

**Committee Name and Date of Committee Meeting**

Cabinet – 21 September 2020

**Report Title**

Annual Housing Development Report – 2020/21

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

Yes

**Strategic Director Approving Submission of the Report**

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

**Report Author(s)**

Jane Davies, Head of Strategic Housing Development  
David Bagnall, Housing Development Manager

**Ward(s) Affected**

Various – please see Appendices 3a and 3b.

**Report Summary**

The delivery of new housing plays a critical role in both Rotherham's overall economic growth, and the health and wellbeing of Rotherham's residents. The Council has an ambitious Housing Revenue Account (HRA) funded housing growth programme, including the Site Clusters Programme which has delivered 217 new homes across the borough, Bellows Road which has delivered 58 homes in Rawmarsh, Rothwell Grange which will add a further 44 homes in Broom before the end of the financial year, and most recently a commitment to build 171 new homes in Rotherham town centre. This major investment will be transformational to the town, alongside the Forge Island and other key town centre masterplan projects.

The 2020/21 HRA Business Plan, approved by Council in February 2020, includes an additional £65m for housing growth over the next five years using existing reserves and HRA borrowing, bringing the total forecast HRA investment in the development of new homes to around £130m. Each year, a report will be presented to Cabinet that sets out the programme for the year ahead, and this is the first.

Each report will identify the Council-owned sites proposed for inclusion in the annual programme, to be delivered through a combination of direct delivery by the Council, transfer of land to Registered Provider (Housing Association) partners, and sale of land on the open market. While the majority of these sites are small garage and infill sites within existing neighbourhoods and capable of delivering small numbers of homes, they are an important part of the programme. These are often located in more deprived areas and where there is a strong need for affordable housing, and

due to viability issues the market would not deliver without Council intervention. Alongside Council delivery, the strategic acquisition of Section 106 properties from private developers also forms an important part of the programme, as a key route to replacing council stock sold through the Right to Buy.

As well as setting out the sites proposed as priorities for 2020/21, this report also seeks some new delegated authorities with strict parameters. This is to ensure key opportunities are not missed when they arise, including for example, where unforeseen opportunities arise to acquire homes from the private sector (which are often time limited due to competition from other social housing providers), or where there is an opportunity to complement other key corporate projects such as the Towns Deal where the agility is needed to either utilise or levy HRA resources.

Robust governance arrangements are in place, to ensure each individual scheme complies with strategic, legal, procurement and financial requirements. Consultation with Ward Members is key to ensuring the right housing interventions are made in the right areas and this is built into the process.

The strategic pipeline / annual programme approach set out in this report is primarily intended to facilitate the agility and flexibility needed to deliver against the Council's challenging housing delivery ambitions and to meet local strategic housing need. However, separate individual Cabinet reports will be required where, for example, there are specific local challenges, more than ten homes will be delivered on a site, and / or where a completely new approach to delivery is being proposed as transparency and scrutiny is essential to ensuring the wider housing development programme is right for Rotherham's residents.

## **Recommendations**

1. That Cabinet approves the release of the Council owned sites listed in Appendix 3a for early residential development, subject to development being undertaken directly for council stock with the Council retaining ownership of the land and homes, or by a registered social landlord with the Council retaining tenancy nomination rights where this is deemed to offer better value, and subject to written confirmation of agreement by the relevant Ward Members.
2. That Cabinet note that proposals to deliver more than ten homes on any individual site, will continue to require a separate Cabinet report.
3. That Cabinet gives delegated authority to the Assistant Director for Housing, with agreement from the Section 151 Officer, Cabinet Member for Housing and local Ward Members, to substitute or accelerate sites from the list included as Appendix 3b (strategic pipeline), if any of the primary sites in Appendix 3a prove to be unviable or if additional resources are identified to bring forward more housing.
4. That Cabinet approve the programme of strategic acquisition opportunities listed in exempt Appendix 4, and that authority is delegated up to a maximum value of £1.118m, to the Assistant Director for Planning, Regeneration and Transport to purchase homes from private developers or the open market to add to the Council's stock, upon confirmation of support by the Assistant Director for Housing with agreement from the Section 151 Officer and Cabinet

Member for Housing, and subject to the governance processes set out in section 5. This delegation is sought for a period of 12 months and subject to an annual review.

5. That Cabinet agrees to receive a quarterly report to update on progress of delivery and any changes made as a result of these delegations.

### **List of Appendices Included**

Appendix 1 Initial Equality Screening (Part A)

Appendix 2 Equality Analysis (Part B)

Appendix 3a Council-owned sites proposed for early development

Appendix 3b Strategic pipeline of Council-owned sites – 2021/22 projected schemes

Appendix 4 (Exempt) Potential early strategic acquisitions

### **Background Papers**

Housing Strategy 2019-22

HRA Business Plan 2020-21

### **Consideration by any other Council Committee, Scrutiny or Advisory Panel**

Informal Cabinet – 24<sup>th</sup> August 2020

### **Council Approval Required**

No

### **Exempt from the Press and Public**

Yes or No? If yes, use text below.

An exemption is sought for Appendix 4 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, on the basis that that releasing the information could put the Council at a competitive disadvantage.

## Annual Housing Development Report – 2020/21

<b>1.</b>	<b>Background</b>
1.1	The provision of affordable, quality homes across the borough directly contributes to a wide range of Council aims and aspirations, as set out in the Council's Housing Strategy 2019-22 which was approved by Cabinet and published in April 2019. The first chapter of the Strategy is 'Creating Homes', which sets out the key activities the Council will undertake to improve and increase housing in Rotherham.
1.2	<p>Over the past three years, the Council has used Housing Revenue Account (HRA) funding and successfully accessed grant from Homes England to commence an ambitious housing growth programme comprising:</p> <ul style="list-style-type: none"> <li>• Site Clusters programme – 217 new homes</li> <li>• Bungalows programme – six new homes</li> <li>• The Bellows – 58 new homes</li> <li>• Broom Hayes – 44 new homes (all due to be completed during 2020)</li> <li>• 37 more homes acquired through the Strategic Acquisitions Programme (37 since April 2017; 137 in total since 2012)</li> <li>• Approval granted for 171 new homes on three sites in Rotherham Town Centre (all due to be completed during 2022)</li> </ul> <p>The Council has also released land for development by housing associations and private developers, including Chesterhill Avenue and Whinney Hill which will see 237 new homes delivered by Engie, and Dalton Allotments on which Gleeson will deliver around 150 new homes.</p>
1.3	The 2020/21 HRA Business Plan, approved by Council in February 2020, includes an additional £65m to support a strategic pipeline of housing growth over the next five years using existing reserves and HRA borrowing, bringing the total forecast HRA investment in the development of new homes to around £130m. This is an ambitious strategic programme which will help to ensure Rotherham's overall affordable housing need is met, and that the Council has sufficient housing stock for people on the Housing Register.
1.4	<p>In developing the strategic pipeline, the Strategic Housing and Development Service has identified a list of Council owned sites (the majority of which are assumed to be HRA-owned) that are potentially suitable for residential development, in addition to a number of strategic acquisition opportunities, which will contribute to the delivery of this ambitious programme.</p> <p>Actual delivery will be commissioned through an annual programme cycle, with a report being submitted to Cabinet each year seeking approval for new projects. This is the first of these annual reports.</p>
1.5	The sites identified within the 2020/21 programme are mainly small garage or 'infill' sites located within existing neighbourhoods, and are distributed across several different wards. These are listed in Appendix 3a, along with the

	<p>proposed delivery route. Initial assessments of their suitability for residential development have been carried out as part of the shortlisting process, and the detailed viability work will be undertaken once approved.</p>
1.6	<p>Some of the sites listed in Appendix 3a may prove to be difficult for development, or additional resources may be identified to extend a scheme if further land can be included. It is therefore proposed that other sites could be substituted for, or added to the 2020/21 list of sites, provided this is agreed with the local Ward Members, Cabinet Member for Housing and Section 151 Officer.</p> <p>Appendix 3b lists projected 2021/22 sites that are planned to be presented to Cabinet in a future annual report and it is from this list that substitutions or additions would be made, if the delegated authorities recommended within this report are granted.</p>
1.7	<p>In general, homes will be delivered in a range of ways:</p> <ul style="list-style-type: none"> <li>• Direct Council delivery - where the Council procures a construction contractor and retains ownership of the land and the homes</li> <li>• Delivery through the Council’s repairs and maintenance contracts with Engie and Mears, where again the Council retains ownership of the land and the homes (the new contract allows for small-scale housing development)</li> <li>• Transferring land to a housing association to build homes for which the Council will then have nomination rights, where this offers better value for money</li> </ul> <p>This diverse approach will allow the Council to engage in several different partnership arrangements, thus maximising the number of private sector businesses it can support which will be important to Rotherham’s economic growth recovery following the Covid-19 pandemic.</p>
1.8	<p>Strategic acquisitions also form an important part of the housing delivery programme as they typically offer a more efficient and better value for money route to replacing Council homes lost through the Right to Buy, compared to direct build. It is still important, however, that the Council continues to deliver directly (and strategically enable delivery) on its own land, to provide additionality and to ensure homes are built in areas of high need, where the market would not otherwise deliver without intervention due to viability issues.</p>
1.9	<p>Strategic acquisition opportunities are predominantly expected to result from Section 106 affordable housing planning policy which applies to most larger private sector-led developments.</p> <p>This policy currently provides for up to 25% of the new homes to be supplied as affordable housing and these are offered at a discount from market value to providers of social housing. Section 106 acquisitions are entirely dependent on the private developer’s own delivery timescales, and bidding</p>

	<p>for the properties takes place in a competitive environment meaning that the Council needs to be able to react to the opportunity to bid, undertake negotiations and sign-off resulting contracts in an efficient and timely manner to have the best chance of acquiring the new homes.</p> <p>Other forms of acquisition opportunities may also arise, such as the ability to purchase 'second hand' homes from the open market, which can contribute to regenerating areas blighted with empty properties, or even to acquire whole 'turn-key' schemes to help unlock stalled sites and support smaller developers. Where such situations arise, a review of the strategic benefits of the opportunity would take place and any resulting decision to re-prioritise acquisitions would be subject to the delegated decision-making governance arrangements further sought as part of this report, which includes consultation with applicable Ward Members.</p> <p>Appendix 4 (exempt) sets out a number of private-sector developments which are considered likely to present strategic acquisition opportunities in the near future.</p>
<b>2.</b>	<b>Key Issues</b>
2.1	<p><u>Recommendation 1: Releasing early sites for housing development</u></p> <p>The specific approvals being sought for 2020/21, focus on sites which have already been subject to a pre-appraisal process. These are listed as Appendix 3a and the first report recommendation is that Cabinet approves the release of these sites for residential development (subject to confirmation of their suitability and agreement under the delegated powers also being sought through this report).</p> <p>Alternative strategies will be pursued for any sites that are found to be unsuitable, following detailed appraisal work.</p> <p>The sites listed in Appendix 3a will all deliver ten or fewer homes. Any sites capable of delivering more than ten units will continue to require a separate Cabinet report, as per recommendation 2.</p>
2.2	<p><u>Recommendation 3: Delegated authority to make substitutions from the 2021/22 pipeline (Appendix 3b) for sites in Appendix 3a, or add to the list of sites where opportunities arise</u></p> <p>None of the sites listed in Appendix 3a are likely to be straightforward to develop, being generally brownfield and size constrained and there is always a risk that one or more sites may ultimately prove unsuitable for development which could lead to a whole scheme being jeopardised; the most likely effects being reduced or at least delayed delivery and abortive costs.</p> <p>As such, learning derived from recent HRA-led development activity has shown that flexibility to be able to substitute sites where such situations arise is essential to maintaining efficient progress, and also to take advantage of opportunities to accelerate sites and enhance existing schemes where</p>

	<p>available. This could, for example, apply where a new external funding stream is identified, meaning that the ability to mobilise quickly with a 'shovel-ready' site or larger scheme could lead to the acquisition of new funds and accelerate delivery.</p> <p>The sites provisionally identified in the 2021/22 strategic pipeline have been listed in Appendix 3b and it is proposed that the Assistant Director for Housing has the authority to include sites from this list, provided this is agreed with local Ward Members, the Cabinet Member for Housing and the Council's Section 151 Officer.</p>
2.4	<p><u>Recommendation 4: Delegated authority to acquire from the private sector</u></p> <p>Direct Council procured housing development is a key contributor to replacing existing stock which is being lost through the Right to Buy with over 18,000 council homes having been sold since the Right to Buy began. Furthermore, much of the existing stock is ageing, with some areas having homes in the region of 100 years old. Failing to address these issues will lead to a managed decline of council housing and the associated rental income stream, meaning the Council is less able to meet demand over time.</p> <p>However, housing construction is expensive and HRA funded development can only achieve so much without jeopardising the long-term financial viability of the HRA, so opportunities to increase the supply of new Council homes through cost-effective acquisitions such as those available under current Section 106 planning policy provisions, as outlined in section 1.9, are crucial to the success of the overall programme.</p> <p>The Council also has the potential to purchase additional homes at, or closer to market value, which can still represent good value for money, including acquiring long term empty properties and buying back former Council homes which have previously been sold under the Right to Buy.</p> <p>However, the Council does not have direct control over the type of properties being built (although it can influence this) or available, the pace / timeline for availability, or the location. As such, flexibility is needed to be able to respond quickly and efficiently to opportunities as and when they arise so that the Council can prioritise those which provide clear strategic benefit and which best complement the Council's direct delivery activity.</p> <p>The fourth recommendation of this report is therefore that authority is delegated to the Assistant Director for Planning, Regeneration and Transport to purchase homes from the private sector to add to the Council's stock, upon confirmation of support by the Assistant Director for Housing and with agreement from the Section 151 Officer and Cabinet Member for Housing, subject to the governance processes set out in section 5. As above, the delegations sought are not permanent, but for a 12-month period following Cabinet approval, and subject to annual review.</p> <p>The maximum budget allowed for acquisitions in 2021/22 is £1.118m.</p>

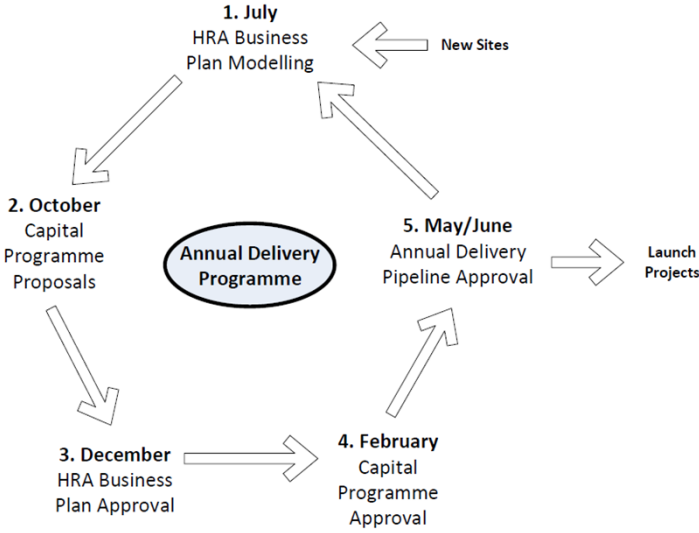
2.5	<p><u>High demand for good quality, affordable housing</u></p> <p>There are over 6,000 households on the waiting list for Council housing in Rotherham. These households are likely to be in homes unsuitable for their needs in some way, such as homes which are too small, affected by issues such as damp and disrepair, or inappropriate for someone who is elderly or has a disability. The Council's ambitious housing growth plan is critical to supporting these families into high quality and affordable accommodation, thus contributing to the key strategic priorities of:</p> <ul style="list-style-type: none"> <li>• Every child making the best start in life,</li> <li>• Every adult secure, responsible and empowered, and</li> <li>• A strong community in a clean, safe environment</li> </ul>
2.6	<p><u>Benefits for the borough</u></p> <p>Whilst housing growth is needed to address this demand, it also brings significant and wide-ranging benefits for the local area, most notably economic, and social, health and wellbeing.</p> <p>Housing growth can:</p> <ul style="list-style-type: none"> <li>• Increase economic output</li> <li>• Improve infrastructure</li> <li>• Create more jobs</li> <li>• Improve health and wellbeing by improving the standard of housing</li> <li>• Increase local spend</li> </ul> <p>In addition, the emergence of the Covid-19 crisis is likely to bring about an economic slowdown and dampen the housing market, which means that Council investment into housing growth becomes even more important as it will help to support the private sector at a time when confidence, and therefore investment, from other sources may become more restricted.</p>
2.7	<p><u>Financial support for corporate services</u></p> <p>In addition to the wider economic and health benefits of new housing for the borough as a whole, Council-led delivery will generate substantial revenue income for corporate services. These include internal fees for services such as valuations, design, planning and legal support, as well as external income through increased Council Tax revenue from the new homes.</p>
2.8	<p><u>Council Plan objectives – overall new homes</u></p> <p>The Council Plan includes targets for the overall number of new homes built in Rotherham, and the number of homes delivered as a result of Council intervention. The targets are based on the results of the latest Strategic Housing Market Assessment (SHMA). In 2019/20 the overall number of new homes was 553, of which 177 were delivered through Council intervention, meaning the Council was involved in the delivery of approximately 1/3<sup>rd</sup> of all new homes within the borough.</p>



2.9	<p><u>Council Plan objectives – new homes delivered through Council intervention</u></p> <p>The target for homes delivered as result of Council intervention is 175 for 2020/21, and 250 for 2021/22. Delivery against targets is essential, and approval of this report will help to ensure they are achieved, but it is equally important that quality and sustainability of new housing developments is taken into account, which in some cases may result in fewer units due to viability issues and ensuring adequate gardens and green space. This is becoming increasingly important for the following reasons:</p> <ul style="list-style-type: none"> <li>• The Council has declared a climate change emergency and it is important to ensure new housing incorporates carbon reduction measures</li> <li>• The Covid-19 pandemic has resulted in widespread home-working and gardens / flexibility for home office space and outdoor amenity space are particularly important</li> <li>• Deprivation is increasing in some areas of Rotherham and it is important to maximise the regenerative benefits and social value of housing development in these areas</li> </ul>
2.10	<p><u>Energy efficiency and climate change</u></p> <p>Through its own delivery programme, the Council has the ability to ensure that the new homes are high quality, energy efficient and able to meet the challenge of climate change, irrespective of tenure. It also provides the Council with the opportunity to explore emerging construction methods; often referred to as Modern Methods of Construction, or MMC, which have the potential to out-perform traditional construction in these areas. MMC may also help to accelerate delivery and in the longer term could reduce costs.</p>
2.11	<p><u>Homes for specialist and acute needs</u></p> <p>HRA-led housing development has a good track record of bringing forward council rented homes for specialist and acute needs, such as bungalows with specific adaptations. Such development is generally commissioned from other Council service areas such as CYPS or Adult Care, and the forward strategic pipeline will continue to provide opportunities to develop or acquire specialist homes in support of corporate service provision.</p>
2.12	<p><u>Wider social value</u></p> <p>The Council will also be able to maximise the social value opportunities of its residential development projects, collaborating with services across the Council at the outset of each new scheme to ensure HRA-led development achieves the best possible outcomes for Rotherham.</p>
2.13	<p><u>Utilisation of garage sites</u></p>

	<p>A significant proportion of the land proposed to form part of the longer-term development programme comprises brownfield garage sites. The HRA owns approximately 350 garage sites in total and over the next five years, it is proposed that 55 of these (16%) are developed into housing.</p> <p>A review of HRA land in 2018 identified these garages as potential sites for residential development. These had originally been determined by the Housing Service in 2015 as having lower demand, higher void numbers and / or associated antisocial behaviour issues. There are clear benefits to communities of having high quality new homes, rather than problematic garage sites in their neighbourhoods, but it is recognised that this will result in some garage tenants being inconvenienced and displaced. Therefore a clear communication strategy and protocol will be implemented to support garage tenants throughout the process.</p>
<b>3.</b>	<b>Options considered and recommended proposal</b>
3.1	<p><u>Implement the annual delivery programme with delegated powers (Recommended)</u></p> <p>Implementing the annual programme, drawn down from the five-year strategic pipeline, and delegating the decision-making powers will provide the optimal balance of governance and flexibility to support the delivery of new housing schemes as efficiently as possible.</p> <p>Provision of delegated decision-making powers will allow schemes to be designed and adapted according to the prevalent needs, expectations, constraints and financial performance, whilst high-level governance measures, including the annual Cabinet report, will ensure that the programme remains subject to monitoring and scrutiny. This approach also more closely mirrors other Council capital programmes, such as the Housing repair and maintenance schemes.</p> <p>Delegated powers are sought for a 12-month period following Cabinet approval, rather than as permanent permissions. Future annual reports will provide a review of delegated powers exercised in the preceding period and seek re-approval of temporary delegated powers if appropriate.</p> <p>A quarterly report will be presented to Cabinet, updating on progress against delivery of the programme and detailing any changes made under the delegations requested in this report.</p> <p>This option is recommended.</p>
3.2	<p><u>Approve projects on a scheme by scheme basis (business as usual)</u></p> <p>Housing development is not a linear process or formula, and experience shows that scheme amendments are often required at later stages of the design and implementation. This may be to account for specialist accommodation commissions from other internal directorates or other newly identified priorities for example, or post-procurement amendments needed</p>

	<p>due to ground conditions or planning requirements which can't always be reasonably foreseen due to the complex nature of housing construction.</p> <p>Where scheme approvals are sought from Cabinet on a scheme by scheme basis, this could therefore result in additional Cabinet approvals being necessary to agree even relatively minor scheme amendments and this may be considered an inefficient use of Cabinet's time and would lead to scheme progress stalling whilst an updated authorisation is obtained.</p> <p>The bulk of the HRA-led housing delivery to-date has been approved on this basis and the recommendation to move to an annual programme approach has been derived from the experience and learning gained through this process.</p> <p>This option is not recommended.</p>
3.3	<p><u>Implement a five-year delivery programme</u></p> <p>The proposed annual programme is derived from a planned five-year strategic pipeline, directly linked to the HRA business plan financial modelling which forecasts housing delivery expenditure over an extended period. As such, production and approval of a five-year programme is feasible.</p> <p>However, needs, priorities and general circumstances can change significantly over such a time period and this means that a regular refresh of the programme is likely to be needed to keep it relevant and up-to-date. This may add extra complexity both in the delivery of the programme and the associated governance and will therefore reduce overall efficiency.</p> <p>This option is not recommended.</p>
3.4	<p><u>Not to bring forward any new proposed housing development schemes</u></p> <p>This would not achieve any of the benefits provided by supporting housing growth, would make it significantly more difficult for the Council to achieve its corporate and national targets and means that there would be no mitigation against Council's social housing stock being lost as a result of the Right to Buy.</p> <p>This option is not recommended.</p>
<b>4.</b>	<b>Consultation on proposal</b>
4.1	<p>Ward Members will receive specific briefings on potential sites in their wards and their feedback will be taken into account. Where any site substitutions or additions are required, this will only be done by agreement with local Ward Members as well as the Cabinet Member for Housing and Section 151 Officer.</p> <p>Residents will be consulted via the Planning process, but the Strategic Housing and Development Service has also worked with the Neighbourhood</p>

	<p>Service to assist with disseminating information about development in localities, identifying alignment with ward priorities. An article will also be included in the tenants' magazine, Home Matters, later in the year.</p>
<p><b>5.</b></p>	<p><b>Timetable and Accountability for Implementing this Decision</b></p>
<p>5.1</p>	<p>To help achieve continuous delivery, the programme will be supported by an annual approvals cycle which will ensure that it is subject to high level oversight at all times.</p> <p>This cycle begins with financial modelling of future planned delivery, which is undertaken as part of the preparation for the HRA Business Plan submission to Cabinet at the end of each year, and culminates in the provision of the annual Housing Development Programme report to Cabinet, of which this report is the first. While this report is being presented to Cabinet in September, future reports will be prepared for May / June Cabinet meetings.</p> <p>The annual approvals cycle is shown below:</p>  <pre> graph TD     NewSites[New Sites] --&gt; July[1. July HRA Business Plan Modelling]     July --&gt; Oct[2. October Capital Programme Proposals]     Oct --&gt; Dec[3. December HRA Business Plan Approval]     Dec --&gt; Feb[4. February Capital Programme Approval]     Feb --&gt; May[5. May/June Annual Delivery Pipeline Approval]     May --&gt; Launch[Launch Projects]     ADP((Annual Delivery Programme)) --- July     ADP --- Oct     ADP --- Dec     ADP --- Feb     ADP --- May   </pre>
<p>5.2</p>	<p>The Assistant Director for Housing will have responsibility for implementing the programme, and all decisions made under the delegated powers sought by this report will be supported by a business case and subject to robust governance measures to ensure Cabinet can have confidence about how decisions will be made. All decisions will also be recorded on the Officer Decisions Forward Plan and published via decision records.</p> <p>All other housing growth decisions will be taken in the usual way. Proposals for any Council-owned sites capable of delivering more than ten homes will be brought to Cabinet via separate reports.</p>

5.3	A quarterly report will be presented to Cabinet, updating on progress against delivery of the programme and detailing any changes made under the delegations requested in this report.
<b>6.</b>	<b>Financial and Procurement Advice and Implications (to be written by the relevant Head of Finance and the Head of Procurement on behalf of s151 Officer)</b>
6.1	The report does not seek to increase the use of financial resources above that which has already been approved in the capital programme. Each scheme within the capital programme is assessed against affordability within the context of the HRA Business Plan. This includes, for example, assumptions for unit costs, rental income and the application of both internal and external funding. Changes to the individual schemes will be assessed as part of the governance arrangements.
6.2	There are no direct procurement implications arising from the recommendations detailed in this report. The relevant procurement implications for each site will be considered as they are brought forward as part of the governance arrangements.
<b>7.</b>	<b>Legal Advice and Implications (to be written by Legal Officer on behalf of Assistant Director Legal Services)</b>
7.1	The delegations sought under this report are consistent with the Council's Constitution and as stated in the body of the report allow for quicker and more flexible decisions to be made in respect of potential housing developments.
7.2	Appropriate governance for each scheme will be undertaken and publication of appropriate Decision records will ensure transparency and accountability in decision-making.
<b>8.</b>	<b>Human Resources Advice and Implications</b>
8.1	There are no Human Resources implications arising from this report.
<b>9.</b>	<b>Implications for Children and Young People and Vulnerable Adults</b>
9.1	The development programme includes two, three and four bedroom homes which will allow families with children to access high quality, affordable homes, thus contributing to improving children's health, wellbeing and opportunity.
9.2	Bungalows and, where appropriate, accessible apartments will be delivered 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.
<b>10.</b>	<b>Equalities and Human Rights Advice and Implications</b>

10.1	The Council holds a wealth of housing intelligence data which will be used to determine local housing need and prioritise areas for investment. Overall, Rotherham needs more homes for older people, people with disabilities, people seeking affordable home ownership and single person households, and there is a clear need for more affordable housing, in general, across the borough. These needs will be reflected in the range of tenure, types and sizes of homes included in the programme. Delivery of this programme will therefore offer more opportunities for older people, disabled people, families with children and single people to access high quality and affordable homes.
10.2	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.
<b>11.</b>	<b>Implications for Ward Priorities</b>
11.1	The 2020/21 delivery cycle affects four wards.  The Strategic Housing and Development Service will liaise with Neighbourhoods Team and Ward Members to ensure any social value opportunities are aligned with local priorities.
<b>12.</b>	<b>Implications for Partners</b>
12.1	The 2020/21 delivery cycle and longer-term development programme will provide a number of opportunities for new partnerships to be formed as individual schemes are brought forward.  As a blended programme with no 'one size fits all' approach to procurement and delivery, there will be opportunities for both large and small (SME) private sector construction companies and Registered Providers (housing associations) to work with the Council. This will help to both support and diversify the local construction industry.
12.2	The Council has an existing partnership with Engie and Mears through the housing repairs and maintenance contracts and the existing contract terms do allow for some housing development. As such, the development 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.
12.3	Registered Providers of social housing form an important part of the housing market. The Council has a successful track record of working with Registered Provider partners to bring land forward for development and maintains strong relationships with many of the largest and most reputable Registered Providers which operate both locally and nationally.

	The programme makes provision for the transfer of land to Registered Providers for which the Council would receive nomination rights to help address demand from the Council's Housing Register.
12.4	The programme may also provide opportunities to work with community led organisations who wish to develop and manage housing within their community.
<b>13.</b>	<b>Risks and Mitigation</b>
13.1.	<p><u>Coronavirus existing implications</u>  Successful delivery of the housing delivery programme is heavily dependent on there being capacity within the construction sector and other associated private sector bodies to undertake the work. The national crisis caused by the coronavirus pandemic is expected to have a significant bearing as much of the sector will have been scaled back in response to the crisis and will take time to re-mobilise, affecting the likely timescales for delivery.</p> <p>This may also lead to a situation whereby demand for construction services increases faster than the sector's ability to meet the demand, reducing the effectiveness of market competition. This could manifest as increases to build costs as companies look to work for 'the highest bidder' and unmet demand as some customers are prioritised over others.</p> <p><u>Mitigation</u>  As a matter of sensible caution, some of the schemes originally planned for delivery in 2020/21 have been deferred until at least 2021/22 to help manage the volume of work the Council will bring to the market in the short to medium term.</p> <p>Furthermore, the delivery programme has been designed to be flexible and is linked to longer term financial modelling within the HRA Business Plan, meaning that there is scope to both defer more schemes if needed, or conversely, if the sector is showing that it is able to meet demand, bring schemes forward to accelerate delivery. This one of the reasons why a list of sites in the 2021/22 strategic pipeline is presented as part of this report.</p> <p>Financial modelling has also made prudent assumptions around build costs meaning that the Council has the ability to cope should industry average build costs increase in the short term, provided the costs remain affordable and still represent fair market value.</p>
13.2	<p><u>Coronavirus 'second wave' or local outbreak</u>  In addition to the existing effects of the coronavirus pandemic, a further 'second wave' or localised outbreak would cause further complications for the development programme, mostly likely taking the form of a repeat of the issues outlined in 13.1 above.</p> <p><u>Mitigation</u>  The primary issue would be that of delayed starts, and stalled progress on individual schemes owing to the likelihood of further lockdown measures.</p>

	<p>However the flexibility designed within the programme would allow for this to be adequately managed until such a time as work can recommence.</p>
<p>13.3</p>	<p><u>Site suitability</u>  Bringing sites forward for new housing is not an exact science as there are many different factors which can affect not just whether a site can be developed at all, but also what type of housing can be delivered and how many homes can be built.</p> <p>Working through all these considerations takes time and the risk is that sites earmarked for new housing can, even at a very late stage in the process, be found to be unsuitable or need to be heavily restricted in terms of the type and numbers of new housing which can ultimately be achieved.</p> <p>It is also recognised that the 2020/21 delivery programme focusses on small 'brownfield' infill and incidental green space sites which are more likely to be constrained from a housing delivery perspective in comparison to larger sites.</p> <p>In addition, whilst the majority of sites are expected to be HRA owned, being generally situated within or adjacent to existing HRA managed estates, it is possible that some sites may be held outside of the HRA.</p> <p><u>Mitigation</u>  All of the sites proposed for delivery in 2020/21 have been subject to initial appraisals to give confidence as to their suitability for housing development. These appraisals have considered the site layout and above ground conditions, known restrictions and obstructions, and have also taken into account indicative feedback from the Planning service.</p> <p>Recent experience has also shown that 'below ground' conditions, these being issues which only become apparent through digging into the ground, can have a significant impact on planned schemes. Consequently, the 2020/21 programme and subsequent programmes will have a greater emphasis on pre-scheme investigatory works to help identify otherwise unforeseen problems. All sites proposed to be developed in 2020/21 have had external 'phase 1' site investigations (SIs) commissioned and will also have intrusive 'phase 2' SIs prior to taking any site to market. Phase 2 SIs involve drilling bore holes across the site to try and locate any below ground issues.</p> <p>A supporting 'action planning' process has also been implemented which will coordinate actions needed to resolve any known site constraints, where feasible, prior to delivery.</p> <p>However, where sites are ultimately deemed to be unsuitable for new housing, or where an issue has been identified which will take a significant amount of time to resolve, the 2021/22 strategic pipeline list included as part of this report will allow the site to be substituted whilst limiting impact on delivery timescales and costs.</p>



	<p>Otherwise, where sites are found to be held outside of the HRA, internal consultation processes in respect of the scheme being proposed would determine whether the site can be brought forward for development through the HRA, and if not, site substitution would be explored under the delegated powers being sought as part of this report.</p>
<p>13.4</p>	<p><u>Internal staff resources</u>  Delivery of housing on HRA sites, both through direct delivery build contracts and also when selling a site or transferring to a Registered Provider partner, involves staff resources from a number of service areas, most notably Housing, Asset Management and Planning.</p> <p>As a consequence, resourcing limitations, including short term staffing shortages, could impair the pace of delivery and in a worst-case scenario could lead to increased costs.</p> <p><u>Mitigation</u>  The 2020/21 delivery programme will be led by the Strategic Housing and Development service and has been developed with internal staff resource availability in mind.</p> <p>Discussions have already taken place with other key service areas to consider both the feasibility and resource needs of the programme for the 2020/21 programme and beyond.</p> <p>Delivery of the programme will be supported by an agreed cross-service resourcing plan which will be overseen by a project oversight group made up of key officers, meeting monthly.</p>
<p>13.5</p>	<p><u>Local resident opposition</u>  It is not unusual for a housing development to experience opposition from local residents, especially those who will have an immediate border to the site. This can be for a variety of reasons, from just having a preference to maintain what they know and are comfortable with, i.e. the ‘status quo’, because they feel the new homes will spoil views from their residence, or perhaps because of concerns about the new residents.</p> <p><u>Mitigation</u>  It is very difficult to entirely mitigate against such concerns, and they can often be restricted to those who immediately border the site, whilst the wider community may be more supportive. Indeed, many communities would welcome development of sites which may be attracting fly-tipping or anti-social behaviour on account of disuse.</p> <p>Early involvement with Ward Members will be key to identifying any local community concerns and briefings have already been issued for Wards which will be affected by the programme. This will allow community feedback to be taken into account where reasonable to do so as part of the process of developing the individual schemes.</p>

	The planning process also allows for consultation in respect of the proposed development, allowing residents the opportunity to make comments and raise objections as part of a formal, nationally recognised process, with subsequent decisions also then being made in-line with national guidance and legislative requirements where applicable.
<b>14.</b>	<b>Accountable Officers</b>
	Tom Bell, Assistant Director for Housing
	Jane Davies, Head of Strategic Housing and Development
	David Bagnall, Housing Development Manager

Approvals obtained on behalf of Statutory Officers:-

	<b>Named Officer</b>	<b>Date</b>
Chief Executive	Sharon Kemp	Click here to enter a date.
Strategic Director of Finance & Customer Services (S.151 Officer)	Named officer	Click here to enter a date.
Head of Legal Services (Monitoring Officer)	Named officer	Click here to enter a date.

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