

ROTHERHAM BOROUGH COUNCIL – REPORT TO CABINET

1.	Meeting:	Cabinet
2.	Date:	4 February 2014
3.	Title:	House Building on Multiple HRA Sites
4.	Directorate	Environment and Development Services

5. Summary

Following a review of Housing Revenue Account (HRA) land it has been identified that there are over 150 residential development sites across the Borough of various sizes, suitable for early delivery of a variety of house types and tenures.

The sites represent an important component of the Council's Housing Growth ambitions. To maximise this opportunity the Council has carried out a 'Site Sifting' process to determine the most suitable shape and form of housing for each site.

This report sets out the methodology used to carry out the site sifting, the initial results, analysis and a proposed delivery programme over the next three years. Subject to approval the actions contained in this report will generate New Homes Bonus and capital receipts to the HRA, much needed new affordable and specialist housing and new homes for sale, and have a positive economic regeneration impact across the Borough.

6. Recommendations

It is recommended that:

- **The proposed delivery programme attached to this report is approved along with associated next steps set out in the report**
- **14 sites are disposed of to generate some early wins**
- **16 sites are offered to Registered Social Landlords to enable them to acquire the land for affordable housing development**
- **The Council begins the process of enabling custom build housing on identified HRA sites in this report**
- **That further work takes place to develop a Local Authority new build programme as described in S 7.7, subject to the financial constraints within the HRA business plan.**

7. Proposals and Details

7.1 Background

This report provides at the request of the Cabinet Member Safe and Attractive neighbourhoods, an overview of current activity designed to accelerate house building within Rotherham. It has considerable financial and resource implications which need to be further considered as the programme develops.

The Government is committed to stimulating economic activity and enabling more new homes to be built through its economic and housing growth agendas. The release of surplus public sector land capable of development is regarded as an important enabler to stimulate construction activity, facilitate growth and meet housing needs.

Government has launched a number of 'housing growth tools' to increase the supply of new houses, providing incentives to speed up the construction of new houses and more affordable purchase terms.

Locally Rotherham has responded to the national agenda and is wedded to an economic and housing growth agenda. A number of programmes and initiatives are being currently deployed to stimulate the housing market in Rotherham and enable stalled and unviable sites to be delivered. This includes house builders utilizing the Help to Buy scheme, Community Infrastructure Funding and Get Britain Building Funding. The Council is helping by investing in a programme of new council housing through strategic acquisitions and is enabling affordable housing developments through Housing Associations accessing National Affordable Housing Programme grant funding. The Council is also working within the Sheffield City Region on housing growth proposals and initiatives.

However, since the significant reduction in grant funding from Government the Council faces budget and resource challenges in responding to the housing growth agenda. This has meant finding new ways of working without grant such as utilizing our land and property to facilitate growth and developing partnerships with the private sector. This led to a review of Housing Revenue Account (HRA) sites to understand the Council's resources and enable effective planning to deliver more new homes that meet local needs.

A review of HRA land identified that there were over 150 sites across the Borough of various sizes, suitable for delivery of a variety of house types and tenures over the next three years. The sites represent an important component of realising the Council's Housing Growth ambitions as they are capable of delivering approximately 1,000 new homes. To develop this opportunity and enable delivery the Council has carried out a 'Site Sifting' process to determine the most suitable shape and form of housing for each site and best delivery route.

7.2 Site Sifting

To understand what land resources the Council has at its disposal a database of all HRA sites has been developed which provides information on individual sites including;

- Site name, location, size and current use
- Line boundary of site
- Potential number of new homes
- Local housing market intelligence
- Planning and site issues

In addition to the database a Site Summary Sheet (see *Appendix 1 for an example*) has been developed for each site.

7.3 Site Sifting Process

A multi-disciplinary officer group was set up which included planning, asset management, urban design, affordable housing and programme delivery. The purpose of the group was to review and sort land in to the following key categories, by applying local knowledge and expertise;

- Open Market Sale
- Local Authority New Build Housing
- Custom Build
- Affordable Housing Programme
- Specialist Housing – Older Persons and Disabled Persons

Once a category was determined for each site, analysis was undertaken across the range of sites in each category. This looked at how best to maximize the overall development opportunity, meet local housing need, achieve value for money and develop a coherent delivery programme.

The outcome of the HRA Land Review and sift is a pipeline of sites capable of delivering approximately 1,000 new homes over the next three years.

The proposed New Homes Delivery Programme 2014-18 can be found in *Appendix 2*.

7.4 Initial HRA Site Sift Summary

The Site Sifting Process has identified more than 130 potential sites for new housing. The number of sites allocated to each category is shown below;

- | | |
|-----------------------------|----------|
| • Open Market Sale | 34 sites |
| • Custom Build | 17 sites |
| • Local Authority New Build | 18 sites |
| • Affordable Housing | 16 sites |
| • Specialist Housing | 10 sites |
| • Hold | 37 sites |

7.5 New Housing Delivery Programme 2015-18

The New Housing Delivery Programme is a live document that will be refined on a continual basis as each category is developed and plans are progressed.

The programme if supported will be used as a delivery tool to drive forward and accelerate sites for residential development. The following is a summary of the programme.

Category	Sub-category	No. of sites	Potential No. of Units (30 dph)
Open Market Sale	Auction	14	55
	Informal Tender	13	439
	Market Cluster	7	182
	Total:	34	676
Custom Build	Larger Sites (>5 plots) Informal Tender / Specialist Partner	7	78
	Small Sites (<4 plots) Informal Tender / Specialist Partner	10	23
	Total:	17	101
Social Housing	Housing Association	16	114
	Council	18	49
	Total:	34	163
Specialist Housing	Older & Disabled Persons	10	47
	Total:	10	47
Sites on Hold		37	325
Overall Total:* ¹		95	987

Potential number of units is estimated only by size of the site. The actual number of units delivered will reflect site constraints and Planning Policy. *1 not including sites on hold.

7.6 Quick Wins

A number of the sites identified are capable of early delivery of new housing and termed as quick wins. On these sites we can expect to achieve site disposal and planning applications for new housing being considered within six to twelve months.

The proposed programme has;

- Fourteen sites identified for disposal at auction within the next six to twelve months
- Eight sites to be disposed of to Housing Associations for Affordable Housing in the 2015/18 programme
- A further eight sites to be considered by Housing Associations for affordable housing development within the HCA's grant funded programme
- Seven sites have been identified for sale as a cluster within the next six months

These sites if developed will provide much needed new housing, meeting local need and delivering;

- Capital receipts – to be reinvested to support the delivery of more new homes.
- Additional New Homes bonus
- Stimulation of the local economy
- Removal of management and maintenance costs associated with vacant land

7.7 Developing Key Programmes

The proposed programme will enable;

- **Local Authority New Build**

The HRA Land Review has identified 18 sites capable of delivering 49 Council Homes. We have also identified a further 10 sites for specialist housing with a capacity to deliver 47 homes, which the Council may choose to be the developer and owner. In addition to these sites there is additional delivery capacity for the Council in the site cluster proposition (46 Council homes) and strategic acquisitions programme (75 units). If all these opportunities were taken up by the Council we could deliver 217 homes over the 3 year programme. Currently the council is not building but acquiring new properties, and as such is able to profit from the current depressed values within the housing market. As the market improves this dynamic will change and building is likely to become a more attractive proposition.

- **Custom/Self-Build housing**

The custom build market is a key priority for Government who have set out plans to break down barriers for those wishing to build their own home and deliver an additional 100,000 new custom build homes in the next decade. The Government is currently consulting on a new Right to Build proposal which will require Councils to develop a register of those interested in custom build, and Councils will be required to respond to a potential self-builder's request for land from the Council.

Early discussions with Custom Build specialists have indicated strong market interest and recent surveys have evidenced household demand. The Council is working up a strategy and proposals to enable the self-build market to develop in Rotherham, by providing sites and signposting self-builders to appropriate support services. Our New Housing Delivery Programme has Identified 17 sites suitable for Custom Build with a capacity to deliver 101 new homes.

7.8 Next steps

- Soft market testing with developers and RSLs
- Complete valuation and appraisal reports for all sites.
- Develop delivery plans for each site, such as site remediation, relocating garage tenants, procurement and securing outline planning.
- Work with capital finance colleagues to establish appropriate accountancy management for the delivery programme.
- Work with Planning colleagues to establish process and support for developing parcels of land that could be claimed as incidental greenspace, for example justification for loss of greenspace, re-provision and cost of contributions.
- Develop marketing material for Open Market Sale sites.
- Procure a Custom Build Enabling partner to develop a custom build programme and market opportunities.
- Review Corporate Land and Assets for potential new housing development and establish joint delivery plans.
- Consult on individual schemes with key officers and Ward Members when draft scheme delivery plans are drawn up.

The identification and realisation of surplus HRA land is dynamic and driven by business and housing needs, therefore the Council will continue to review the delivery programme and update the content, at least annually, to reflect changes in the future supply of land suitable for development. The above actions will further refine the delivery programme.

8. Finance

Valuation appraisals and reports

It is proposed that the Audit and Asset Management Team is commissioned to prepare valuations and desk top appraisals for the quick win sites. This information will help the Council select the preferred bid and help to secure the best outcomes from the development of the sites. This work may conclude that other sites should be considered to secure the desired outcomes.

Fees and Charges – These will be incurred mainly by the Audit and Asset Management Team and the Legal Team. They will be attributed to a Strategic Housing Investment Service cost centre as an interim measure and a budget will be identified to cover these costs in 2015/16.

9. Risks and Uncertainties

If the proposed delivery programme is not supported, the Council would lose the opportunity to create 987 new homes in areas of housing need.

The value of assets can fluctuate and is very much dependant on market conditions at the time of sale. It is uncertain at which point in the future our most difficult sites would become viable and generate a land receipt without further public funding support.

The site sifting process and the resulting draft New House Building Programme have been informed by information available at that time and therefore a number of assumptions have been necessary. As disposal plans and activity, such as site surveys and appraisal work, is completed new information and data may affect the final recommendations for a site.

9.1 Main Assumptions

The Site Sifting Process and Open Market Sale Pipeline have been based on the following basic assumptions and parameters;

Assumptions:

Planning position based only on UDP and Local Plan positions – no formal consultation with planning

No legal restrictions

No formal valuations – Estimated Market Value Methodology

Potential unit numbers have been based on local averages and soft market testing information

No site investigations – only known site constraints have been considered

Construction costs and developer margins based on similar schemes and soft market testing information

Strategy parameters:

Avoid overlapping sites for disposal in the same area

Blend scale and locations

Consider benefits of consolidating sites

Three year programme – including this year

Consider disposal methods – auction – informal tender

10. Policy and performance agenda implications

If the recommendations are supported they will contribute to:

The following Corporate priorities

CP 1 - Stimulating the local economy and helping local people into work

CP2 - Protecting our most vulnerable people and families, enabling them to maximise their independence

CP3 – Ensuring all areas of Rotherham are safe, clean and well maintained

CP 4 - Helping people to improve their health and wellbeing and reducing inequalities within the Borough

The following Housing Strategy commitments:

- Commitment 1: We will deliver Council housing that meets people's needs
- Commitment 2: We will increase and improve the supply of affordable rented housing in Rotherham
- Commitment 5: We will work with partners to ensure everyone can afford to heat their home
- Commitment 8: We will engage with communities and individuals so that we have a better understanding of how to meet their needs and aspirations
- Commitment 10: We will help people who wish to own their home

11. Background papers and consultation


Various officers within the Strategic Housing and Investment Team have been involved in the preparation of this report.

The site sifting workshops involved Planning, Land and Property, and Housing Management

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APPENDIX 1

Example of Site Appraisal Summary

Site Name	Far Lane	Priority: S (1-3 yrs)	
		Status: Green	
Site Address	Site between Far Lane and Sheridan Drive		
Site Area (ha)	0.41 ha	No. of units: 12 (30 dph)	
Value	Market values too low for larger units.		
Site Description	<p>Site description: Garage Plot Site. Vacant site, mainly grassed area, steep gradient, no access issues, overgrown with litter accumulating.</p> <p>Average house price: £67,050 with affordability at 5:1. (April 2013)</p> <p>Average income (approx.): £25,600; average for the borough.</p> <p>Site Constraints: Steep gradient Footpath running through site.</p> <p>Planning: Allocated residential. LDF0130 states to be retained as residential site. 17 units acceptable, retain footpath access through site. (JAN11).</p>		
Location	<p>Location Summary: East Dene, Rotherham East Ward, Rotherham South Area Assembly.</p> <p>Rotherham East lies in the central part of Rotherham. Rotherham East is the most compact ward in Rotherham, combining several urban areas east of Rotherham Town Centre. These neighbourhoods are Eastwood, Springwell Gardens, East Dene and parts of both Clifton and Herringthorpe. The ward is the most deprived in Rotherham, with almost all neighbourhoods affected. Eastwood is a multi-ethnic area with much terraced housing and private renting.</p>		

	East Dene and Herringthorpe have mainly council semis whilst Clifton has older private housing, mainly terraced.	
	Transport Links:	
Housing Need <i>(Data from the Affordable Housing Needs Area Profiling 2012-13. Highest % is shown.)</i>	<p>(Area Assembly Level)</p> <p>Tenure: 68% Ownership 16% Council Rent</p> <p>Property Type: 53% Semi-detached house</p> <p>Household: 38% Couple 32% Family 26% Single</p> <p>Income: 42% Below £15k 25% £15k - £25k</p> <p>Estimated Gross Annual Need (Area Assembly Level): 717</p>	<p>Need: (Ward Level)</p> <p>This area has a higher number of households made up of adults sharing or single people possibly due to a lack of single person accommodation being available. There is a high level of semi-detached houses.</p> <p>There are 3,120 council properties here which equates to 14.9% of all council stock. Almost 60% of these are family houses. There is also a good number of two bed houses, bungalows and flats which should maximise opportunity for people wishing to downsize here. One bed flats, 2 bed bungalows and 3 bed houses are in high demand compared to the borough averages. Four bed houses also attract a high level of bids but rarely become vacant.</p> <p>2 and 3 bed houses required in large numbers due to high demand for this area. 1 and 2 bed flats are also in high demand. 2 bungalows in smaller numbers. No evidence to support larger family homes.</p>
Development Option(s)	NAHP Programme	Action: NAHP programme.

APPENDIX 2

New Housing Delivery Programme 2014-18

Category	Sub-Category	Sites	Location	Size (ha)	Potential No. of Units	6 Months (Quick Wins) 14/15	12 Months 15/16	2 to 3 Years 16/18	4 to 7 Years 19+	
Open Market - Site Disposal	Auction	Byron Road	Dinnington	0.12	3	X				
		Highfield View	Catcliffe	0.45	14	X				
		Willowgarth Avenue (10-12)	Brinsworth	0.03	1	X				
		Willowgarth Avenue (3-5)	Brinsworth	0.14	4	X				
		Cross Street (corner)	Kimberworth/Bradgate	0.06	2	X				
		Cross Street (86-88)	Thurcroft	0.05	1	X				
		Elsecar Road	Brampton	0.16	4		X			
		High Nook Road	Dinnington	0.17	5		X			
		Manor Road	Dinnington	0.15	4		X			
		Milton Road	Eastwood	0.10	3		X			
		St Leonards Avenue	Thrybergh	0.14	4		X			
		Treetown Crescent	Treeton	0.11	3		X			
		Waleswood View	Aston	0.25	2		X			
	Walnut Drive	Dinnington	0.18	5				X		
	Total:	14 sites		2.11	55	6	7	1	0	
		Informal Tender	Braithwell Road	Maltby	2.70	71		X		
			Brierley Road	Dalton	0.36	11		X		
			Yew Tree Road	Maltby	0.04	1		X		
			Thornton Terrace	Meadowbank	0.09	3		X		
			Wellgate	Wellgate	0.50	48		X		
			Bellows Road	Parkgate	0.8	59				X
	North Pitt Street		Kimberworth	0.42	13				X	
	Rotherham Road		Swallownest	0.55	17				X	
	Keats Drive		Dinnington	0.41	12				X	
	Orchard Place		West Melton	0.25	7				X	
	Silverdales	Dinnington	0.11	3				X		
	Warden Street (Phase2)	Canklow	1.54	46				X		

Category	Sub-Category	Sites	Location	Size (ha)	Potential No. of Units	6 Months (Quick Wins) 14/15	12 Months 15/16	2 to 3 Years 16/18	4 to 7 Years 19+	
		Chesterhill Avenue	Dalton	4.60	148				X	
	Total:	13 sites		12.37	439	0	5	7	1	
	Market Cluster	Keeton Hall Road	Kiveton Park	3.64	109			X		
		Rother View Road	Canklow	0.52	16			X		
		Rother View Road	Canklow	0.96	29			X		
		Conway Crescent	East Herringthorpe	0.31	9			X		
		Farnworth Road	East Herringthorpe	0.28	8			X		
		Gaitskell Close (LANB)	Maltby	0.21	6			X		
		Shakespeare Drive (corner) (LANB)	Dinnington	0.17	5			X		
		Total:	7 sites		6.09	182	0	0	7	0
OMS Total:		34 sites		20.57	676	6	12	15	1	
Custom Build	Larger Sites (<4 units) Informal Tender/ Specialist Partner	Braithwell Road (Pilot)	Maltby	2.70	10		X			
		Deer Park Road	Thrybergh	0.14	5		X			
		Denman Road	Wath-upon-Dearne	0.59	18			X		
		Hill Top Lane	Richmond Park	0.41	12			X		
		Kestrel Avenue	Thorpe Hesley	0.64	19			X		
		Michael Croft	Wath-upon-Dearne	0.22	6		X			
		Westfield Road	Brampton Bierlow	0.29	8		X			
		Total:	7 sites		4.99	78	0	4	3	0
		Small Sites (>5 units) Market Sale /Specialist Partner	Craig Walk	Wickersley	0.09	3		X		
			Elliott Drive (adj. 23)	Wingfield	0.09	3		X		
			Elm Tree Road	Hellaby	0.05	1		X		
			Greenwood Crescent	Wickersley	0.08	2		X		
			Keeton Hall Road (flats 26)	Wales	0.16	4		X		
			Kiln Road	Wingfield	0.05	1			X	
			Mill Lane	Anston/Woodsetts	0.12	3			X	
			Princess Street	Hoover	0.15	4		X		
			Shakespeare Drive 22/24	Dinnington	0.10	1			X	
		Thundercliffe Road	Rotherham West	0.04	1		X			
	Total:	10 sites		0.93	23	0	7	3	0	
CB Total:		17 sites		5.92	101	0	11	6	0	

Category	Sub-Category	Sites	Location	Size (ha)	Potential No. of Units	6 Months (Quick Wins) 14/15	12 Months 15/16	2 to 3 Years 16/18	4 to 7 Years 19+	
Social Housing (SH)	Local Authority New Build / Council	Wadsworth Road	Bramley	0.15	2	X				
		Shelley Drive	East Herringthorpe	0.09	2		X			
		Cedric Crescent	Thurcroft	0.06	2			X		
		Chapel Avenue	Brampton Bierlow	0.18	5			X		
		Deer Leap Drive	Thrybergh	0.08	2			X		
		Hallam Close	Aughton	0.13	3			X		
		Highfield Park	Maltby	0.05	1			X		
		Hounsfeld Crescent (3/5)	East Herringthorpe	0.08	2			X		
		Hounsfeld Road (20-22)	East Herringthorpe	0.06	2			X		
		Pine Close (end of road)	Sunnyside	0.03	1			X		
		Remount Road	Kimberworth Park	0.06	1			X		
		Robinets Road	Wingfield	0.25	6			X		
		Spa Well Crescent	Treeton	0.20	6			X		
		Stacey Drive	Thrybergh	0.07	2			X		
		Sycamore Avenue	Kiveton Park	0.15	3			X		
		Symonds Avenue	Rawmarsh	0.25	7			X		
		Woodland Drive	North Anston	0.05	1			X		
		Woodland Gardens	Maltby	0.05	1			X		
	Total:	18 sites			1.99	49	1	1	16	0
		National Affordable Housing Programme / RSL (2015-18)	Aston Close	Swallownest	0.28	8	X			
			Brameld Road (includes specialist housing units)	Swinton	0.90	25	X			
			Brookfield Avenue	Swinton	0.04	2	X			
			Catherine Avenue (specialist housing units)	Aston	0.12	4	X			
			Elgar Drive (19-41)	Maltby	0.22	7	X			
			Elgar Drive (corner)	Maltby	0.13	4	X			
			Springhill Avenue (includes specialist housing units)	Brampton Bierlow	0.10	4	X			
			St Mary's Drive (specialist housing units)	Catcliffe	0.12	2	X			

Category	Sub-Category	Sites	Location	Size (ha)	Potential No. of Units	6 Months (Quick Wins) 14/15	12 Months 15/16	2 to 3 Years 16/18	4 to 7 Years 19+	
	Continuous Market Engagement (CME)	Arundel Avenue	Treeton	0.18	5		X			
		Cheetham Drive	Maltby	0.12	4		X			
		Clifford Road	Kimberworth Park	0.30	9		X			
		Far Lane	East Dene	0.41	12		X			
		Hawksworth Road - corner (grass area)	East Herringthorpe	0.28	9		X			
		Hawksworth Road (garage site)	East Herringthorpe	0.24	7		X			
		Ochre Dike Walk	Rockingham	0.29	9		X			
		The Lanes	East Dene	0.15	3		X			
	Total:	16 sites		3.88	114	8	8	0	0	
SH Total:		34 sites		5.87	163	9	9	16	0	
		Occupation Road, harley	Harley	0.10	3		X			
		Willow Close	Flanderwell	0.12	3		X			
	Older Persons Council	Langdon Road	Kimberworth Park	0.66	20		X			
	Older Persons Private	Church Street / St Johns Road	Swinton	0.23	7		X			
		Total:	4 sites		1.11	33	0	4	0	0
		Chestnut Close (9-10)	Flanderwell	0.07	2			X		
		Chestnut Close (opposite no. 30)	Flanderwell	0.06	2			X		
	Disabled Persons Council	Hornbeam Road (1-5)	Flanderwell	0.09	3			X		
		Infirmity Road	Parkgate	0.10	3			X		
		Leverton Way	Dalton	0.08	2			X		
Redscope Crescent		Kimberworth Park	0.09	2		X				
	Total:	6 sites		0.49	14	1	3	2	0	
SpHTotal:		10 sites		1.6	47	1	7	2	0	