

Public Report with Exempt Appendices
Cabinet

Committee Name and Date of Committee Meeting

Cabinet – 10 February 2025

Report Title

Housing Delivery Programme – 2025/26

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

Borough-wide

Report Summary

This is the six-monthly report to Cabinet setting out latest developments and future plans for the Council's Housing Delivery Programme, which combines development on Council owned land and the acquisition of new and existing homes.

Through the Housing Delivery Programme, which started in 2018, the Council expects to deliver 1,000 new Council homes across the Borough by Summer 2027.

It is proposed that Housing Delivery Programme update reports continue to be presented to Cabinet on a six-monthly basis.

Recommendations

That Cabinet:

1. Notes the significant progress made since 2018 through the implementation of the Housing Delivery Programme, including the completion of the 600th new Council home in September 2024.

2. Approves the purchase of homes from any of the schemes identified in Exempt Appendix 2.
3. Notes that authority to purchase homes in line with the Housing Acquisitions Policy was delegated to the Assistant Director for Housing following Cabinet approval on 16 October 2023.
4. Approves an increase to the number of new homes the Council has authority to purchase under the Housing Acquisitions Policy (utilising the delegations referred to in Recommendation 3) from 'up to 100 homes' to 'a minimum of 100 homes and not exceeding the approved budget'.
5. Approves the proposal to change the requirement for separate Cabinet approval for individual Council housing development sites from 'more than ten homes' to 'more than fifteen homes'.
6. Agrees to continue to receive an update on the housing development programme every six months.

List of Appendices Included

- Appendix 1 Council-owned sites proposed for residential development
- Appendix 2 **EXEMPT** Proposed strategic acquisitions
- Appendix 3 Photographic summary & tenants feedback on housing delivery
- Appendix 4 Initial Equalities Screening (Part A)
- Appendix 5 Equality Analysis (Part B)
- Appendix 6 Carbon Impact Assessment

Background Papers

[Rotherham Housing Strategy 2022-25](#)

[Cabinet Report - Housing Delivery Programme 2024/25 update](#)

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Improving Places Select Committee (via annual updates on the Housing Strategy)

Council Approval Required

No

Exempt from the Press and Public

Yes – Appendix 2 (purchase of homes from the open market)

An exemption for Appendix 2 under Paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Part I of Schedule 12A of the Local Government Act 1972 is sought, as this part of the report contains commercially sensitive information.

When purchasing homes from the open market the Council is in competition with others. Appendix 2 sets out a number of planned acquisitions which will be subject to negotiation. Publishing this information would therefore put the Council at a competitive disadvantage. It is considered that the public interest in maintaining the exemption would outweigh the public interest in disclosing the information.

Housing Delivery Programme – 2025/26

1. Background

- 1.1 The Strategic Director of Adult Care, Housing and Public Health submits a report approximately every six months to update Cabinet on progress and changes to the Housing Delivery Programme. The last report was submitted to Cabinet in July 2024. This report covers progress and changes made from June 2024 to November 2024.
- 1.2 The July 2024 report identified that there was 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.
- 1.3 There are over 7,000 households on the Council's housing register. The Council's ability to meet this demand continues to be eroded by the Right to Buy, which has seen 1,041 council homes sold between January 2018 and November 2024.

2. Key Issues

- 2.1 The Council has been very successful in using its land and resources to build and acquire new Council homes and is making significant progress on the delivery target, notably reaching the 600th Council home milestone in September 2024. Overall, from 1 January 2018 to 30 November 2024, the Council successfully delivered 630 new Council homes consisting of 495 homes for rent and 135 homes for shared ownership. In addition, the Council has also built 125 new homes for market sale.
- 2.2 An updated photographic summary of delivery along with a selection of quotes from tenants is provided at Appendix 3.
- 2.3 In September 2024, the Council took handover of the first scheme to be delivered through the Small Sites Homebuilding Initiative. The scheme at Infirmary Road, Parkgate consists of four two-bed homes and three three-bed houses. The homes are spacious, meeting upper tier Nationally Described Space Standards (NDSS), and continue the Council's commitment to build future-ready, energy efficient homes through the inclusion of Air-Source Heat Pumps, meaning Infirmary Road is a 'no gas' development. This has also been the first Council scheme to secure grant funding from the Homes England Affordable Homes Programme 2021/26 (AHP).
- 2.4 In October 2024, construction started on the Warden Street project in Canklow. The Council is investing a total of £11m into the project which will provide Council homes, assisted living accommodation, and a new state-of-the-art day centre for people with support needs. The new Council homes will comprise of 12 two-bed apartments for older people and those with a health need, along with a four-bed home suitable for a family with wheelchair users. The site will also include a six-bedroom property and two two-bedroom

apartments both of which support independent living for people with complex needs. Alongside the accommodation will be Castlevue, a purpose-built day centre which will provide modern and accessible facilities for people with high support needs.

2.5 In addition, the Council has:

- Completed 20 market acquisitions across the Borough. Seventeen of these market acquisitions will initially be used to increase the supply of temporary accommodation for those experiencing or at risk from homelessness or will release existing Council homes to be used for the same purpose. These homes have been part funded using grant received from the Government's Local Authority Housing Fund.
- Entered into an Affordable Homes Programme (AHP) Grant Funding Agreement with Homes England and secured AHP grant funding for the Infirmary Road scheme detailed in Section 2.3.
- Taken handover of the final two homes at the North Farm Close development in Harthill.
- Taken handover of two homes at the Thornberry Gardens development in Dinnington.
- Taken handover of four homes at the Waverley 3B development in Waverley.
- Taken handover of the final 14 homes from the Brecks Lane development in Brecks.
- Exchanged contracts and completed the acquisition of all five homes from the Kirkstead Gardens development in Thorpe Hesley.

2.6 As of 30 November 2024, the Council is in contract to deliver a further 102 homes with an estimated 64 homes for rent and three for shared ownership expected to complete by March 2026. This means a cumulative total of 697 Council homes are already complete or currently contracted for completion by March 2026. Section 2.12 of the report provides further details on the status of projects and expected timescales for reaching the milestone of 1,000 new Council homes delivered since 2018.

2.7 The latest programme position is summarised in the tables below with further detail provided in Appendix 1 and Exempt Appendix 2.

2.8 The current 'combined programme' shows an expected degree of over-programming with both an 'approved pipeline' and 'new opportunities' contributing to this. Whilst the Council is in contract to deliver 67 new Council homes by March 2026 - the remaining schemes to reach the 1,000 Council homes target are not guaranteed. Additional schemes have been included should some schemes not progress to contract, as well as to mitigate both project and programme level risks.

Summary of schemes which could form part of the delivery programme:

Appendix 1 – Council Build					
Programme Status	Appendix Reference	Rent	Shared Ownership	Market Sale	Total
Homes completed	Table 1.1	305	106	125	536
Homes in contract	Table 1.2	27	0	0	27
Approved pipeline	Table 1.3	239	0	15	254
New opportunities	Table 1.4	0	0	0	0
Totals		571	106	140	817

Appendix 2 – Acquisitions					
Programme Status	Appendix Reference	Rent	Shared Ownership	Market Sale	Total
Homes completed	Table 2.1	190	29	0	219
Homes in contract	Table 2.2	68	7	0	75
Approved pipeline*	Table 2.3	394	0	0	394
New opportunities	Table 2.4	147	0	0	147
Totals		799	36	0	835

Combined Programme					
Programme Status	Appendix References	Rent	Shared Ownership	Market Sale	Total
Homes completed	1.1 + 2.1	495	135	125	755
Homes in contract	1.2 + 2.2	95	7	0	102
Approved pipeline*	1.3 + 2.3	633	0	15	648
New opportunities	1.4 + 2.4	147	0	0	147
Totals		1370	142	140	1652

*Approved Pipeline now includes the provision for 120 additional acquisitions further to Cabinet's approval of the Housing Acquisitions Policy report on 16 October 2023. 100 market acquisitions were approved at Cabinet and a further 20 acquisitions are expected to be delivered through the Local Authority Housing Fund.

- 2.9 The HRA Business Plan 2025/26 approved at Cabinet on 16 December 2024 includes provision for £151m investment to deliver the existing pipeline of projects and to ensure the continuation of the Housing Delivery Programme into 2027/28 and 2028/29.
- 2.10 The 'new Council homes delivery' element of the Housing Revenue Account (HRA) Business Plan makes assumptions about overall costs and which schemes will be delivered as part of the current Council Housing Delivery Programme to 2026/27, as well as in future years (to 2028/29). It should be noted that the exact schemes which are delivered may change in response to a range of factors, and in particular a need to ensure that individual projects and the overall programme deliver value for money.
- 2.11 The delivery information in this report has been aligned to the cost assumptions in the HRA Business Plan – recognising that the HRA Business Plan effectively sets the maximum level of investment which can be

committed to the Council's Housing Delivery Programme, whilst also balancing a range of other priorities which need HRA investment.

- 2.12 Whilst the current Programme is focused on the delivery of 1,000 new Council homes, work on securing the pipeline of homes for future delivery is reflected in both the tables in Section 2.8 and in the table below. Current programme information indicates that the following delivery timescales should be achieved – noting that the forecasts have been risk adjusted to account for any unforeseen delays/ changes, as well as to reflect the risks/ mitigations detailed in Section 13.2 of this report.

Schemes modelled in the HRA Business Plan:

Programme Status	As at 30th Nov 2024 (Actual)	As at 31st Mar 2026 (Projected)	As at 31st Dec 2026 (Projected)	As at 30th Jun 2027 (Projected)	1st Jul 2027 onwards (projected)
Start on site / Homes in contract	102	91	146	83	3
Total new Council homes delivered	630	833	939	1017	1100
Combined Total (homes delivered & in contract)	732	924	1085	1100	1103

The total number of new Council homes delivered and combined total excludes the 125 homes delivered for Market Sale. This includes all schemes that have had prior Cabinet approval.

Programme Changes

- 2.13 Appendix 1 and Exempt Appendix 2 set out the latest programme position. The specific changes since the July 2024 Housing Delivery Programme Cabinet report are summarised below.

Strategic acquisitions added to the programme – Appendix 2, Table 2.4	
Site	Est. Homes
Three schemes	147

Strategic acquisitions removed from the programme – Appendix 2, Table 2.6	
Site	Est. Homes
Two schemes	11

Amending the number of new homes the Council has authority to purchase from the market from 'up to 100 homes' to 'a minimum of 100 homes purchased within the approved budget'.

- 2.14 The Housing Acquisitions Policy was approved by Cabinet in October 2023, setting out the aspiration to purchase up to 100 existing homes from the market ('market acquisitions'). The original approved budget was based on an estimated average total cost of £180,000 per property (to cover the

purchase cost, all professional fees/ surveys and the cost of refurbishment works)

- 2.15 The budget for market acquisitions will be approved on an annual basis as part of the HRA Business Plan Report and Housing Capital Programme Report presented to Cabinet. The current approved budget for market acquisitions (financial year 2024/25) is £18million.
- 2.16 In December 2023, the Council purchased the first market acquisition home and since this time excellent progress has been made through this delivery route. The latest position is included within Exempt Appendix 2.
- 2.17 The average total cost per property of the 34 homes acquired to date is significantly less than the estimated costs. Whilst some costs are still to be finalised, this represents a positive financial position which supports the overall delivery of the Programme.
- 2.18 In addition to the 34 acquired properties, sales are agreed on a further 40 properties. Whilst there is a risk that a small number of these may not progress to legal completion, it is anticipated that the majority will legally complete during financial year 2024/25. The forecast costs for these 40 properties are also lower than the estimated costs and so it is anticipated that more than 100 homes will be acquired within the original budget of £18m. Cabinet is therefore asked to approve a change in the programme target to 'a minimum of 100 homes' rather than 'a maximum of 100 homes', as long as overall budget provision is not exceeded.

Council new build schemes - change the requirement for separate Cabinet approval on individual sites from 'more than ten homes' to 'more than fifteen homes'.

- 2.19 The Council has continued to review its approach to procurement to respond to changes in market conditions and maximise what can be delivered in the current programme timeframe.
- 2.20 Based on feedback from extensive market engagement (undertaken in the first half of 2024), and in response to a volatile and uncertain construction sector, the majority of the remaining new build schemes on Council owned sites are to be procured on a two-stage design and build basis. This will allow the Council to review scheme costs before entering into construction contracts, whilst working with contractors to develop the best design solutions to maximise value for money on what are typically constrained brownfield sites.
- 2.21 Currently any sites which are forecast to deliver more than ten homes require separate Cabinet approval (with early forecasts based on indicative site capacity layouts). Several sites have been presented to Cabinet over recent years which have forecast to deliver over ten homes. However, it is not until early design work has been completed and a scheme has been granted

planning permission that the number of homes to be delivered on a site is more certain.

- 2.22 There is a need for increased flexibility during the 'design stage' to allow our appointed contractors to optimise scheme designs and progress schemes more efficiently in to 'build stage' without undue delay which could contribute to increased costs. Cabinet is therefore asked to approve a change to the requirement for separate Cabinet approval on individual sites from 'more than ten homes' to 'more than fifteen homes'.

Acquisitions (Strategic and Market Acquisitions, Small Sites Homebuilding Initiative)

- 2.23 In addition to building on the Council's own land, the programme has delivered a significant number of new homes through strategic acquisitions from the market, which have predominantly been through 'Section 106' (S106) affordable housing planning policy obligations placed on private homebuilders. There is less control with S106 acquisitions as they are linked closely to the construction and phasing of private homes for sale on the same sites. Therefore delivery timescales and numbers can change. Three new S106 opportunities are identified within Exempt Appendix 2.
- 2.24 In addition, the Council has previously launched the Small Sites Homebuilding Initiative, designed to encourage smaller developers to sell schemes to the Council "off plan". Interest in the initiative has been strong. Eight schemes remain under consideration as part of the approved pipeline as detailed at Exempt Appendix 2.

Funding Update

- 2.25 Homes England grant funding and Right to Buy 'one-for-one' receipts remain the main forms of external subsidy which support delivery of new Council homes. The HRA Business Plan makes assumptions about the level of grant income required from a number of potential external sources, which in practice must be negotiated scheme by scheme
- 2.26 Affordable Homes Programme (AHP), Homes England: Homes England now operates a 'Continuous Market Engagement' process which means that bids can be submitted on a scheme-by-scheme basis as proposals are developed.
- 2.27 In March 2024, the Council obtained Cabinet approval to enter into an Affordable Homes Programme Grant Funding Agreement with Homes England and is now able to access essential grant funding to support the delivery of the Housing Delivery Programme.
- 2.28 Right to Buy (RTB) 'one-for-one' receipts: RTB one-for-one receipts can be used in place of Homes England AHP but cannot be used alongside AHP. More information about Right to Buy receipts is provided at 6.4.

- 2.29 Brownfield Land Release Fund – Round 3 (BLRF), One Public Estate: The third round of Brownfield Land Release Fund was opened earlier this year. The Council submitted bids for six sites however these were unsuccessful.
- 2.30 Brownfield Housing Fund (BHF), South Yorkshire Mayoral Combined Authority (SYMCA): Bids to the BHF are submitted through a multi-stage business case process. The Council submitted an Outline Business Case in October for nine sites which could deliver 103 new homes and are awaiting an update on this submission.

3. Options considered and recommended proposal

Option 1: Maintain the existing programme with no changes to the delegation thresholds previously agreed by Cabinet (most recently in July 2024)

- 3.1 Whilst this would retain an element of consistency with the July 2024 report, it is a normal operation of the programme to both add and remove sites and opportunities over time. This allows for new opportunities to be identified and introduced into the programme, whilst also removing sites and schemes previously forecast, which may no longer be able to come forward.
- 3.2 Housing delivery is extremely complex and reliant on a range of different factors, some of which aren't entirely within the Council's control, therefore the programme requires flexibility to be able to maintain continuous delivery.

This option is not recommended.

Option 2: Approve proposals (contained in recommendations 2, 4 and 5) to ensure the programme pipeline is up to date and delegations from Cabinet reflect the delivery approach required

- 3.3 To manage risk and maximise delivery of a programme of this scale and complexity within the desired timescales, there is a need to over programme and retain a degree of delivery flexibility.
- 3.4 The proposals set out in sections 2.14 (increasing the number of market acquisitions), 2.19 (increasing the Cabinet approval threshold on sites) and 2.23 (approving additional S106 acquisitions) provide further detail and rationale for the recommendations which will enable the Council to continue to manage risk and maximise programme delivery.

This option is recommended.

4. Consultation on proposal

- 4.1 The Housing Delivery Programme comprises several elements each of which require different levels of consultation. Different stakeholders will be identified and consulted as appropriate. Consultation is therefore a rolling process throughout the programme and will be updated as required.

- 4.2 Residents will be formally consulted via the planning process along with all statutory consultees. The Strategic Housing and Development Service will continue to work with the Neighbourhoods Service to assist with disseminating information about delivery in localities, identifying alignment with Ward priorities. Information about housing delivery has and will continue to be disseminated through the Council tenants' quarterly magazine, 'Home Matters.'
- 4.3 In June 2024, and following the local elections in May 2024, all Ward Members with Council-owned sites proposed for housing development within their respective wards were provided with an update on progress.
- 4.4 Ward Members will continue to be directly consulted about the potential for new housing development on sites within their respective Wards.
- 4.5 Furthermore, as individual new build schemes are progressed through the design process, Ward Members will be consulted through the neighbourhood working model at an early stage, and ahead of planning permission being sought. Recent ward member engagement has taken place in the following wards:
- Boston Castle – Warden Street scheme (Aug 2024)
 - Rawmarsh East – Infirmary Road scheme (Aug 2024)
 - Rawmarsh West – Symonds Avenue scheme (Sep 2024)
 - Boston Castle – Occupation Road scheme (Oct 2024)
 - Rotherham East – Eastwood development (Oct 2024)
 - Hooper – West Melton scheme (Nov 2024)
 - Kilnhurst & Swinton East – Swinton scheme (Nov 2024)
- 4.6 Ongoing engagement is undertaken with developers, Registered Providers of Social Housing, and external funders through a range of communication channels, including the Council's Strategic Housing Forum.
- 4.7 The Strategic Housing and Development Service will use all stakeholder feedback to shape the future programme and help ensure continuous improvement in the delivery of new Council homes.

5. Timetable and Accountability for Implementing this Decision

- 5.1 The Assistant Director of Housing will have responsibility for implementing the programme. 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 In-line with previous programme reports, this latest report presents a rolling, continuous programme of delivery. Further reports will be presented to Cabinet on a six-monthly cycle through to Summer 2027 to keep Cabinet apprised of progress, refresh existing approvals and to seek new approvals as required.

6. Financial and Procurement Advice and Implications

- 6.1 The development of sites identified in Appendix 1 and the programme of acquisition opportunities listed in Exempt Appendix 2 will be subject to individual business cases and assessed for affordability within the context of the assumptions in the Housing Revenue Account (HRA) Business Plan and the resources approved as part of the Council's Capital Programme.
- 6.2 The annual refresh of the HRA business plan in December 2024 has considered the affordability of new proposals contained within this report. The model assumes that all capital receipts from sales of private and shared ownership properties are used to fund the Housing Delivery Programme. Capital receipts generated from sales of private and shared ownership properties will be used for this purpose in accordance with corporate financing arrangements.
- 6.3 Homes England grant funding will be sought on a case-by-case basis and will be subject to the usual governance processes prior to applications being made. Social housing properties supported by grant funding have historically been 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 (Affordable Rent is higher than Social Rent), subject to an assessment of the financial viability of the proposed development and affordability for future tenants.
- 6.4 Right to Buy (RTB) 'one-for-one' receipts can be used in place of grant funding for homes built by the Council. In July 2024, the government increased the flexibilities on the use of RTB receipts. The caps on the percentage of replacements delivered as acquisitions and the percentage cost of a replacement home that can be funded using RTB receipts have been removed, and councils can now combine RTB receipts with section 106 contributions. These flexibilities will be in place until the end 2025-26, subject to review by Government. Councils are no longer required to return a proportion of the capital receipt generated by the sale of the home to HM Treasury. These additionally retained receipts must be deployed in the same way as 'one-for-one' receipts so are constrained by further rules but will benefit delivery of the programme.
- 6.5 Updated RTB legislation came into force on 21 November 2024 which significantly reduces the discount that social tenants can receive. All RTB applications received prior to this date are subject to the previous legislation at the higher discounts. A high level of applications was received in the run up to 21 November. It is anticipated that future RTB sales will fall reducing the level of RTB receipts that could be available to fund future Housing Growth. This has been factored into the latest HRA BP model assumptions.
- 6.6 Due to the scale and complexity of the programme, an Employers Agent has been appointed to help expedite the Council build programme. The cost of this has been included in the capital build cost within the HRA business plan model. Costs for aborted schemes will be charged to the HRA revenue budget of £100k, which was established for abortive and pre-scheme costs.

- 6.7 Procurement activity is detailed within the main body of this report. Housing Services are engaging with the Council's Procurement Team to ensure procurement activity is being undertaken in compliance with the relevant procurement legislation (Public Contracts Regulations 2015 / Procurement Act 2023, whichever is the applicable at the time), and the Council's own Financial and Procurement Procedure Rules.

7. Legal Advice and Implications

- 7.1 The recommendations contained in this report are consistent with the Council's constitution and former Cabinet reports on this subject matter. The regular updates allow for timely and flexible decisions to be made in respect of potential housing delivery and the changes to the delegations proposed allow flexibility which has been shown to be desirable in the operation of this programme thus far.

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 will deliver 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 is further delivering bungalows and more specialised 'disabled person units' (DPU) 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 Through its wider development 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. For example, of Rotherham's 265,800 residents, around 26% are aged 60 years or over and 9% are aged 75 years or over and the proposed acquisitions include bungalows that are suitable for older people, as well as people with disabilities.
- 10.2 The Council's development 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 Council Build: Through its own delivery programme, the Council has the ability to ensure that the new homes are high quality and energy efficient, which will contribute to reducing domestic carbon emissions in the longer-term.
- 11.3 Acquisitions: The level of carbon emissions allowed for all new homes is subject to increasing controls. Changes to Part L of the building regulations came into force in June 2022, requiring a 31% reduction in CO2 emissions compared to 2013 standards. All new homes that submit plans after June 2022 or which have not begun construction before June 2023 must comply. New homes acquired by the Council from private builders are specified and built to the housebuilder's usual specification with some changes paid for by the Council to ensure the Council's requirements are met. Further to this the Council will examine whether further changes can be agreed, on a case-by-case basis, to reduce carbon emissions beyond the requirements of building regulations.
- 11.4 Both Council-build and acquisitions 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 effective 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 The Council has an existing partnership with Equans and Mears through the housing repairs and maintenance contracts and the existing contract terms allow for some housing development. As such, the delivery programme may also provide an opportunity for the partners to work with the Council on housing development schemes where this would not be at a detriment to the core repair and maintenance functions.

- 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 reputable organisations through the Rotherham Strategic Housing Forum.

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. All costs remain projections as actual costs will be highly dependent on the nature of the sites, the construction method, specifications, and property types. Options to reduce costs may need to be explored and this could include switching tenure or rent type, delivering more smaller properties and amending specifications
	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.	A mixed approach will be taken with regards to scheme procurement. The Council are carrying out ground investigations at an early stage and are engaging with developer partners early to ensure optimal delivery within the programme timeframe and that any particularly problematic sites are dealt with and potentially removed from the programme before the Council is contractually committed to build. The Council have also allowed for an expected degree of over-programming to mitigate against the removal of any sites. 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 in the construction sector and uncertainty of contractor interest, capacity and capabilities.	Early market engagement activity (December 2023 and March 2024) with contractors has led to a change in the Council's procurement strategy for the programme and a range of procurement

	<p>methods are being used including different frameworks and contractors.</p> <p>The programme also consists of multiple workstreams to allow for flexibility.</p>
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	Explore different partnering arrangements to reduce client-side resource pressures, including pre-contract service agreements whereby the contractor carries out early feasibility work at risk. Ongoing dialogue between services regarding forward planning and resource requirements, and HRA contributions to staffing costs in key supporting services.
Community opposition	Formal resident consultation takes place as part of the Planning process. However, early engagement will take place with Ward Members and the Neighbourhoods team to identify local knowledge and intelligence about the area, which will be utilised to help inform site specific communication plans including any pre-planning resident engagement activity.
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.
Ensuring Value for Money and delivery within the overall HRA Business Plan cost assumptions	<p>The modelling makes assumptions about the level of grant income available from Homes England and other agencies, which in practice must be negotiated scheme by scheme. While it makes an allowance for the cost pressures facing the housing development industry, all costs remain projections as actual costs will be highly dependent on the nature of the sites, the construction method, specifications, and property types.</p> <p>Options to reduce costs may need to be explored and this could include switching tenure or rent type, delivering more</p>

	smaller properties and amending specifications.
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14. Accountable Officers

James Clark, Assistant Director of Housing

Approvals obtained on behalf of Statutory Officers: -

	Named Officer	Date
Chief Executive	Sharon Kemp OBE	27/01/2025
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	22/01/25
Assistant Director, Legal Services (Monitoring Officer)	Phil Horsfield	22/01/25

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