

Public Report with Exempt Appendices
Cabinet

Committee Name and Date of Committee Meeting

Cabinet – 11 July 2022

Report Title

Annual Housing Development Report – 2022/23

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)

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

Ward(s) Affected

Various, please see Appendices 2 and 3

Report Summary

This report sets out progress made against the Council's Housing Development Programme, and proposes new projects for 2022/23. Appendix 2 provides a list of sites proposed for development, and Exempt Appendix 3 provides a list of potential strategic acquisition opportunities.

Work is underway to develop a full programme through to 2025/26 to increase the number of new council homes, and this will be presented to Cabinet in December 2022 alongside the latest Housing Revenue Account Business Plan. Six monthly progress reports will be presented to Cabinet thereafter.

Recommendations

1. That Cabinet approve the Council-owned sites listed in Appendix 2 being brought forward to deliver new homes, with developments which will deliver more than ten homes being subject to further Cabinet approvals.
2. That Cabinet approve the purchase of homes from any of the schemes identified in Exempt Appendix 3.

List of Appendices Included

- Appendix 1 Photographic summary
- Appendix 2 Council-owned sites proposed for residential development
- Appendix 3 (Exempt) Potential strategic acquisitions
- Appendix 4 Summary of progress against previous recommendations
- Appendix 5 Initial Equality Screening (Part A)
- Appendix 6 Equality Analysis (Part B)
- Appendix 7 Carbon Impact Assessment

Background Papers

Cabinet report: [Annual Housing Development Report - 2021/22](#)

Consideration by any other Council Committee, Scrutiny or Advisory Panel

None

Council Approval Required

No

Exempt from the Press and Public

Yes – Appendix 3

An exemption is sought for Appendix 3 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 releasing the information could put the Council at a competitive disadvantage.

Annual Housing Development Report – 2022/23

1. Background

1.1 The Council has committed to a significant programme of housing development in order to:

- Increase the number of new council homes by March 2026
- Replace council homes lost through the Right to Buy
- Deliver homes that meet the needs of Rotherham's people
- Contribute to improved health and wellbeing
- Generate income to the Council through rent and council tax
- Help to regenerate deprived areas
- Create training and employment opportunities
- Contribute to Rotherham's overall housing delivery figures

1.2 Overall summary of housing growth progress over the past 12 months:

- Broom Hayes scheme completed (44 homes)
- Town Centre housing schemes well progressed and show homes now open (171 homes)
- 14 bungalows on sites in Ravenfield and Treeton completed
- Master-planning exercise concluded for planned Eastwood housing development (36 new homes)
- Contracts exchanged or due to exchange imminently for strategic acquisitions in Thorpe Hesley (22 homes), Aston (11 homes) and Treeton (14 homes)
- Negotiations well advanced for a further 66 new homes through strategic acquisitions.
- Garage site at Eldertree Road sold to enable the delivery of 24 new homes in Thorpe Hesley by a private developer

The photographic summary included as Appendix 1 shows some of these schemes.

1.3 Homes delivered by the Council

From January 2018 to the end of March 2022, the Council has completed the following schemes (both through council build and acquisitions):

Scheme	Area	Type	Council Rent	Council shared ownership	Council homes for sale	Total
Mitchell Way	Waverley	Acquisition	4	0	0	4
Fox House Lane	Waverley	Acquisition	1	0	0	1
Sorby Row	Waverley	Acquisition	6	0	0	6
Queen's Avenue	Kiveton Park	Acquisition	12	0	0	12
Penny Piece Lane/Ryton Fold	North Anston	Acquisition	6	0	0	6

Highfield Farm	West Melton	Acquisition	6	0	0	6
Stock Conversions	Various	Council build	16	0	0	16
Clusters	Various	Council build	98	36	83	217
St Mary's Drive	Catcliffe	Council build	2	0	0	2
Catherine Avenue	Swallownest	Council build	4	0	0	4
The Bellows	Rawmarsh	Council build	28	30	0	58
Broom Hayes	Broom Valley	Council build	24	20	0	44
SOAHP Bungalows	Ravenfield, Treeton	Council build	14	0	0	14
Totals			221	86	83	390

1.4 Delivery in progress

The following schemes are currently in progress:

Scheme	Area	Type	Council Rent	Council shared ownership	Council homes for sale	Total
Town Centre sites	Town Centre	Council build	98	31	42	117
Wentworth View	Thorpe Hesley	Acquisition	12	10	0	22
Totals			110	41	42	193

As at June 2022:

- 23 council rent homes, 23 shared ownership homes and eight homes for sale have achieved completion on the Town Centre scheme.
- 3 of the council rent homes have been handed over to the Council from the Wentworth View acquisitions.

1.5 Pending strategic acquisitions

As at June 2022, contract exchange is imminent on the following acquisitions.

Scheme	Area	Type	Council Rent	Council shared ownership	Council homes for sale	Total
Fairfields	Aston	Acquisition	11	0	0	11
Beaumont Grange	Treeton	Acquisition	11	3	0	14
Totals			22	3	0	25

1.6 In summary, since January 2018 (up to the end of June 2022) the Council has either built or committed to:

- 353 homes for council rent
- 130 homes for council shared ownership
- 125 homes for sale
- 608 in total

1.7 Council-enabled Delivery

The Council has also directly enabled the delivery of new homes on the following schemes through sale of Council-owned land (up to the end of May 22):

Scheme	Status	Total
Arches Bungalows, Wickersley	Complete	10
Chesterhill Ave & Whinney Hill, Dalton/Thrybergh	In progress	237
Dalton Lane, Dalton (General Fund)	In progress	145
Westgate Chambers (General Fund)	In progress	61
Laudsdale House, East Herringthorpe	Complete	28
Eldertree Lodge, Thorpe Hesley	In progress	24
Total		505

1.8 Progress against projects included in March 2021 Cabinet report

1.8.1 Eastwood Housing Development

The Netherfield Court site in Eastwood was initially identified for potential housing as part of the 2021/22 Annual Housing Development report; strategic pipeline of Council-owned sites, considered by Cabinet in September 2020.

The January 2021 update report to Cabinet subsequently gained approval to appropriate Netherfield Court, along with the nearby York Road car park site, to the Housing Revenue Account in preparation for a more comprehensive housing intervention within the Eastwood area, in support of the Town Investment Plan (Eastwood Investment Projects).

Following the commissioning of a mini master-planning exercise, undertaken by consultants Local Partnerships on behalf of the Council, the Strategic Housing and Development service now has planning compliant, outline scheme designs to deliver 36 new council homes for rent across both sites, with the Netherfield Court site focusing on generally larger family accommodation, and the York Road site providing a mix of single-person and smaller family accommodation in view of its town centre gateway positioning.

The service will now be commencing procurement activity to determine a delivery route and refine the designs in conjunction with a construction partner, in readiness for submission of a planning application.

In line with the principle established within the Annual Housing Development Report 2020/21, a separate Cabinet report will be required prior to entering into contract as both sites within the proposal have capacity for more than ten new homes. The Annual Housing Development Report – 2021/22, approved by Cabinet March 2021, reconfirmed this commitment, specifying that a Cabinet report would be brought forward once procurement has taken place. This will seek Cabinet approval to implement the scheme.

It is therefore proposed that a further report will be brought to Cabinet once a planning application has been submitted. This will ensure that the report can set out the near final scheme designs and cost estimates (subject to any

adjustments which may result from the planning process). This is anticipated in autumn 2022.

1.8.2 Kiveton Park, Thurcroft and West Melton Small Site Assemblies

Site reviews are in progress for each of these schemes. Pre-procurement activity is anticipated to start on all of these schemes in summer 2022.

1.8.3 Miscellaneous Sites

There has been limited progress with the three ad-hoc sites identified, due to prioritisation of Council build activities and acquisitions, however these sites remain under consideration.

1.8.4 Appendix 4 tracks progress against all previous recommendations / Cabinet approvals obtained as part of the Housing Development Programme.

1.9 **New proposals for the 2022/23 development programme**

1.9.1 Carver Close

Carver Close is a site within the Wales ward which is in relatively close proximity to the Kiveton Park small site cluster which was approved for delivery as part of the 2021/22 Housing Development Programme report. The site has potential to either be added to the Kiveton Park site assembly, or brought forward as a stand-alone site, and given its location is likely to present an opportunity to bring forward more bungalows for Council rent.

1.9.2 Canklow

Warden Street is a long-standing vacant site which was previously cleared under Housing Market Renewal. Although the site is held within the General Fund, it is situated within a large HRA managed housing estate and development of the site needs to take account of local strategic requirements which may not be achieved through an unrestricted sale.

The Strategic Housing and Development Service has been exploring options to bring the site forward and has engaged with external consultants, Local Partnerships, to develop a marketing strategy for the site, and approval is now sought from Cabinet to release the site for development.

The Council has recently built 80 new council houses for rent in Canklow and overall, 54% of homes in Canklow are social housing (compared to 21% boroughwide average). The preferred option for this site, rather than 100% council homes, would be a mixed scheme including some council homes suitable for older people, which is the most pressing local housing need.

Local ward members and the Asset Management Board will be consulted and a further Cabinet report will be presented with detailed proposals.

Potential Strategic Acquisitions

1.9.3

Exempt Appendix 3 sets out planned and potential strategic acquisitions which may be pursued as part of the ongoing Housing Development Programme. These can be in the form of Section 106 affordable homes acquisitions, 'affordable plus' acquisitions (meaning homes purchased from developers outside Section 106 provision), and the acquisition of existing homes. Acquisition opportunities which maximise delivery of new homes by 2026 will be prioritised wherever possible.

2. Key Issues

- 2.1 There is a pressing need for more affordable housing across the borough and as the cost of living continues to rise, more people than ever will turn to the Council for financial support, advice and housing. The Council is committed to enabling and delivering more affordable housing to support local people through delivery of the Housing Strategy. Without creating more affordable housing options, people's finances will continue to be squeezed and more people will fall into poverty, creating much wider implications for the health and wellbeing of local people and communities.
- 2.2 Delivery of new council homes is challenging for a range of reasons including significantly increased costs and delays resulting from the EU Exit, the Covid-19 pandemic and more recently the invasion in Ukraine which, combined, are serving to severely constrain the supply chain; this being the availability and increasing cost of materials and labour, resulting in an industry-wide slowdown in the rate of new housing delivery. Despite these challenges every effort will continue to be made to increase the delivery of new council homes.

3. Options considered and recommended proposal

- 3.1 Option 1 – Adding new sites and acquisition opportunities to the Council's housing development programme. This approach is recommended in order to ensure the Council can continue to deliver new council homes to meet residents' needs.
- 3.2 Option 2 – Not adding new sites and acquisition opportunities to the Council's housing development programme. This approach is not recommended as the Council needs to ensure a continuous pipeline to deliver the council homes needed.

4. Consultation on proposal

- 4.1 Residents will be consulted via the Planning process along with all statutory consultees, but the Strategic Housing and Development Service has also worked with the Neighbourhood Service to assist with disseminating information about development in localities, identifying alignment with ward priorities. Regular articles about housing development are also included in the tenants' newsletter, Home Matters.

- 4.2 Ward Members have received specific briefings on potential sites in their wards and their feedback has been taken into account.
- 4.3 Regular engagement is undertaken with developers, housing associations, and external funders.
- 4.4 A new build satisfaction survey has recently been introduced, and a selection of customer quotes about how they have benefited from moving into new council homes delivered through the Site Clusters Programme and The Bellows, follows:

- *“I am happier because the house is bigger and more suitable for me”.*
- *“Me and my son are happier here, it's a nicer area and we love the new school”.*
- *“My children are a lot safer. My partner's mental health is better”.*
- *“I am really happy with the home which is suited to me well, with my mobility problems”.*
- *“We required more bedrooms after having a baby, so our new home has drastically improved our lives and our ability to raise a family”.*
- *“Having our own private garden with two small children is good”.*

The Strategic Housing and Development Service will use all customer feedback to learn lessons and help ensure continuous improvement in the development 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.
- 5.2 The housing development activity proposed in this report will commence during 2022/23 and a further report will be presented to Cabinet in December 2022, to update on progress and set out the programme through to March 2026.

6. Financial and Procurement Advice and Implications

- 6.1 The release of sites identified in Appendix 2 and the programme of strategic acquisition opportunities listed in Exempt Appendix 3 will be subject to business cases and assessed for affordability within the context of the assumptions in the HRA Business Plan and the resources approved as part of the Council's Capital Programme.
- 6.2 The financial implications for individual schemes will be addressed in line with Capital Governance Principles. Issues highlighted such as supply chain pressures on materials and labour costs could affect the overall outcomes of the Housing Growth Programme.
- 6.3 Procurement activity is detailed within the main body of this report. Housing Services are engaging with the Procurement Team to ensure procurement activity is being undertaken in compliance with the Public Contracts

Regulations 2015 (as amended) and the Council's own Financial and Procurement Procedure Rules.

7. Legal Advice and Implications

- 7.1 The delegations sought under this report are consistent with the Council's Constitution and allow for quicker and more flexible decisions to be made in respect of potential housing developments.
- 7.2 There are no direct legal implications arising from this report. The relevant implications for each site will be considered as each is brought forward for development. Legal Services recommends early engagement with them where any legal work is required, for example entering into and completing any external grant funding agreements, purchasing any properties or entering into any legal contracts, which will be executed in accordance with the Council's Scheme of Delegation.

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 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 The programme includes bungalows 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 263,400 residents, 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 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.
- 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 coming into force in June 2022 will require a 31% reduction in CO2 emissions compared to 2013 standards. All new homes that submit plans after June 2022 or 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

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 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.
- 12.2 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.

Risk	Mitigation
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Pressure on construction labour and materials (both in terms of supply and costs) resulting from the Covid pandemic, EU Exit and invasion of Ukraine.	Regular risk workshops, advance ordering and storage of materials where appropriate / possible, ongoing monitoring of impacts.
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.	All sites proposed for delivery in 2022/23 have been subject to initial appraisals to give confidence as to their suitability for housing development including consultation with Planning. Grant funding will also help the Council to mitigate against the cost of ground remediation works but where a site is ultimately unsuitable for development it will not be brought forward.
Delays to housing development schemes resulting from utilities connections and other statutory undertakings	Early engagement with relevant organisations and internal services, and robust project management processes in place with realistic contingencies for costs and delays
Internal staff capacity – Housing, Legal, Procurement, Asset Management etc	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	Early and regular consultation with Ward Members, communication strategy to provide information on the schemes and explain the rationale. Formal consultation also takes place as part of the Planning process.
Funding availability / eligibility	Continual dialogue with external funding bodies. Investment of time in robust business case preparation to ensure overall costs remain within approved HRA Business Plan affordability modelling and Capital Programme approvals. Regular meetings with Finance colleagues to monitor programme.

14. **Accountable Officers**

Paul Walsh, Acting Assistant Director of Housing
Jane Davies, Head of Strategic Housing and Development
David Bagnall, Housing Development Manager

Approvals obtained on behalf of Statutory Officers: -

	Named Officer	Date
Chief Executive	Sharon Kemp	27/06/22
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	26/06/22
Assistant Director, Legal Services (Monitoring Officer)	Phil Horsfield	23/06/22

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