Accountable Officers

James Clark, Assistant Director of Housing

Approvals obtained on behalf of Statutory Officers: -

	Named Officer	Date
Chief Executive	Sharon Kemp OBE	18/06/2024
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	07/06/2024
Assistant Director, Legal Services (Monitoring Officer)	Phil Horsfield	07/06/2024

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