

Public Report with Exempt Appendices
Cabinet

Committee Name and Date of Committee Meeting

Cabinet – 10 July 2023

Report Title

Housing Development Programme Report 2023-24

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)

David Bagnall, Housing Development Manager
david.bagnall@rotherham.gov.uk

Ward(s) Affected

Various, please see appendices 1 & 2

Report Summary

This report provides an update on the Housing Delivery Programme, summarising progress since the previous programme report was approved by Cabinet in January 2023. Several changes are required to the programme and renewed approvals are sought accordingly.

Appendix 1 provides an updated list of sites proposed for development.

Exempt Appendix 2 provides an updated list of potential strategic acquisition opportunities.

Recommendations

1. That Cabinet approves the additional Council-owned sites listed in Appendix 1 being brought forward to deliver new Council homes.
2. That Cabinet approves the purchase of homes from the additional schemes identified in Exempt Appendix 2.
3. That Cabinet delegates authority to the Council's Property Officer (Assistant Director for Planning, Regeneration and Transport) to purchase additional homes from private developers or the open market to add to the Council's

housing stock, with the agreement of the Assistant Director for Housing, Cabinet Member for Housing and Section 151 Officer.

4. That Cabinet notes the other updates contained within this report and agrees to receive a further update in six months' time.

List of Appendices Included

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

Background Papers

[Rotherham Housing Strategy 2022-25](#)

[Cabinet Report - Housing Development Programme 2023/24](#)

Consideration by any other Council Committee, Scrutiny or Advisory Panel
Improving Places Select Committee (via the Housing Strategy)

Council Approval Required

No

Exempt from the Press and Public

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

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

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

Housing Delivery Programme – 2023/24 Update

1. Background

- 1.1 The Strategic Director, Adult Care, Housing and Public Health submits a report every six months to update Cabinet in relation to progress and changes in the Housing Delivery Programme. The last report was submitted to Cabinet in January 2023.
- 1.2 The January 2023 report identified that there was a clear and continuing need for more affordable homes across the Borough, an issue further exacerbated by the current cost-of-living crisis. The Council is continuing to address this need through delivery of the Housing Delivery Programme, with a target to deliver hundreds of new homes between January 2018 and March 2026.
- 1.3 There are over 6,800 households on the Council's Housing Register, whilst the Council's ability to meet this demand continues to be eroded by the Right to Buy, which has seen 820 council homes sold between January 2018 and March 2023.

2. Key Issues

Progress Since Last Update

- 2.1 A notable achievement in this reporting period has been the completion of the Council's "Town Centre Trilogy Collection" which has provided a significant number of new homes and is supporting wider regeneration efforts in the Town Centre. Originally approved by Cabinet in October 2017 and with a follow-up report presented in October 2019, the highly complex scheme has successfully redeveloped three challenging brownfield sites to provide 171 new homes.
- 2.2 Overall, from 1 January 2018 to 31 May 2023, the Council has successfully completed 484 new Council homes: 366 homes for rent and 118 homes for shared ownership:
 - 385 of these homes have been delivered through Council-led construction.
 - 16 homes have resulted from conversion of existing Council assets into new homes, and
 - 83 are from the strategic acquisition of homes from private developers and the open market.
- 2.3 The Council has also built 125 new homes for market sale. An updated photographic summary of delivery is provided at Appendix 3.
- 2.4 The previous Housing Development Programme report set out progress to November 2022. From December to 31 May 2023, in addition to completion of the Town Centre sites, the Council has:

- Submitted a formal planning application to build three new homes across two sites in Thrybergh.
- Submitted eight Council-owned sites for ‘pre-application’ planning advice:
 - Warden Street in Canklow
 - Netherfield Court and York Road in Eastwood
 - Carver Close in Harthill
 - Addison Road and Elm Tree Road in Maltby
 - Albert Road and Princess Street in West Melton
- Taken handover of the first six homes from the Millstone Park development in Swallownest.
- Taken handover of a further eight homes from the Wentworth View development in Thorpe Hesley.
- Exchanged contracts to acquire 15 new homes from the Lodge Lane development in Dinnington.
- Completed a procurement process to appoint a multi-discipline Employer’s Agent which will provide professional services support to the Council on upcoming build schemes.

2.5 As of 31 May 2023, the Council is in contract to deliver a further 46 homes for rent and 15 for shared ownership by March 2026. This means a cumulative total of 545 Council homes are already complete or contracted for completion by March 2026. This excludes homes built for market sale and homes which are due to be delivered after March 2026.

2.6 The latest programme position is summarised below with further detail provided in Appendix 1 and Exempt Appendix 2:

Appendix 1 – Council Build					
Programme Status	Appendix Reference	Rent	Shared Ownership	Market Sale	Total
Homes completed	Table 1.1	295	106	125	526
Homes in contract	Table 1.2	0	0	0	0
Approved pipeline	Table 1.3	180	0	0	180
New opportunities	Table 1.4	1	0	0	1
Totals		476	106	125	582

Appendix 2 – Strategic Acquisitions					
Programme Status	Appendix Reference	Rent	Shared Ownership	Market Sale	Total
Homes completed	Table 2.1	71	12	0	83
Homes in contract*	Table 2.2	46	15	0	61
Approved pipeline	Table 2.3	131	6	0	137
New opportunities	Table 2.4	137	0	0	137
Totals		385	33	0	418

Combined Programme					
Programme Status	Appendix References	Rent	Shared Ownership	Market Sale	Total
Homes completed	1.1 + 2.1	366	118	125	609
Homes in contract*	1.2 + 2.2	46	15	0	61
Approved pipeline	1.3 + 2.3	311	6	0	317
New opportunities	1.4 + 2.4	138	0	0	138
Totals		861	139	125	1,125

*10 homes in contract are currently due for delivery after March 2026 and therefore excluded from the figures presented in this table and paragraph 2.5.

Programme Changes

- 2.7 Appendix 1 and Exempt Appendix 2 set out the latest programme position. The specific changes since the January Housing Delivery Programme Cabinet report are summarised below. It was expected that some sites added to the programme would, upon further investigation, be removed. The next update to Cabinet will include proposals for additional sites.

Council-owned sites added to the programme – Appendix 1, Table 1.4	
Site	Est. Homes
Sycamore Avenue (site B), Rawmarsh	1

Council-owned sites removed the programme – Appendix 1, Table 1.6	
Site	Est. Homes
General Fund 'Site A'	10
General Fund 'Site B'	30
General Fund 'Site C'	110

Strategic acquisitions added to the programme – Appendix 2, Table 2.4	
Site	Est. Homes
Five schemes	137

Strategic acquisitions removed the programme – Appendix 2, Table 2.6	
Site	Est. Homes
N/A	0

SME Homebuilder Initiative

- 2.8 The Council's Small and Medium Enterprise (SME) Homebuilder Initiative was formally launched February 2023 with a series of formal information sessions being held at different locations across the Borough, in addition to virtual sessions being held via Microsoft Teams.
- 2.9 Continuing the level of interest shown at the earlier informal sessions held in autumn, a significant number of SME developers were welcomed to the information sessions, a majority of whom are not on current procurement frameworks.

- 2.10 Two outline proposals have already been received and are now undergoing formal assessment. These are listed under Exempt Appendix 2. The Council will shortly run a further round of communications to promote the Initiative.

Portland House Tenure Conversion

- 2.11 Portland House is a block of 11 newly built council homes which forms part of the Wellgate Place development within the Town Centre Trilogy Collection. The block was originally released for shared ownership, but market interest in shared ownership apartments has been lower than hoped, and the tenure of these homes has now been switched to affordable rent. This change is reflected in the delivery figures presented in Section 1.4 and 1.7, along with Appendix 1.
- 2.12 This change is in-line with Homes England grant funding terms and has been executed as an Officer Decision under the delegation provided within the 21 October 2019 Cabinet report; Council Delivery of New Homes on Rotherham Town Centre Sites.

Programme Review

- 2.13 This report presents a general update of the programme focusing on delivery to March 2026. However, recent changes to the funding rules and funding opportunities, in conjunction with evolving market conditions and the completion of several of the Council's largest schemes, means that a wider review of the programme is currently underway to inform what future delivery will look like through to 2026 and beyond. A fuller update will be provided to Cabinet in a future report.

Funding Update

- 2.14 Homes England grant funding and Right to Buy 'one-for-one' receipts continue to form the main forms of subsidy which support delivery of new Council homes.
- 2.15 Affordable Homes Programme (AHP), Homes England: Homes England now operates a 'Continuous Market Engagement' process which means that bids can be submitted on a scheme-by-scheme basis as proposals are developed.
- 2.16 Right to Buy (RTB) 'one-for-one' receipts: RTB one-for-one receipts can be used in place of Homes England AHP but cannot be used alongside AHP. More information about Right to Buy receipts is provided at 6.4.
- 2.17 Brownfield Housing Fund (BHF), South Yorkshire Mayoral Combined Authority: An expression of interest was submitted to the Combined Authority late 2022 outlining the potential for the Council's delivery programme to receive further support from BHF. Formal bids will be worked up on a scheme-by-scheme basis.

- 2.18 Brownfield Land Release Fund – Round 2 (BLRF2), One Public Estate: The second round of Brownfield Land Release Fund was opened earlier this year and the Council submitted bids for seven sites. The outcome from the bidding process is expected to be announced July 2023.
- 2.19 Single Homeless Accommodation Programme (SHAP), Department of Levelling-up, Housing and Communities: Intended to support the provision of accommodation for young homeless people and young people at risk of homelessness, for which the Council has acute pressures, the fund is unlikely to directly contribute toward the delivery programme, but drawing-down funding will be essential to support the Council’s wider housing obligations.
- 2.20 Ward Members will be kept apprised of all scheme proposals as they are developed and brought-forward.

3. Options considered and recommended proposal

3.1 Option 1: Maintain the existing programme, as presented in the January 2023 Cabinet report

Whilst this would retain an element of consistency with the January 2023 report, it is a normal operation of the programme to both add and remove sites and opportunities over time. This allows for new opportunities to be identified and introduced into the programme, whilst also removing sites and schemes previously forecast, which may no longer be able to come forward.

Housing delivery is extremely complex and reliant on a range of different factors, some of which aren’t entirely within the Council’s control, therefore the programme requires flexibility to be able to maintain continuous delivery.

This option is not recommended.

3.2 Option 2: Add additional sites and acquisitions into the programme

Following approval of the January report, it has since been determined that some schemes are not feasible for delivery at this time and have therefore been removed from the programme. New opportunities have been identified which can help to compensate for the lost schemes, without which the Council would be unable to continue working towards the target to delivery hundreds of new homes by March 2026.

This option is recommended.

4. Consultation on proposal

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

- 4.2 Residents will be formally consulted via the planning process along with all statutory consultees. The Strategic Housing and Development Service will further continue to work with the Neighbourhoods Service to assist with disseminating information about delivery in localities, identifying alignment with Ward priorities. Information about housing delivery has and will continue to be disseminated through the Council tenants' quarterly magazine, 'Home Matters.'
- 4.3 An all-Member seminar was held on 28 September 2022 and elected Members will be directly consulted about the potential for new housing development on sites within their respective Wards. Furthermore, as individual schemes are progressed into design, Ward Members will be consulted through the neighbourhood working model at an early stage ahead of planning permission being sought. Recent ward member engagement has taken place in the following wards:
- Boston Castle – Warden Street scheme (Apr 2023)
 - Hellaby & Maltby West – Addison Road, Elm Tree Road and Larch Road schemes (Feb 2023)
 - Hooper – Princess Street and Albert Road schemes (Apr 2023)
 - Kilnhurst & Swinton East – Ship Inn scheme (Mar 2023)
 - Rotherham East – Netherfield Court & York Road schemes (Apr 2023)
- 4.4 Ongoing engagement is undertaken with developers, housing associations, and external funders through a range of communication channels, including the Strategic Housing Forum.
- 4.5 The Strategic Housing and Development Service will use all stakeholder feedback to shape the future programme and help ensure continuous improvement in the delivery of new council homes.

5. Timetable and Accountability for Implementing this Decision

- 5.1 The Assistant Director of Housing will have responsibility for implementing the programme.
- 5.2 In-line with previous programme reports, this latest report presents a rolling, continuous programme of delivery. Further reports will be presented to Cabinet on a six-monthly cycle through to March 2026 to keep Cabinet appraised of progress, refresh existing approvals and to seek new approvals as required.

6. Financial and Procurement Advice and Implications

- 6.1 The development of sites identified in Appendix 1 and the programme of strategic acquisition opportunities listed in Exempt Appendix 2 will be subject to business cases and assessed for affordability within the context of the assumptions in the Housing Revenue Account (HRA) Business Plan and the resources approved as part of the Council's Capital Programme.

- 6.2 Housing Growth has been modelled in the HRA business plan for affordability. The model assumes that all capital receipts from sales of private and shared ownership properties are used to fund the housing growth programme. Therefore, capital receipts generated from sales of private and shared ownership properties will be used for this purpose in accordance with corporate financing arrangements.
- 6.3 The HRA Business Plan model further assumes that social housing properties supported by grant funding will be let on Affordable Rent values, rather than Social Rent. However, this will be determined on a scheme-by-scheme basis, once full costs are known and with a preference for Social Rent to be applied, subject to an assessment of the financial viability of the proposed development; Affordable Rent is higher than Social Rent.
- 6.4 Right to Buy (RTB) 'one-for-one' receipts can be used in place of grant funding for homes built by the Council, contributing up to 40% of the total cost, although RTB receipts are finite. The Government has recently announced temporary flexibilities on the use of Right to Buy receipts which will allow the Council to retain 100% of receipts generated for 2022/23 and 2023/24; a portion of RTB receipts are normally paid to Government. These additionally retained receipts must be deployed in the same way as 'one-for-one' receipts so are constrained by further rules but will benefit delivery of the programme.
- 6.5 Due to the scale and complexity of the programme, an Employers Agent is to be appointed to help expediate the Council build programme. The cost of this has been included in the capital build cost within the HRA business plan model.
- 6.6 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 delivery.
- 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 delivery.

8. Human Resources Advice and Implications

- 8.1 There are no Human Resources implications arising from this report.

9. Implications for Children and Young People and Vulnerable Adults

- 9.1 The delivery programme will deliver two, three, and four, bedroom homes which will allow families with children to access high quality, affordable homes, thus contributing to improving children's health, wellbeing, and opportunity.
- 9.2 The programme will further deliver bungalows and more specialised 'disabled person units' (DPU) which will allow older and disabled people to live in safe, suitable accommodation that meets their needs and allows them to live independently for longer.

10. Equalities and Human Rights Advice and Implications

- 10.1 Through its wider delivery programme, the Council will increase the local supply of high quality, affordable homes to meet a range of needs. The Council holds a wide range of data which is used to determine the different needs and influence the types of homes being acquired. For example, of Rotherham's 265,800 residents, around 26% are aged 60 years or over and 9% are aged 75 years or over and the proposed acquisitions include bungalows that are suitable for older people, as well as people with disabilities.
- 10.2 The Council's delivery programme is critical to supporting families who are on the Housing Register, into high quality and affordable accommodation. Any new homes offered for rent by the Council are managed through the Council's Allocations Policy to ensure a fair and transparent approach to helping people in the greatest housing need to gain access to suitable and appropriate accommodation.
- 10.3 Surveys will be carried out with the occupants of new homes, and equality and diversity results analysed and compared with other relevant data sets such as the Housing Register. This will allow the Council to understand whether any protected characteristic groups are over or under-represented in new build homes and take appropriate action if required.

11. Implications for CO2 Emissions and Climate Change

- 11.1 Climate change poses a significant threat to environments, individuals, communities, and economies on local, national, and international scales. In recognition of this the Council has aimed to be net carbon neutral as an organisation by 2030, and for Rotherham as a whole to achieve the same position by 2040.
- 11.2 Council Build: Through its own delivery programme, the Council has the ability to ensure that the new homes are high quality and energy efficient, which will contribute to reducing domestic carbon emissions in the longer-term.
- 11.3 Acquisitions: The level of carbon emissions allowed for all new homes is subject to increasing controls. Changes to Part L of the building regulations came into force in June 2022, requiring a 31% reduction in CO2 emissions compared to 2013 standards. All new homes that submit plans after June

2022 or which had not begun construction before June 2023 must comply. New homes acquired by the Council from private builders are specified and built to the housebuilder's usual specification with some changes paid for by the Council to ensure the Council's requirements are met. Further to this the Council will examine whether further changes can be agreed, on a case-by-case basis, to reduce carbon emissions beyond the requirements of building regulations.

- 11.4 Both Council-build and acquisitions will ultimately increase emissions. Whilst mitigations are in place, with an explicit aim to exceed Building Regulations Part L requirements where feasible, the overall net carbon emissions status of Rotherham's social housing stock will increase in the short term. Homes brought forward with electrically sourced heating and hot water provision, however, should become effective carbon neutral once the electricity grid itself achieves zero-carbon. In addition to delivering new homes, the Council continues to improve and sustain its existing homes, including investment to maintain the Decent Homes Standard and improve energy and thermal efficiency.

12. Implications for Partners

- 12.1. The Council has an existing partnership with Equans and Mears through the housing repairs and maintenance contracts and the existing contract terms allow for some housing development. As such, the delivery programme may also provide an opportunity for the partners to work with the Council on housing development schemes where this would not be at a detriment to the core repair and maintenance functions.
- 12.2 Housing associations continue to play an important role in delivering affordable housing in Rotherham. The Council has a successful track record of working with housing associations to bring land forward for development and maintains strong relationships with many of the largest and most reputable organisations through the Rotherham Strategic Housing Forum.

13. Risks and Mitigation

- 13.1 The key risks are summarised in the table below. A detailed risk assessment will be provided alongside the business case for individual schemes as they are brought forward.

13.2

Risk	Mitigation
Pressure on construction labour and materials (both in terms of supply and costs) resulting from the Covid pandemic, EU Exit and invasion of Ukraine.	Risks recorded and monitored for all individual schemes, advance ordering, and storage of materials where appropriate / possible. Schemes fully designed and planning approved before committing to contractor costs.
Site suitability - even at a late stage in the process, sites can be found to be	Scheme procurement is likely to take place via a two-stage 'design and build' process which will allow sites to be appraised and

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.	suitable designs to be determined in advance of the Council entering into build contracts. This will help ensure that particularly problematic sites are dealt with and potentially removed from the programme before the Council is contractually committed to build. Grant funding will also help the Council to mitigate against the cost of ground remediation works but where a site is ultimately unsuitable for development it will not be brought forward.
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

James Clark, Assistant Director of Housing

Peter Kandola, Interim Head of Strategic Housing and Development

Approvals obtained on behalf of Statutory Officers: -

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

Report Author: David Bagnall, Housing Development Manager
david.bagnall@rotherham.gov.uk

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