

Committee Name and Date of Committee Meeting

Cabinet – 18 March 2024

Report Title

Housing Delivery Programme - Developments at Greasbrough and Thornhill

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

Yes

Strategic Director Approving Submission of the Report

Ian Spicer, Strategic Director of Adult Care, Housing and Public Health

Report Author(s)

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Ward(s) Affected

Greasbrough Ward (Grayson Road, Greasbrough)
Rotherham West Ward (Tenter Street, Thornhill)

Report Summary

This report seeks approval from Cabinet to develop the Council-owned sites at Grayson Road (Greasbrough) and Tenter Street (Thornhill). Together, it is projected that the sites will deliver an estimated 31 new homes.

Appendix 2 identifies the specific areas of land to be appropriated from the General Fund to the Housing Revenue Account, to support development of the new Council homes.

Recommendations

That Cabinet:

1. Approves development of the Grayson Road and Tenter Street sites, to build an estimated 31 new Council homes.
2. Delegates authority to the Assistant Director of Housing, in consultation with the Cabinet Member for Housing, to take the necessary steps to appropriate the land from the General Fund to the Housing Revenue Account: to optimise design of the sites according to strategic need, site constraints, and any requirements resulting from both stakeholder feedback and the planning application process.

List of Appendices Included

- Appendix 1 Indicative Site Layouts
- Appendix 2 Land to be Appropriated for Housing
- Appendix 3 Initial Equalities Screening (Part A)
- Appendix 4 Equality Analysis (Part B)
- Appendix 5 Carbon Impact Assessment

Background Papers

Rotherham Housing Strategy 2022-25

Cabinet Report: Housing Delivery Programme Report – 2024/25

Cabinet Meeting: 22nd January 2024

<https://moderngov.rotherham.gov.uk/documents/g15886/Public%20reports%20pack%20Monday%2022-Jan-2024%2010.00%20Cabinet.pdf?T=10>

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

No

Exempt from the Press and Public

No

Housing Delivery Programme - Developments at Greasbrough and Thornhill

1. Background

- 1.1 Grayson Road and Tenter Street are Council-owned land assets held in the General Fund. Both sites have been allocated for residential development within the Rotherham Local Plan (site references H6 and H8 respectively).
- 1.2 The sites are intended, once appropriation has taken place, to form part of the Housing Revenue Account (HRA) funded Housing Delivery Programme (the "Programme"), having first been approved for this purpose by Cabinet in January 2024 as part of the 'Housing Development Programme Report – 2024/25'.
- 1.3 It is estimated that the Grayson Road site could deliver approximately 16 new homes and the Tenter Street site approximately 15 new homes, subject to conclusion of the design process and planning permission.
- 1.4 Programme reports have identified that there is a clear and continuing need for more affordable homes across the borough, and as the cost-of-living continues to affect communities, more people will turn to the Council for financial and housing support. The Council is continuing to address this need through delivery of the Programme, with a target to deliver hundreds of new homes by March 2026.

2. Key Issues

Approvals

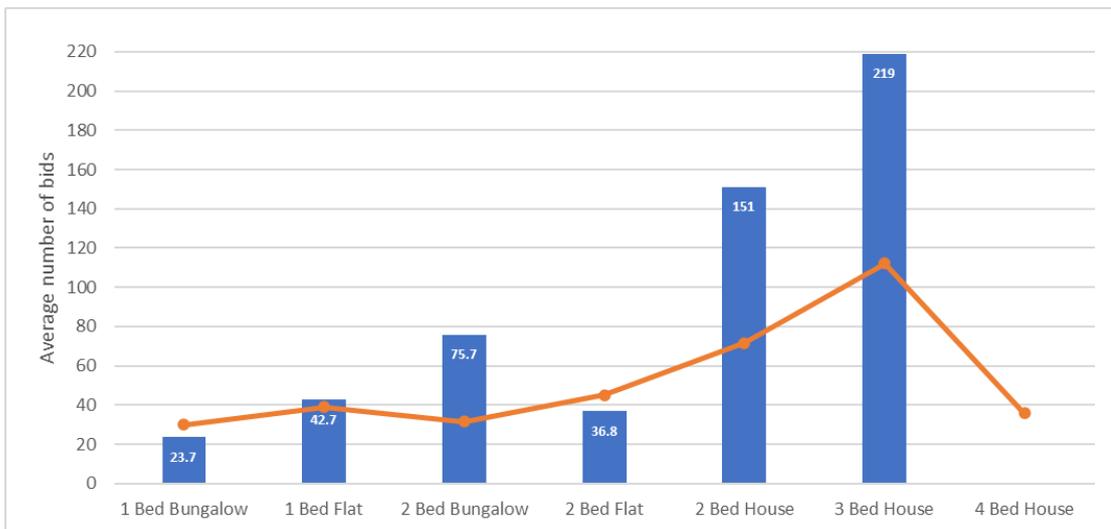
- 2.1 Both sites have been included within the previous Programme report to Cabinet (as set out at 1.2), meaning that release of the site for the purpose of new housing development has been approved in principle, but formal appropriation from the General Fund to HRA has not yet taken place.
- 2.2 The Programme was first presented to Cabinet in September 2020, and has been refreshed on an annual basis since.

Recommendation two of the original September 2020 report stated:
"That Cabinet note that proposals to deliver more than ten homes on any individual site, will continue to require a separate Cabinet report".
- 2.3 This report seeks approval from Cabinet to build an estimated 31 new homes across the two sites. Early surveys have been commissioned following which indicative plans have been produced. The final designs are subject to change in line with recommendation 2 of this report.
- 2.4 The sites are currently held on the Council's General Fund asset register and the land areas proposed for the delivery of new Council homes will need to be appropriated to the HRA. Approval to appropriate the sites has already been established via the Housing Delivery Programme – 2024/25 Cabinet report and appropriation will take place once planning permissions have been

secured. Appendix 2 identifies the specific areas of land which are to be appropriated from the General Fund to the HRA.

Local housing need and demand – Greasbrough (Grayson Road Site)

- 2.5 The Greasbrough locality is situated within the Greasbrough Ward. It is a well-established neighbourhood comprising over 316 existing Council homes in total.
- 2.6 The area is popular with a high number of bids received for both two- and three-bedroom houses, with bids for two-bedroom properties being over double the Borough average. Two-bedroom bungalows also receive a high number of bids compared to the Rotherham average. The lack of four-bedroom houses in the area means there is no demand data.



Graph 1: Average bids for Council Properties in Greasbrough in 2023 (blue bars) compared to the Rotherham average bids for 2023 for these property types (orange line).

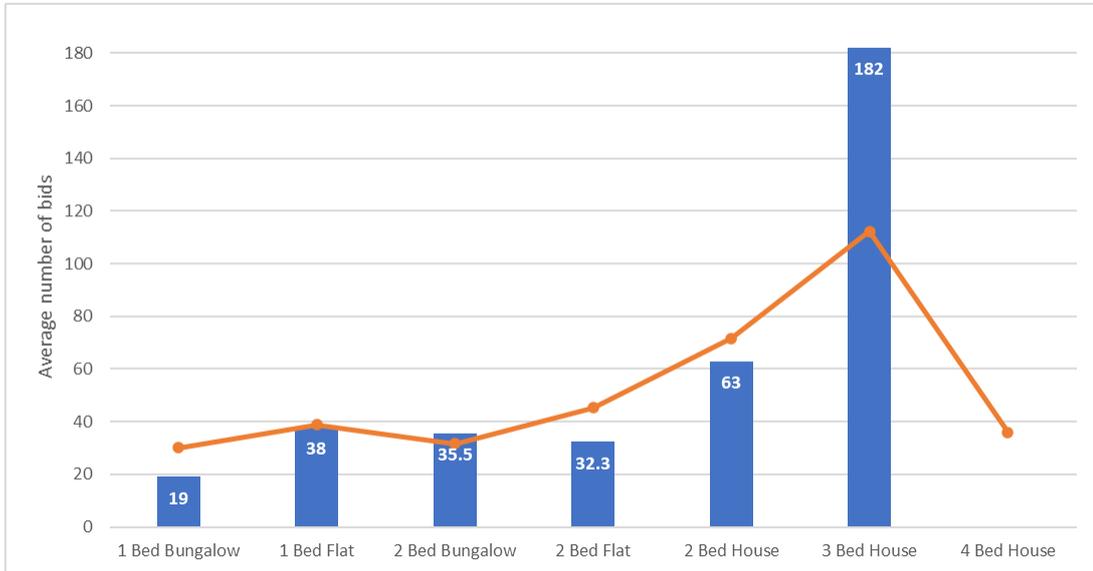
- 2.7 The site has large trees along the perimeter, and pre-planning advice has recommended the retention of many of the more established and healthy trees, although the numbers and location will be informed by the arboriculture (tree) survey. This could result in the reduction of both the developable land and the number of properties to be delivered.

Local housing need and demand – Thornhill (Tenter Street Site)

- 2.8 Thornhill is situated within the Rotherham West Ward which also includes the localities of Kimberworth, Masbrough and Ferham. It is a well-established neighbourhood comprising over 150 existing Council homes in total.
- 2.9 The local social housing mix in Thornhill comprises 43 two-bedroom apartments, 31 two-bedroom bungalows, and 26 one-bedroom apartments. There are equal numbers of two- and three-bedroom houses (totalling 30), with the remaining homes a small number of one-bedroom bungalows and

small numbers of two-, three-bedroom maisonettes and 1 four-bedroom maisonette.

- 2.10 Demand data is not directly available for Thornhill. Within the wider locality, there is an identified demand for three-bedroom houses, which is higher than the Borough average, with demand for two-bedroom bungalows just slightly higher than Borough average.



Graph 2: Average bids for Council Properties in the broader area in 2023 (blue bars) compared to the Rotherham average bids for 2023 for these property types (orange line).

- 2.11 Demand for three-bedroom houses and two-bedroom bungalows is high, with the turnover of these property types higher than the Borough average. There are no four-bedroom houses in the area, so demand data does not exist.

Council housing delivery proposals

- 2.12 Housing intelligence and needs data identifies that there is a housing need for multiple property types in the areas and any new homes are expected to be in high demand.
- 2.13 In view of the evidenced need and early input from key stakeholders, proposals for Grayson Road are likely to focus on family houses (two- and three- bedroom houses) whilst the Tenter Street site is also likely to deliver family houses (two- and three-bedroom houses), alongside a smaller number of bungalows or apartments.
- 2.14 Where apartments are included in the final designs, these will be low-rise and will have their own direct access via a front door. There will be no internal communal areas and they will be constructed to meet Secure by Design standards.

- 2.15 In view of the Council's net zero-carbon ambitions, all Council homes will be constructed to the Government's Future Homes Standard, which means:
- No fossil fuel heating (no gas, all electric).
 - Future-proofed with low carbon heating and high levels of thermal efficiency.
 - No further energy efficiency retrofit work will be necessary to enable them to become zero-carbon as the electricity grid continues to decarbonise.
- 2.16 Original forecasts from the Council's Local Plan indicated capacity for up to 31 homes across the three sites (Grayson Road – 18, Tenter Street – 13). The current estimate of 31 homes therefore matches the overall Local Plan capacity projection but the completion of initial site appraisals, taking into consideration expected site constraints and planning requirements, indicates that the split is likely to differ.

Biodiversity Net Gain

- 2.17 From January 2024, new Biodiversity Net Gain (BNG) requirements will apply to most development sites. Smaller sites, which deliver no more than 9 homes, or which are smaller than 0.5 hectares, will be subject to the BNG requirement from April 2024.
- 2.18 The BNG requirement will be enforced through the planning system and will necessitate a 10% gain from the development. This can be delivered on-site, off-site, or through the purchase of biodiversity credits.
- 2.19 On-site delivery is preferred, although this will affect scheme design and may reduce the number of homes which can be delivered, resulting in a likely impact on scheme viability. Off-site delivery and the purchase of credits (considered to be the least cost-effective method of meeting BNG requirements) will alternatively incur more development costs, similarly affecting scheme viability. The BNG requirement will be addressed through the detailed design phase.

3. Options considered and recommended proposal

3.1 Option 1: Development of the Grayson Road and Tenter Street sites for an estimated 31 new homes

This will meet identified needs for Council homes and make a significant contribution toward the Council's ambition to deliver hundreds of new homes by March 2026.

This option is recommended.

3.2 Option 2: Do not develop the sites for new Council homes

The sites were formally brought into the Programme in January 2024 to help contribute towards the Council's strategic aspiration to deliver hundreds of new homes by March 2026. Whilst the sites could be sold to generate a

capital receipt, this would prevent a sizeable number of new council homes from being delivered.

This option is not recommended.

4. Consultation on the proposals

- 4.1 Ward members have been engaged on early proposals for the sites and further engagement will take place as the design process progresses.
- 4.2 Informal community engagement will take place prior to planning applications being submitted. This is expected to comprise both online engagement questionnaires and community drop-in events.
- 4.3 Residents and statutory consultees will also be formally consulted as part of the planning application process.
- 4.4 Key internal stakeholders will be engaged throughout the design process.

5. Timetable and Accountability for Implementing this Decision

- 5.1 The Assistant Director of Housing will have responsibility for implementing the project. The Assistant Director, Legal Services will have responsibility for the negotiating, approving, and completing of all applicable legal documentation necessary to deliver the scheme, including contracts.
- 5.2 Procurement activity is progressing in parallel with this report. This will enable timely delivery should the proposals in this report be approved. However, there will be no specific contracts or legal binding activity ahead of any Cabinet decision. Subject to Cabinet approval, the aim is to secure planning permission for all sites during Winter 2024.
- 5.3 The latest forecasts are for construction activity to start on site by Spring 2025, with completion targeted for most of the new homes by Spring 2026.

6. Financial and Procurement Advice and Implications

- 6.1 Current assumptions in the HRA Business Plan indicate that the average cost per unit is £251k. Based on this, the total cost for 31 units is anticipated to be in the region of £7.520m. Final costs will be dependent upon scheme design which could be impacted by planning requirements.
- 6.2 The final costs will be presented in a business case and assessed for affordability within the context of the assumptions in the HRA Business Plan. Specific scheme resources will be approved via the Council's capital governance processes.
- 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 (noting that Affordable Rent is higher 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 developments.

- 6.4 Whilst the primary source of funding for the scheme will be HRA resources, additional sources of subsidy will be pursued to improve the overall viability and affordability of the scheme. This may include Right to Buy (RtB) 'one-for-one' receipts (an internal form of subsidy), and/or external grant funding through Homes England or the South Yorkshire Mayoral Combined Authority. Other sources of external funding may be considered where suitable opportunities arise. The precise combination of financial resources utilised will be based on the most appropriate funding source(s) available at the time. All grant funding applications will be subject to the Council's grant funding authorisation process.
- 6.5 The areas of General Fund land identified in Appendix 2 will be appropriated to the HRA. This will result in an increase in the HRA capital financing requirement (CFR) value and a corresponding decrease to the general fund CFR of the same amount. This will increase the annual HRA revenue charge for capital.
- 6.6 All procurement activity required to deliver the recommendations set out in this report will be undertaken in compliance with the Public Contracts Regulations 2015 (as amended) or the Procurement Act 2023 (whichever is the applicable legislation at the time) 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 timely and flexible decisions to be made in respect of potential housing delivery.
- 7.2 The internal appropriation of the two sites from General Fund to the HRA must comply with the provisions of Section 122 of the Local Government Act 1972. This Act requires that the Local Authority must be satisfied that the land is no longer required for the purpose for which it was held immediately before the appropriation.
- 7.3 Legal Services recommends that appropriation for planning purposes be considered as this may minimise site constraints and either reduce costs or maximise the number of housing units capable of development. Early investigation of this type of appropriation would ensure that all necessary steps are taken and evidenced to maximise the likelihood of success.

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 new homes will further opportunities for both children and vulnerable adults to be housed in good quality, safe, and thermally efficient homes.

10. Equalities and Human Rights Advice and Implications

- 10.1 Through its wider 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 delivered.
- 10.2 The Council's Housing 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 aims to be net carbon neutral as an organisation by 2030, and for Rotherham as a whole to achieve this same position by 2040.
- 11.2 The Council can ensure that new Council homes are high quality and energy efficient, which will contribute to reducing domestic carbon emissions in the longer-term.
- 11.3 New council homes will ultimately increase emissions. Whilst mitigations are in place, with an explicit aim to exceed Building Regulations Part L (conservation of fuel and power) 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 effectively carbon neutral once the electricity grid 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 Once built, the new homes will be added into the Council's Repairs & Maintenance contract.

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 unsuitable (for example due to severe contamination or poor ground conditions), or need to be restricted in terms of the type and numbers of new housing which can ultimately be achieved.	Scheme procurement is likely to take place via a two-stage 'design and build' process which will allow sites to be appraised and 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 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.	Ongoing dialogue between services regarding forward planning and resource requirements, and continued HRA contributions to staffing costs in key supporting services.
Community opposition.	Early and regular consultation with Ward Members, communication strategy developed and implemented to provide information on the proposals 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.
Higher development costs resulting from the introduction of Biodiversity Net Gain (BNG) requirements through the planning system.	The design process will consider opportunities to deliver against the new BNG requirement on-site. Where this isn't feasible, cost implications associated with meeting BNG requirements will be factored into grant funding bids.

14. Accountable Officers

James Clark, Assistant Director of Housing

Approvals obtained on behalf of Statutory Officers: -

	Named Officer	Date
Chief Executive	Sharon Kemp	04/03/2024
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	23/02/2024
Assistant Director, Legal Services (Monitoring Officer)	Phil Horsfield	23/02/2024

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